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As filed with the Securities and Exchange Commission on June 19, 2015

Registration No. 333-

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

FORM S-1
REGISTRATION STATEMENT
Under
The Securities Act of 1933

Conkwest, Inc.
(Exact name of Registrant as specified in its charter)

Delaware	2836	43-1979754
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

2533 South Coast Highway 101, Suite 210
Cardiff-by-the-Sea, California 92007
(858) 633-0300
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Patrick Soon-Shiong, M.D., FRCS (C), FACS
Chairman and Chief Executive Officer
Conkwest, Inc.
2533 South Coast Highway 101, Suite 210
Cardiff-by-the-Sea, California 92007
(858) 633-0300
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Martin J. Waters Daniel R. Koeppen Wilson Sonsini Goodrich & Rosati, P.C. 12235 El Camino Real, Suite 200 San Diego, California 92130 (858) 350-2300	Barry J. Simon, M.D. President and Chief Operating Officer Conkwest, Inc. 2533 South Coast Highway 101, Suite 210 Cardiff-by-the-Sea, California 92007 (858) 633-0300	Sean M. Clayton Charles S. Kim Kristin E. VanderPas Cooley LLP 1333 2nd Street, Suite 400 Santa Monica, California 90401 (310) 883-6400

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

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

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, 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. (Check one):

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee(3)
Common Stock, par value $0.0001 per share	$172,500,000	$20,045

(1) Includes any additional shares that the underwriters have the option to purchase.
(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.
(3) Calculated pursuant to Rule 457(o) under the Securities Act of 1933, as amended, based on an estimate of the proposed maximum aggregate offering price.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment 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 Securities and Exchange 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. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED , 2015

PRELIMINARY PROSPECTUS

Shares

Common Stock

This is an initial public offering of shares of common stock by Conkwest, Inc. The initial public offering price is expected to be between $ and $ per share. Prior to this offering, there has been no public market for our common stock. We are offering shares to be sold in the offering.

We have applied to list our common stock on The NASDAQ Global Select Market under the symbol " ."

Following this offering, our Chairman and Chief Executive Officer, and entities affiliated with him, will control more than a majority of the voting power of our common stock. As a result of their ownership, they will be able to control any action requiring the general approval of our stockholders, including the election of our board of directors, the adoption of amendments to our certificate of incorporation and bylaws and the approval of any merger or sale of substantially all of our assets. We will be a "controlled company" within the meaning of the NASDAQ corporate governance rules. See "Management —Controlled Company."

We are an "emerging growth company" as defined under the federal securities laws and, as such, have elected to comply with certain reduced public company reporting requirements.

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

(1) See "Underwriting" for a description of the compensation payable to the underwriters.

We have granted the underwriters an option for a period of 30 days to purchase up to an additional shares from us at the initial public offering price, less the underwriting discounts and commissions.

Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page 15 to read about factors you should consider before buying shares of our common stock.

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

The underwriters expect to deliver the shares of common stock to purchasers on or about , 2015.

Joint Book-Running Managers

BofA Merrill Lynch **Citigroup** **Jefferies** **Piper Jaffray**

Co-Manager

MLV & Co.

, 2015

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Neither we nor the underwriters have authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

Through and including , 2015 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

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

PROSPECTUS SUMMARY

The following summary highlights selected information contained elsewhere in this prospectus and is qualified in its entirety by the more detailed information and financial statements included elsewhere in this prospectus. It does not contain all the information that may be important to you and your investment decision. You should carefully read this entire prospectus, including the matters set forth under "Risk Factors," "Management's Discussion and Analysis of Financial of Financial Conditions and Results of Operations," and our financial statements and related notes included elsewhere in this prospectus. In this prospectus, unless context requires otherwise, references to "we," "us," "our," "Conkwest," or "the Company" refer to Conkwest, Inc.

Overview

We are a pioneering clinical-stage immunotherapy company focused on harnessing the power of the innate immune system by using the natural killer cell to treat cancer, infectious diseases and inflammatory diseases. Natural killer, or NK, cells are the body's first line of defense due to their innate ability to rapidly seek and destroy abnormal cells, such as cancer or virally-infected cells, without prior exposure or activation by other support molecules required to activate adaptive immune cells such as T-cells.

We believe that our proprietary NK cell line, coupled with our planned integrated discovery ecosystem, uniquely positions us to implement precision cancer medicine and potentially change the current paradigm of cancer care by leveraging the advances that have evolved during the past decade and addressing newly discovered challenges of cancer. We believe that many recent advances in cancer treatments have not adequately addressed the heterogeneity of tumor cells, the large mutation load per tumor cell identified by advanced genomics sequencing technologies, and the resistance of the cancer stem cell to chemotherapy. Cancer is only recently understood to be a complex of rare diseases, with hundreds of patient-specific, cancer-promoting mutated proteins, some known and many more unknown. Identifying and targeting these mutated proteins is our strategy to overcome the challenges of cancer in the era of genomics, transcriptomics and immuno-oncology. We believe neoepitopes, which are newly discovered antigens selectively expressed on the cancer cells and not on the essential normal tissue, represent large untapped targeting opportunities for immune effector cells such as our activated NK cells.

Multiple Modes of Tumor Cell Killing. Our immuno-oncology NK platform has multiple modes to potentially induce cell death against the tumor or infected cell by: (1) direct killing by binding to stress ligands expressed by the diseased cell with the release of toxic granules directly into the tumor cell, (2) antibody mediated killing by binding to antibodies administered in combination and enhancing the cancer killing effect of the administered antibody, enabling targeted cell killing through antibody dependent cellular cytotoxicity, or ADCC, and (3) target activated killing by binding to known or newly discovered tumor-specific antigens expressed on the surface of tumor cells and inducing cell death by the release of toxic granules directly into the tumor cell, by the release of cytokines and chemokines which recruit additional innate and adaptive immune responses and by the recruitment of cytotoxic T-cells.

By implementing an integrated discovery ecosystem and targeting these multiple modes of NK killing of abnormal cells, we believe we are uniquely positioned to potentially address a broad range of known and unknown cancer-promoting mutated proteins and to transform clinical cancer care. Our targeted therapeutic areas include: (1) cancer, focusing on bulky hematological cancers and solid tumors as well as cancer stem cells, (2) infectious diseases, including viral, fungal and bacterial infections, and (3) inflammatory diseases, ranging from rare inherited diseases to more prevalent autoimmune disorders.

Our Integrated Discovery Ecosystem for Precision Medicine. In order to effectively target newly discovered neoepitopes, we plan to integrate the following ecosystem to help drive the development of genetically modified

NK cells anticipated to be directed against these cancer-promoting mutated proteins: (1) a high-speed supercomputing infrastructure to help identify both known antigens on the surface of tumor cells and neoepitopes in clinical patients suffering from cancer, in a timely manner and at large scale; (2) a next-generation genomic and transcriptomic sequencing infrastructure to identify the expression of the neoepitopes on the surface of the tumor cell; (3) a diverse library of human antibodies from which to interrogate and extract an antibody matching the neoepitope; and (4) an NK cell potentially capable of being produced as a scalable, cell-based "off-the-shelf" therapy without the need for patient compatibility matching.

We have assembled a team of proven, experienced and visionary leaders in biotechnology. Our team is led by Patrick Soon-Shiong, M.D., FRCS (C), FACS, our Chairman and Chief Executive Officer, who was first introduced to us in 2006 when our technology was at a very early stage of development and who joined us as our Chief Medical Officer in January 2015 and became our Chief Executive Officer in March 2015. Dr. Soon-Shiong, a renowned surgeon and scientist, has pioneered novel therapies for both diabetes and cancer, published over 100 scientific papers in the United States, and issued over 95 patents on groundbreaking advancements spanning myriad fields. He performed the first encapsulated islet stem cell transplant in a diabetic patient in the United States. He invented, developed and launched the first nanoparticle delivery system of human albumin, Abraxane, now approved for metastatic breast, lung and pancreatic cancer and is expected to achieve sales of greater than $1.0 billion in 2015. Dr. Soon-Shiong was founder, Chairman and CEO of American Pharmaceutical Partners (sold to Fresenius SE for $5.7 billion in 2008), Abraxis BioScience (sold to Celgene Corporation for $3.7 billion in 2010) and NantWorks, an ecosystem of companies to create a transformative global health information and next generation pharmaceutical development network. During his time with Conkwest, Dr. Soon-Shiong has been instrumental in developing our strategic plan, including the development of our planned integrated discovery ecosystem. We also believe that Dr. Soon-Shiong's experience and expertise will be valuable to us through all of the phases of commercializing our product candidates. Barry Simon, M.D., our President and Chief Operating Officer, who was our Chief Executive Officer from 2007 until March 2015, brings decades of drug development and executive leadership experience from Hoffmann-La Roche, Connetics Corp. and Immunomedics.

Our vision is to be the premier immunotherapy company harnessing the power of the innate immune system and the NK cell to pioneer precision medicine in the treatment of cancer, infectious diseases and inflammatory diseases. Our mission is to leverage an integrated and extensive genomics and transcriptomics discovery engine to identify antibodies targeted to newly discovered neoepitopes and to mobilize the human immune system of cancer patients to kill tumor cells and facilitate long-term remission. We expect to regularly add newly discovered neoepitopes from our discovery engine, and we believe the thousands of newly discovered antigens selectively expressed on the cancer cells and not on the essential normal tissue, will provide us with the ability to continue to create new and targeted libraries of antibodies to potentially be delivered as living drugs for metastatic cancer cells and cancer stem cells.

Our Platforms

Direct Killing: aNK Platform. We have developed a unique NK cell which we believe is capable of being produced as a cell-based "off-the-shelf" therapy, with killing potential for cancer and virally-infected cells. Unlike normal NK cells, our NK cells do not express inhibitory receptors, which diseased cells often utilize to turn off the killing function of NK cells. We have developed a unique activated NK, or aNK cell which lacks these inhibitory receptors but retains activation receptors that enable selective targeting and killing of diseased cells. The killing mechanism of our aNK cells is increased compared to normal NK cells by virtue of delivering a larger payload of compounds responsible for the direct killing of diseased cells. We believe our aNK cells can be grown at commercial scale as an on demand, living drug using our proprietary manufacturing and distribution processes.

Safety studies of aNK cells have been conducted in multiple Phase I clinical trials for a variety of bulky hematological cancers and solid tumors enrolling over 40 patients to date, with encouraging evidence of activity and durable remissions. Based on these clinical trials, we plan to develop the therapeutic applications of this aNK platform through molecular engineering of our aNK cells designed to leverage the multiple modes of killing available to aNKs, including antibody-mediated killing, our haNK platform, and antigen targeted killing, our taNK platform, described below.

Antibody-Mediated Killing: haNK Platform. We have genetically modified our aNK cells to incorporate high-affinity CD16 receptors, which bind to antibodies. These high-affinity NK, or haNK, cells are designed to directly bind to externally administered monoclonal antibodies, or mAbs, such as Herceptin, Erbitux and Rituxan and may be able to enhance the cancer killing effect of the externally administered mAbs, enabling targeted cell killing through ADCC. mAbs are prevalently used to treat cancer and generate over $50.0 billion in reported annual sales. We believe, based on currently available information, that only approximately 10% to 20% of the addressable patient population for mAb therapies carry high-affinity CD16 receptors. This implies that our haNK product candidates may have significant market potential as combination therapies to potentially address a large number of patients who have poor responses to mAbs.

Target Activated Killing: taNK Platform. We have genetically modified our aNKs to incorporate chimeric antigen receptors, or CARs, to target specific antigens on the surface of abnormal cells. These target activated Natural Killer, or taNK, cells are designed to directly bind to tumor-specific antigens in multiple bulky hematological cancers and solid tumors and induce cell death by the release of toxic granules directly into the tumor cell, by the release of cytokines and chemokines which recruit additional innate and adaptive immune responses and by the recruitment of cytotoxic T-cells. These tumor-specific antigens can be divided into the following four classes, which can be targeted by our taNK platform: (1) checkpoint inhibitors expressed on the surface of tumor cells such as PDL1; (2) well-established tumor surface antigens such as HER-2, CD33 and ROR1; (3) newly discovered neoepitopes; and (4) novel surface receptors associated with cancer stem cells.

Potential Advantages of Our aNK Platform over T-Cell and Other Immunotherapies

The immune system has two components: innate immune cells, such as NK cells, which are always switched on to attack diseased cells, and adaptive immune cells, such as T-cells, which are mobilized to mount a delayed response. Our proprietary aNK platform is specifically designed to potentially address many of the limitations associated with current adaptive autologous cellular immunotherapies, including the benefits highlighted below. We believe key limitations of adaptive autologous immunotherapy include the need to retrieve non-compromised immune cells from a cancer patient and the requirement for a complex and costly manufacturing process to develop the therapy. As a consequence of this need to harvest active T-cells, current Phase I clinical trials for autologous CAR-T cell therapies in large part enroll patients from highly selected, advanced stage disease in hematological cancers. In contrast, our allogeneic, “off-the-shelf” NK cells do not rely on the patient’s own immune system, which is often compromised, to achieve their therapeutic effect.

Some of the key potential advantages of our aNK platform are highlighted below.

- *Innate immune response.* aNK cells are always activated and can naturally detect and rapidly destroy a wide variety of diseased cells without prior exposure to pathogens, antigens or activation by stimulatory molecules. In contrast, the adaptive immune system requires co-stimulation for activation, resulting in delayed killing.
- *Promotion of adaptive immune response.* aNK cells stimulate the adaptive component of the immune system by producing chemokines and other molecules that activate and recruit adaptive immune cells, including T-cells, to attack the diseased cells.

- *Capability of activating both innate and adaptive immune system with a single agent.* By combining a PDL1 antibody as a CAR in our NK cells, our PDL1.taNK product candidate, we believe that we have the ability to both activate T-cells and induce direct killing by NK cells simultaneously with the administration of a single therapy.
- *Wide therapeutic potential across multiple tumor types and even late-stage disease.* In preclinical studies and Phase I safety clinical trials to date, aNK cells have demonstrated activity in a spectrum of cancers, including bulky hematological cancers and solid tumors, even in late-stage cancer patients who have failed multiple rounds of chemotherapy, radiation and stem cell transplantation.
- *Ability to attack cancer stem cells.* aNK cells have been shown in preclinical studies to attack cancer stem cells, which are resistant to conventional chemotherapy.
- *Application in diseases beyond cancer.* We believe aNK cells have the potential to treat diseases beyond cancer such as infectious diseases and inflammation because of the inherent ability of NK cells to kill virally infected and abnormal cells. Preclinical studies in Ebola virus demonstrate this capability.
- *Well tolerated.* aNK cells are hypo-immunogenic and have shown no dose limiting toxicities in over 40 patients who have received therapy to date, even when some patients received as many as 18 infusions of aNK cells over six cycles. In contrast, Phase I clinical trials of CAR-T cell therapy report severe adverse toxicities of cytokine release syndrome and neurotoxicity in a number of patients.
- *Ease of administration.* aNK cells may be administrable in outpatient facilities, offering physicians the flexibility to titrate and re-dose therapy based on patient tolerability and need. In contrast, CAR-T cell therapy is a complex and costly procedure, at times requiring hospitalization, pre-conditioning and intensive care unit admission following severe adverse toxicities associated with cytokine release syndrome.
- *Virtually universal patient compatibility.* aNK cells do not require patient-donor matching or a minimum level of patient immuno-competence.
- *Low-cost, efficient and scalable manufacturing.* aNK cells can be cryopreserved, stockpiled and readily accessed on demand from what we believe is the world's only current good manufacturing practices, or cGMP, compliant NK cell bank, a proprietary asset of our company.

Our Product Candidate Pipeline

We plan to use the data from the Phase I clinical trials of aNK cells conducted to date to serve as the foundation of the development strategy for our three distinct modes of tumor cell killing, each with its own attributes, targeted therapeutic areas and pipeline.

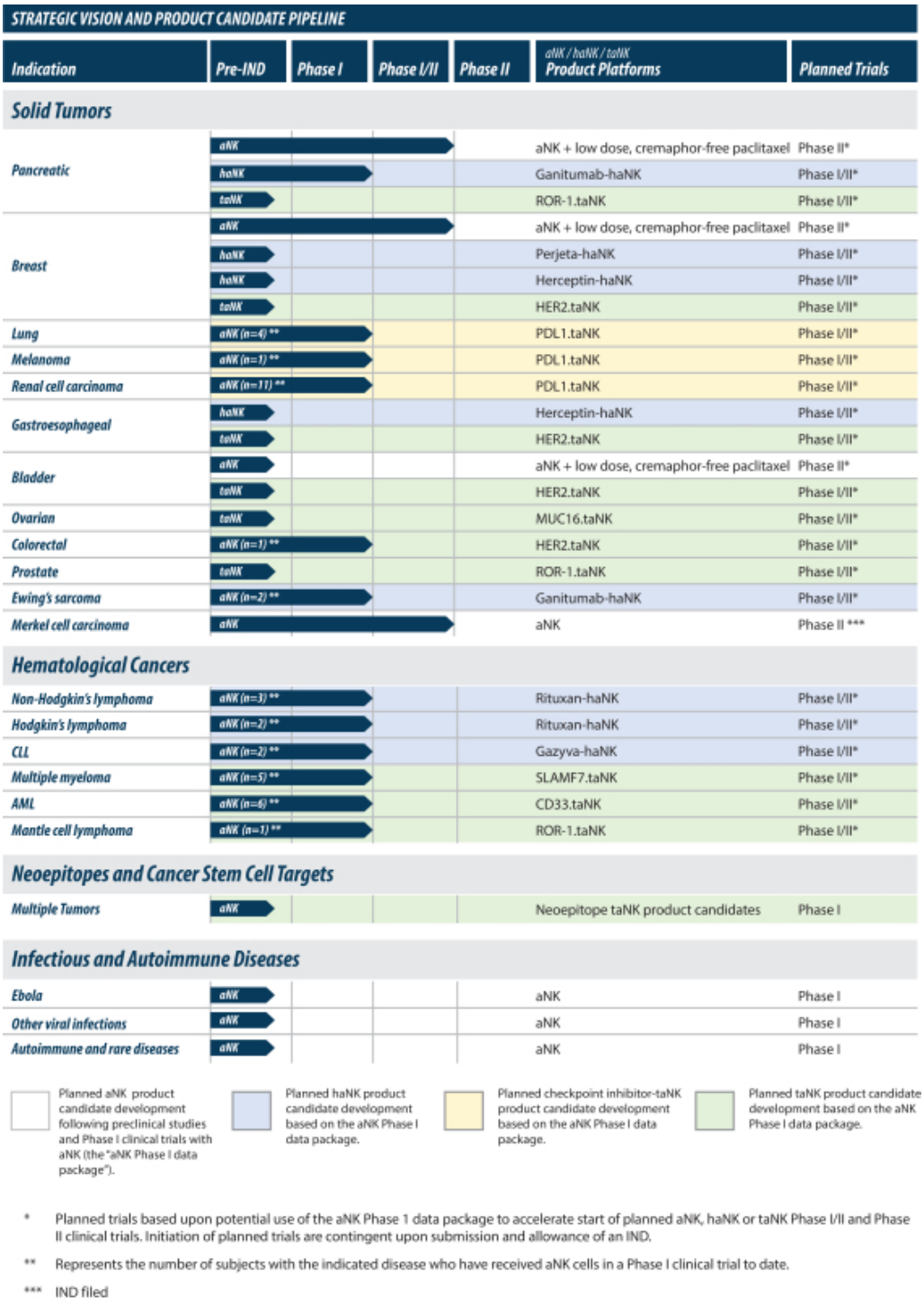
Direct Killing. Our aNK cells have activation receptors that naturally bind to stress-induced proteins. They possess a unique property of resistance to viral counterattack. We are developing our aNK product candidates as monotherapies for the treatment of virally-induced cancers such as polyomavirus induced Merkel cell carcinoma, human Papillomavirus, or HPV, induced cervical cancer and head and neck cancer as well as infectious diseases such as Ebola and other viral, fungal and bacterial infections. We are currently initiating a Phase II clinical trial for our aNK product candidate for Merkel cell carcinoma. Additionally, we intend to pursue combination therapies with low-dose cytotoxic agents and radiation therapy that may augment the ability of our aNK cells to attack cancer cells through these multiple combined points of attack.

Antibody-Mediated Killing. Our haNK cells are genetically engineered to express high-affinity CD16 receptors, designed to enhance the therapeutic efficacy of antibodies through ADCC. We intend to develop our haNK product candidates as combination therapies with widely-used FDA-approved mAbs such as Herceptin, Erbitux and Rituxan. We plan to initiate a Phase I/II clinical trial for our product candidate Herceptin-haNK in

2016. We believe that our haNK product candidates may allow us to potentially address larger markets and earlier lines of treatment. Some biopharmaceutical companies have used our haNK cells as a lot release quality control test for their therapeutic antibodies. If these companies develop and launch these antibodies, we intend to leverage the development performed by these biopharmaceutical companies who have licensed our haNK cells for non-therapeutic use by initiating studies of our haNK product candidates in combination with these antibodies, with the goal of the combination potentially enhancing the activity of these antibodies in patients with low affinity CD16 receptors. We believe this enhanced efficacy provides a rationale for studying haNK cell combinations with these new antibodies, whether during the development phase or after commercial launch by the biopharmaceutical company. We plan to accelerate clinical development of our aNK and haNK product candidates by entering into Phase II and Phase II/III clinical trials with our product candidates in combination with marketed drugs.

Target Activated Killing. Our taNK cells are genetically engineered to directly bind to tumor surface antigens by incorporating CARs to target specific antigens on the surface of abnormal cells. We believe our taNK product candidates may be able to treat patients with bulky hematological cancers and solid tumors, areas in which CAR-T cell therapies have been challenged. We plan to initiate Phase I/II clinical trials for our CD33.taNK product candidate for acute myeloid leukemia, or AML, and our PDL1.taNK product candidate for bulky hematological cancers and solid tumors, in 2016.

We are planning to advance a broad pipeline of aNK, haNK and taNK product candidates with the goal of addressing a wide spectrum of diseases ranging from orphan diseases to more prevalent indications. The following chart highlights some of our near-term opportunities.


STRATEGIC VISION AND PRODUCT CANDIDATE PIPELINE
Indication
Pre-IND
Phase I
Phase I/II
Phase II
aNK / haNK / taNK Product Platforms
Planned Trials
Solid Tumors
Pancreatic
aNK
aNK + low dose, cremaphor-free paclitaxel
Phase II*
haNK
Ganitumab-haNK
Phase I/II*
taNK
ROR-1.taNK
Phase I/II*
Breast
aNK
aNK + low dose, cremaphor-free paclitaxel
Phase II*
haNK
Perjeta-haNK
Phase I/II*
haNK
Herceptin-haNK
Phase I/II*
taNK
HER2.taNK
Phase I/II*
Lung
aNK (n=4) **
PDL1.taNK
Phase I/II*
Melanoma
aNK (n=1) **
PDL1.taNK
Phase I/II*
Renal cell carcinoma
aNK (n=11) **
PDL1.taNK
Phase I/II*
Gastroesophageal
haNK
Herceptin-haNK
Phase I/II*
taNK
HER2.taNK
Phase I/II*
Bladder
aNK
aNK + low dose, cremaphor-free paclitaxel
Phase II*
taNK
HER2.taNK
Phase I/II*
Ovarian
taNK
MUC16.taNK
Phase I/II*
Colorectal
aNK (n=1) **
HER2.taNK
Phase I/II*
Prostate
taNK
ROR-1.taNK
Phase I/II*
Ewing's sarcoma
aNK (n=2) **
Ganitumab-haNK
Phase I/II*
Merkel cell carcinoma
aNK
aNK
Phase II ***
Hematological Cancers
Non-Hodgkin's lymphoma
aNK (n=3) **
Rituxan-haNK
Phase I/II*
Hodgkin's lymphoma
aNK (n=2) **
Rituxan-haNK
Phase I/II*
CLL
aNK (n=2) **
Gazyva-haNK
Phase I/II*
Multiple myeloma
aNK (n=5) **
SLAMF7.taNK
Phase I/II*
AML
aNK (n=6) **
CD33.taNK
Phase I/II*
Mantle cell lymphoma
aNK (n=1) **
ROR-1.taNK
Phase I/II*
Neoepitopes and Cancer Stem Cell Targets
Multiple Tumors
aNK
Neoepitope taNK product candidates
Phase I
Infectious and Autoimmune Diseases
Ebola
aNK
aNK
Phase I
Other viral infections
aNK
aNK
Phase I
Autoimmune and rare diseases
aNK
aNK
Phase I
Planned aNK product candidate development following preclinical studies and Phase I clinical trials with aNK (the "aNK Phase I data package").
Planned haNK product candidate development based on the aNK Phase I data package.
Planned checkpoint inhibitor-taNK product candidate development based on the aNK Phase I data package.
Planned taNK product candidate development based on the aNK Phase I data package.
* Planned trials based upon potential use of the aNK Phase 1 data package to accelerate start of planned aNK, haNK or taNK Phase I/II and Phase II clinical trials. Initiation of planned trials are contingent upon submission and allowance of an IND.
** Represents the number of subjects with the indicated disease who have received aNK cells in a Phase I clinical trial to date.
*** IND filed

Accelerated Clinical Development Plan

We plan to advance our aNK and haNK programs by entering into Phase II and Phase II/III clinical trials with our product candidates in combination with commercially marketed drugs and select product candidates in late-stage development, both mAbs and chemotherapy agents.

mAb combinations. We plan to pursue opportunities for our aNK and haNK programs with pharmaceutical companies for commercially approved mAbs and select late-stage mAbs in development. Over 40 biopharmaceutical companies have licensed our haNK cells for non-therapeutic use in order to select and validate their monoclonal antibodies for development. Certain biopharmaceutical companies have also used our haNK cells as a lot release quality control test for their therapeutic mAbs. Our accelerated strategy is to leverage the development performed by these biopharmaceutical companies by initiating investigator-initiated and company-sponsored Phase II and Phase II/III clinical trials of our haNK product candidates in combination with commercially approved mAbs and select late-stage mAbs in development, with the combination potentially enhancing the activity of these antibodies in patients with low affinity CD16 receptors.

Chemotherapy combinations. A large number of monoclonal antibodies and chemotherapy drugs are being marketed for multiple indications. Published data shows that chemotherapy agents such as 5FU, cyclophosphamide and paclitaxel, when administered in low doses, generally enhance the immune system. We plan to accelerate clinical development of our aNK product candidates by entering into investigator-initiated and company-sponsored Phase II and Phase II/III trials of these product candidates administered in combination with approved chemotherapy agents. The table below describes our accelerated clinical development plan for aNK and haNK product candidates in combination with commercially marketed drugs and select late-stage product candidates in development.

Strategic Vision for Combination Therapy Product Candidate Pipeline

Product Candidate	Indication	Combination Regimen	Planned Trials
aNK Combination	Pancreas	Low dose cremaphor-free paclitaxel cytotoxic combination*	Phase II/III**
	Ovarian	Intraperitoneal and systemic cytotoxic combination*	Phase II/III**
	Bladder	Intravesicular and systemic low dose cytotoxic combination*	Phase II/III**
	Gastric	Low dose cytotoxic combination*	Phase II/III**
haNK Combination	Ewing's sarcoma	Ganitumab combination	Phase II/III**

* Commercially available standard of care products.

** Planned Phase II/III clinical trial based upon potential use of (1) preclinical study and Phase I clinical trial data with aNK and (2) the fact that these are planned combination trials with commercially approved products, or in the case of haNK combination, a Phase III product candidate. Initiation of planned trials are contingent upon submission and allowance of an IND.

Our Strategy

Our goal is to become the leader in the field of immunotherapy by changing the paradigm of care to precision medicine through harnessing the power of the innate immune system, the natural killer cell, to treat cancer, infectious diseases and inflammatory diseases. The key elements of our strategy include:

- ***Utilize the multiple modes of killing by innate immune therapy.*** We plan to pursue a comprehensive clinical development plan designed to maximize the commercial potential and clinical knowledge of aNK cells and the role of innate and adaptive immunotherapy as the backbone in the treatment of cancer, as monotherapy and in combination with chemotherapy, radiation and surgical therapies. We

intend to pursue accelerated regulatory approval pathways and attempt to obtain orphan drug status and breakthrough therapy designation, where appropriate, as well as pursue large market opportunities in many solid tumors.

- ***Leverage our integrated discovery engine to discover neoepitopes.*** Through our strategic collaborations with affiliates of NantWorks and with Sorrento, we plan to identify both known antigens on the surface of tumor cells and neoepitopes in clinical patients, identify the expression of the neoepitopes on the surface of the tumor cell and interrogate a large diverse library of human antibodies and extract an antibody matching the neoepitope. Through this cohesive and expansive discovery engine, we plan to identify antibodies to target newly discovered neoepitopes, thereby driving the development of our product candidate pipeline and establishing just in time precision medicine.
- ***Pursue opportunities with pharmaceutical companies for commercially approved mAbs and select late-stage mAbs in development.*** Over 40 biopharmaceutical companies have licensed our haNK cells for non-therapeutic use, including as a lot release quality control test for therapeutic antibodies, for them to select and validate their mAbs for development. As we pursue these opportunities, we plan to leverage the development performed by these biopharmaceutical companies by initiating studies of our haNK product candidates in combination with these antibodies, with the combination potentially enhancing the activity of these antibodies in patients with low affinity CD16 receptors.
- ***Accelerate clinical development of aNK and haNK by entering into Phase II and Phase II/III clinical trials with our product candidates in combination with marketed drugs and select late-stage product candidates.*** Published data show that therapeutic mAbs generally have enhanced activity in patients with high-affinity NK cells and that chemotherapy agents such as 5FU, cyclophosphamide and paclitaxel, when administered in low doses, generally enhance the immune system. We plan to accelerate clinical development of our haNK product candidates by entering into investigator-initiated and company-sponsored Phase II and Phase II/III clinical trials of our aNK product candidates administered in combination with commercially approved mAbs and select late-stage mAbs in development or our aNKs in combination with approved chemotherapy agents.
- ***Establish low-cost, scalable manufacturing capabilities to support late-stage clinical trials and global commercialization.*** We believe our aNK cells offer a unique advantage of a simplified, on-demand manufacturing process that is relatively easy to scale. We are building a state-of-the-art, cell-based manufacturing facility with the capacity to support large-scale clinical trials and commercialization. We are developing novel manufacturing methods, both in equipment utilizing state-of-the-art optics and proprietary media designed to maximize the attributes of our NK platform.
- ***Extend our NK platform to address diseases beyond cancer.*** We believe our aNK cells have the potential to treat diseases beyond cancer such as infectious and inflammatory diseases because of the inherent role of NK cells to kill virally infected and abnormal cells. Preclinical studies in Ebola virus demonstrate this capability. In addition to Ebola, we plan to investigate and develop our aNK cells for the treatment of HIV, tuberculosis and influenza, among others.

Risks Associated with Our Business

Our business is subject to numerous risks, as more fully described in the section entitled “Risk Factors” immediately following this prospectus summary. You should read these risks before you invest in our common stock. We may be unable, for many reasons, including those that are beyond our control, to implement our business strategy. In particular, risks associated with our business include:

- We are a clinical-stage biopharmaceutical company with a limited operating history and have incurred significant losses since our inception, and we anticipate that we will continue to incur losses for the foreseeable future;

- The foundation of our business is based upon the success of our aNK cells as a technology platform. Our aNK platform and other product candidate families, including genetically modified taNK and haNK product candidates, will require significant additional clinical testing before we can potentially seek regulatory approval and launch commercial sales;
- Utilizing aNK cells represents a novel approach to immunotherapy, including cancer treatment, and we must overcome significant challenges in order to successfully develop, commercialize and manufacture our aNK and other product candidates;
- Even if we successfully develop and commercialize our aNK product candidate for Merkel cell carcinoma, we may not be successful in developing and commercializing our other product candidates and our commercial opportunities may be limited;
- We may not be able to file investigational new drug applications, or INDs, to commence additional clinical trials on the timelines we expect, and even if we are able to, the FDA may not permit us to proceed in a timely manner, or at all;
- We face significant competition in the biopharmaceutical industry, and many of our competitors have substantially greater experience and resources than we have;
- Our business plan involves the creation of a complex integrated ecosystem capable of addressing a wide range of indications. As a result, our future success depends on our ability to prioritize among many different opportunities;
- Our planned ecosystem is to be comprised of multiple novel technologies that have never been tested in combination with our product candidates, and we do not know whether our attempts to use them in combination will be effective;
- Clinical drug development involves a lengthy and expensive process with an uncertain outcome, results of earlier studies and clinical trials may not be predictive of future clinical trial results, we may not be able to rely on the aNK Phase I clinical trial data for our other product candidates, and our clinical trials may fail to adequately demonstrate substantial evidence of safety and efficacy of our product candidates;
- We do not have any therapeutic products that are approved for commercial sale. Our ability to generate revenue from product sales and become profitable depends significantly on our success in a number of factors;
- We will need to obtain substantial additional financing to complete the development and any commercialization of our product candidates; and
- Our Chairman and Chief Executive Officer and entities affiliated with him collectively own and will own after this offering a significant majority of our common stock and will exercise significant influence over matters requiring stockholder approval, regardless of the wishes of other stockholders.

Corporate Information

We were incorporated on October 7, 2002 in the state of Illinois under the name ZelleRx Corporation. On January 22, 2010, we changed our name to Conkwest, Inc. In March 2014, we formed Conkwest, Inc., our wholly owned subsidiary in the state of Delaware, or Conkwest Delaware, for the purposes of changing the state of our incorporation to the state of Delaware. In March 2014, we merged with and into Conkwest Delaware, with Conkwest Delaware surviving the merger. Our principal executive offices are located at The Plastino Building, 2533 South Coast Highway 101, Suite 210, Cardiff-by-the-Sea, California 92007 and our telephone number is (858) 633-0300. Our corporate website address is www.conkwest.com. Information contained on or accessible through our website is not a part of this prospectus, and the inclusion of our website address in this prospectus is an inactive textual reference only.

This prospectus contains references to our trademarks and to trademarks belonging to other entities. Solely for convenience, trademarks and trade names referred to in this prospectus, including logos, artwork and other visual displays, may appear without the ® or ™ symbols, but such 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 rights of the applicable licensor to these trademarks and trade names. We do not intend our use or display of other companies' trade names or trademarks to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

Implications of Being an Emerging Growth Company

As a company with less than $1.0 billion in revenue during our last fiscal year, we qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act, or the JOBS Act, enacted in April 2012. An "emerging growth company" may take advantage of reduced reporting requirements that are otherwise applicable to public companies. These provisions include, but are not limited to:

- being permitted to 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 in this prospectus;
- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended, or Sarbanes-Oxley;
- reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration 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 may use these provisions until the last day of our fiscal year following the fifth anniversary of the closing of this offering. However, if certain events occur prior to the end of such five-year period, including if we become a "large accelerated filer," our annual gross revenue exceeds $1.0 billion or we issue more than $1.0 billion of non-convertible debt in any three-year period, we will cease to be an emerging growth company prior to the end of such five-year period.

We have elected to take advantage of certain of the reduced disclosure obligations in the registration statement of which this prospectus is a part and may elect to take advantage of other reduced reporting requirements in future filings. As a result, the information that we provide to our stockholders may be different than you might receive from other public reporting companies in which you hold equity interests.

In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards, delaying the adoption of these accounting standards until they would apply to private companies. We have irrevocably elected not to avail ourselves of this exemption and, as a result, upon completion of this offering we will adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required for other public companies.

The Offering	
Common stock offered by us	shares
Common stock to be outstanding after this offering	shares
Underwriters' option to purchase additional shares	We have granted the underwriters an option, exercisable for 30 days after the date of this prospectus, to purchase up to an additional shares of common stock from us.
Use of proceeds	We estimate that we will receive net proceeds from this offering of approximately $ million based upon an assumed initial public offering price of $ per share, the mid-point of the estimated price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We expect to use the net proceeds from this offering for the following purposes: (1) approximately $ million to fund expenses in connection with our Phase II clinical trial for our aNK product candidate for Merkel cell carcinoma; (2) approximately $ million to fund expenses in connection with our planned Phase I/II clinical trial for Herceptin-haNK for solid tumors; (3) approximately $ million to fund expenses in connection with our planned Phase I/II clinical trials for CD33.taNK for acute myeloid leukemia and PDL1.taNK for solid tumor hematological cancers; (4) approximately $ million to establish our planned manufacturing facility and processes and the hiring of additional personnel; and (5) the remaining amounts for other research and development activities, working capital and general corporate purposes. See "Use of Proceeds" for additional information.
Risk factors	You should carefully read "Risk Factors" in this prospectus for a discussion of factors that you should consider before deciding to invest in our common stock.
Directed share program	At our request, the underwriters have reserved up to shares of our common stock offered by this prospectus for sale, at the initial public offering price, to our directors and officers and certain employees and other parties related to us. Shares purchased by our directors and officers will be subject to the 180-day lock-up restriction described in the "Underwriting" section of this prospectus. The number of shares of common stock available for sale to the general public will be reduced to the extent these individuals purchase such reserved shares. Any reserved shares that are not so purchased will be offered by the underwriters to the general public on the same basis as the other shares offered by this prospectus.

Controlled company	After this offering, Patrick Soon-Shiong, M.D., our Chairman and Chief Executive Officer, and entities affiliated with him, will control approximately % of the combined voting power of our outstanding common stock. As a result, we will be a "controlled company" under the NASDAQ corporate governance standards. Under these standards, a company of which more than 50% of the voting power is held by an individual, group or another company is a "controlled company" and may elect not to comply with certain corporate governance standards. See "Management—Controlled Company."
Proposed NASDAQ Global Select Market trading symbol	" "

The number of shares of our common stock to be outstanding after this offering is based on 33,089,891 shares of our common stock outstanding as of March 31, 2015 and excludes:

- 12,211,777 shares of common stock issuable upon the exercise of outstanding warrants as of March 31, 2015, with a weighted-average exercise price of $3.65 per share;
- 5,000,270 shares of common stock issuable upon the exercise of outstanding options as of March 31, 2015, with a weighted-average exercise price of $2.65 per share;
- shares of common stock reserved for future issuance under our stock-based compensation plans, consisting of (1) 405,000 shares of common stock reserved for future issuance under our 2014 Equity Incentive Plan, or 2014 Plan, which shares will be added to the shares of common stock to be reserved under our 2015 Equity Incentive Plan, or our 2015 Plan, which will become effective upon completion of this offering and (2) shares of common stock reserved for future issuance under our 2015 Plan, as well as shares of common stock that become available under our 2015 Plan pursuant to provisions thereof that automatically increase the share reserve under the 2015 Plan each year, as more fully described in the section titled "Executive and Director Compensation—Employee Benefit and Stock Plans;" and
- 1,997,675 shares of common stock issued by us in connection with a series of private placements which closed in June 2015.

Unless otherwise noted, the information in this prospectus reflects and assumes the following:

- the recapitalization and reclassification of each outstanding share of our Class A and Class B common stock into one share of common stock, which occurred on June 2, 2015;
- the filing of our amended and restated certificate of incorporation and the adoption of our amended and restated bylaws immediately prior to the completion of this offering;
- no exercise of outstanding options or warrants after March 31, 2015; and
- no exercise of the underwriters' option to purchase additional shares.

Summary Financial Data

We derived the following summary statements of operations data for the years ended December 31, 2013 and 2014 from our audited financial statements appearing elsewhere in this prospectus. We derived the following summary statements of operations data for the three months ended March 31, 2014 and 2015, and the summary balance sheet data as of March 31, 2015, from our unaudited condensed consolidated financial statements and related notes included elsewhere in this prospectus. Our interim unaudited financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America on the same basis as the annual audited financial statements and, in the opinion of management, reflect all adjustments, consisting only of normal recurring adjustments, necessary for the fair statement of our financial position as of March 31, 2015 and our results of our operations for the three months ended March 31, 2014 and 2015. Historical results are not necessarily indicative of the results that may be expected in the future and are not necessarily indicative of results to be expected for the full year or any other period. You should read the following summary financial data together with the financial statements and the related notes included elsewhere in this prospectus, as well as the sections of this prospectus captioned "Selected Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	Year Ended December 31,		Three Months Ended March 31,	
	2013	2014	2014	2015
			(unaudited)	
	(in thousands, except share and per share data)			
Statements of Operations Data:				
Revenue	$ 600	$ 641	$ 286	$ 120
Operating expenses:				
Royalties and cost of licensing	253	323	122	60
Research and development	446	1,595	120	603
Selling, general and administrative	1,982	4,326	939	3,368
Total operating expenses	2,681	6,244	1,181	4,031
Loss from operations	(2,081)	(5,603)	(895)	(3,911)
Other income (expense):				
Other income	—	—	—	133
Interest expense, net	(461)	(451)	(239)	32
Fair value adjustment	684	(158)	(23)	(883)
Total other income (expense)	223	(609)	(262)	(718)
Loss before income taxes	(1,858)	(6,212)	(1,157)	(4,629)
Income tax expense	1	1	1	1
Net loss	$ (1,859)	$ (6,213)	$ (1,158)	$ (4,630)
Net loss per share:				
Basic and diluted	$ (4.32)	$ (1.40)	$ (0.74)	$ (0.14)
Weighted average number of shares during the period:				
Basic and diluted	430,519	4,453,702	1,555,900	33,020,592

	As of March 31, 2015	
	Actual	As Adjusted(1)(2)(3)
	(unaudited) (in thousands)	
Balance Sheet Data:		
Cash and cash equivalents	$ 49,854	$
Working capital	46,897	
Total assets	52,138	
Total liabilities	3,055	
Accumulated deficit	(17,667)	
Total stockholders' equity	49,083	

(1) Reflects on an as adjusted basis the sale and issuance by us of shares of common stock in this offering at the assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

(2) Does not reflect the approximately $71.0 million of aggregate net proceeds received by us in connection with a series of private placements of 1,997,675 shares of our common stock that closed in June 2015.

(3) Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) each of as adjusted working capital, total assets and total stockholders' equity (deficit) by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same. We may also increase or decrease the number of shares we are offering. Each increase (decrease) of 1.0 million in the number of shares we are offering would increase (decrease) each of as adjusted working capital, total assets and total stockholders' equity by approximately $ million, assuming the assumed initial public offering price per share, as set forth on the cover page of this prospectus, remains the same. The 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.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks described below, as well as all other information included in this prospectus, including our financial statements and the related notes and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" before you decide to purchase shares of our common stock. If any of the following risks actually occurs, our business, financial condition, operating results, prospects and ability to accomplish our strategic objectives could be materially harmed. As a result, the trading price of our common stock could decline and you could lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations and the market price of our common stock.

Risks Related to Our Financial Condition and Capital Requirements

We are a clinical-stage biopharmaceutical company with a limited operating history and have incurred significant losses since our inception, and we anticipate that we will continue to incur losses for the foreseeable future, which makes it difficult to assess our future viability.

We are a clinical-stage biopharmaceutical company with a limited operating history upon which you can evaluate our business and prospects. To date, we have generated minimal revenue from non-exclusive license agreements with biopharmaceutical companies to which we have granted the right to use our cell lines and intellectual property for non-clinical laboratory testing, and we have no products approved for commercial sale and have not generated any revenue from product sales. We have incurred operating losses on an annual basis since our formation and we may never become profitable. As of March 31, 2015, we had an accumulated deficit of approximately $17.7 million. We incurred net losses of $1.9 million and $6.2 million for the years ended December 31, 2013 and 2014, respectively, and $1.2 million and $4.6 million for the three months ended March 31, 2014 and 2015, respectively. Our losses have resulted principally from costs incurred in ongoing preclinical studies, clinical trials and operations, research and development expenses, as well as general and administrative expenses.

A critical aspect of our strategy is to invest significantly in expanding our aNK platform and the development of our product candidates. We expect to incur significant expenses as we continue to expand our business, including in connection with conducting research and development across multiple therapeutic areas, participating in clinical trial activities, continuing to acquire or in-license technologies, maintaining, protecting and expanding our intellectual property, seeking regulatory approvals and, upon successful receipt of FDA approval, commercializing our products. We will also need to incur costs as we hire additional personnel and increase our manufacturing capabilities, including potentially pursuant to the lease or purchase of a facility, for the manufacturing of our product candidates for our planned clinical trials and, upon potential receipt of FDA approval, for our initial commercialization activities. Moreover, we do not expect to have any significant product sales or revenue for a number of years. These losses have had and, as our operating losses continue to increase significantly in the future due to these expenditures, will continue to have an adverse effect on our stockholders' equity and working capital. Because of the numerous risks and uncertainties associated with our product development efforts, we are unable to predict when we may become profitable, if at all. Additionally, our net losses may fluctuate significantly from quarter to quarter, and as a result a period to period comparison of our results of operations may not be meaningful.

We do not have any therapeutic products that are approved for commercial sale. Our ability to generate revenue from product sales and become profitable depends significantly on our success in a number of factors.

We currently do not have any therapeutic products that are approved for commercial sale. We have not received, and do not expect to receive for at least the next several years, if at all, any revenues from the commercialization of our product candidates if approved. To obtain revenues from sales of our product

candidates that are significant or large enough to achieve profitability, we must succeed, either alone or with third parties, in developing, obtaining regulatory approval for, manufacturing and marketing therapies with commercial potential. Our ability to generate revenue and achieve profitability depends significantly on our success in many areas, including:

- our research and development efforts, including preclinical studies and clinical trials of our aNK platform and our product candidates;
- developing sustainable, scalable, reliable and cost-effective manufacturing and distribution processes for our product candidates, including establishing and maintaining commercially viable supply relationships with third parties and establishing our own current good manufacturing processes, or cGMPs, manufacturing facilities and processes;
- addressing any competing technological and industry developments;
- identifying, assessing, acquiring and/or developing new technology platforms and product candidates across numerous therapeutic areas;
- obtaining regulatory approvals and marketing authorizations for product candidates;
- launching and commercializing any approved products, either directly or with a collaborator or distributor;
- obtaining market acceptance of and acceptable reimbursement for any approved products;
- completing collaborations, licenses and other strategic transactions on favorable terms, if at all;
- maintaining, protecting and expanding our portfolio of intellectual property rights, including patents, trade secrets and know-how; and
- attracting, hiring and retaining qualified personnel.

Even if one or more of our product candidates is approved for commercial sale, we anticipate incurring significant costs associated with commercializing any approved product candidate and we may not generate significant revenue from sales of such products, resulting in limited or no profitability in the future. Our prior losses and expected future losses have had and will continue to have an adverse effect on our stockholders' equity and working capital for the foreseeable future. Any failure to become and remain profitable may adversely affect the market price of our common stock, our ability to raise capital and our future viability.

We will need to obtain substantial additional financing to complete the development and any commercialization of our product candidates, and a failure to obtain this necessary capital when needed on acceptable terms, or at all, could force us to delay, limit, reduce or terminate our commercialization efforts, product development or other operations.

Since our inception, we have used substantial amounts of cash to fund our operations and expect our expenses to increase substantially in the foreseeable future. Developing our product candidates and conducting clinical trials for the treatment of cancer and other diseases will require substantial amounts of capital. We will also require a significant additional amount of capital to commercialize any approved products.

As of March 31, 2015, we had cash and cash equivalents of $49.9 million, and following the closing of a series of private placements in June 2015 pursuant to which we raised net proceeds of approximately $71.0 million, our cash and cash equivalents as of June 19, 2015 was $121.5 million. We estimate that our net proceeds from this offering will be approximately $ million, based on the initial public offering price of $ per share (the mid-point of the price range set forth on the cover page of this prospectus), after deducting the estimated underwriting commissions and discounts and estimated offering expenses payable by us. We expect to use the net proceeds from this offering to fund expenses in connection with our planned clinical trials, our planned manufacturing facility and processes and the hiring of additional personnel, and for other research

and development activities, working capital and general corporate purposes. We believe that such proceeds, together with our existing cash and cash equivalents, will be sufficient to fund our operations for at least the next 12 months. However, changing circumstances may cause us to consume capital significantly faster than we currently anticipate, and we may need to spend more money than currently expected because of circumstances beyond our control. We may require additional capital for the further development and any commercialization of our product candidates and may need to raise additional funds sooner if we choose to expand more rapidly than we presently anticipate.

Our future capital requirements may depend on many factors, including:

- the timing of, and the costs involved in, preclinical and clinical development and obtaining any regulatory approvals for our product candidates;
- the costs of manufacturing, distributing and processing our product candidates;
- the number and characteristics of any other product candidates we develop or acquire;
- our relative responsibility for developing and commercializing taNK product candidates covered by our joint development and license agreement with Sorrento Therapeutics;
- our ability to establish and maintain strategic collaborations, licensing or other commercialization arrangements and the terms and timing of such arrangements;
- the degree and rate of market acceptance of any approved products;
- the emergence, approval, availability, perceived advantages, relative cost, relative safety and relative efficacy of other products or treatments;
- the expenses needed to attract and retain skilled personnel;
- the costs associated with being a public company;
- the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing intellectual property claims, including litigation costs and the outcome of such litigation;
- the timing, receipt and amount of sales of, or royalties on, any approved products; and
- any product liability or other lawsuits related to our product candidates.

To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a common stockholder. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional funds through collaborations, strategic alliances or licensing arrangements with pharmaceutical partners, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates, or grant licenses on terms that may not be favorable to us. Additional capital may not be available when we need it, on terms that are acceptable to us or at all. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market any approved products that we would otherwise prefer to develop and market ourselves.

Risks Relating to Our Business and Industry

The foundation of our business is based upon the success of our aNK cells as a technology platform. Our aNK platform and other product candidate families, including genetically modified taNK and haNK product candidates, will require significant additional clinical testing before we can potentially seek regulatory approval and launch commercial sales.

Our business and future success depend on our ability to utilize our aNK cells as a technology platform, and to obtain regulatory approval of, and then successfully commercialize, our product candidates addressing

numerous therapeutic areas. Our aNK platform and our product candidate families haNK and taNK are in the early stages of development and may never become commercialized. All of our product candidates developed from our technology platform will require additional clinical and non-clinical development, regulatory review and approval in multiple jurisdictions, substantial investment, access to sufficient commercial manufacturing capacity and significant marketing efforts before they can be successfully commercialized. Because all of our product candidates are based on the same core aNK technology, if any of our product candidates encounter safety or efficacy problems, developmental delays or regulatory issues or other problems, these could impact the development plans for our other product candidates.

Utilizing aNK cells represents a novel approach to immunotherapy, including cancer treatment, and we must overcome significant challenges in order to successfully develop, commercialize and manufacture our aNK and other product candidates.

We have concentrated our research and development efforts on utilizing aNK cells as an immunotherapy platform and genetically modified aNK cells as product candidates based on this platform. We believe that our product candidates represent a novel approach to immunotherapy, including cancer treatment. Advancing this novel immunotherapy creates significant challenges for us, including:

- educating medical personnel regarding the potential side effect profile of our cells;
- enrolling sufficient numbers of patients in clinical trials;
- developing a reliable, safe and effective means of genetically modifying our cells;
- manufacturing our cells on a large scale and in a cost-effective manner;
- submitting applications for and obtaining regulatory approval, as the FDA and other regulatory authorities have limited experience with commercial development of immunotherapies for cancer; and
- establishing sales and marketing capabilities, as well as developing a manufacturing process and distribution network to support the commercialization of any approved products.

We must be able to overcome these challenges and others in order for us to successfully develop, commercialize and manufacture our product candidates utilizing aNK cells.

Even if we successfully develop and commercialize our aNK product candidate for Merkel cell carcinoma, we may not be successful in developing and commercializing our other product candidates, and our commercial opportunities may be limited.

While our most advanced product candidate is our aNK product candidate for Merkel cell carcinoma, we believe that our future success is highly dependent upon our ability to successfully develop and commercialize our other product candidates as well. We are simultaneously pursuing preclinical and clinical development of a number of product candidates spanning several therapeutic areas, including various types of cancer and infectious and inflammatory diseases. For example, we are devoting substantial resources toward the development of haNK product candidates, which we plan to develop as combination therapies with commercially approved mAbs and late-stage product candidates, and taNK product candidates, which we plan to develop for acute myeloid leukemia, or AML, bulky hematological cancers and solid tumors. In addition, our ability to realize the full value of our aNK platform will depend on our success in pursuing our other planned product candidates for a wide range of other indications.

Even if we are successful in continuing to build our pipeline of additional product candidates based on our technology platform, obtaining regulatory approvals and commercializing any approved product candidates will require substantial additional funding beyond the net proceeds of this offering and are prone to numerous risks of failure. Investment in biopharmaceutical product development involves significant risks that any product candidate will fail to demonstrate adequate efficacy or an acceptable safety profile to the satisfaction of regulatory authorities, gain regulatory approval or become commercially viable. We cannot provide you any assurance that we will be able

to successfully advance any product candidates through the development process. Our research programs may initially show promise in identifying additional product candidates, yet fail to yield additional product candidates for clinical development or commercialization for many reasons, including the following:

- our additional product candidates may not succeed in preclinical or clinical testing due to failing to generate enough data to support the initiation or continuation of clinical trials or due to lack of patient enrollment in clinical trials;
- a product candidate may be shown to have harmful side effects or other characteristics in larger scale clinical studies that indicate it is unlikely to meet applicable regulatory criteria;
- competitors may develop alternatives that render our product candidates obsolete or less attractive;
- we may not be able or willing to assemble sufficient resources to acquire or discover additional product candidates from our technology platform;
- product candidates we develop may nevertheless be covered by third parties' patents or other exclusive rights;
- the market for a product candidate may change during our program so that the continued development of that product candidate is no longer reasonable;
- a product candidate may not be capable of being manufactured in commercial quantities at an acceptable cost, or at all; and
- a product candidate may not be accepted as safe and effective by patients, the medical community or third-party payors.

If any of these events occur, we may be forced to abandon our development efforts for a product candidate or the entire platform, or we may not be able to identify, discover, 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 may not be able to file INDs to commence additional clinical trials on the timelines we expect, and even if we are able to, the FDA may not permit us to proceed in a timely manner, or at all.

Prior to commencing clinical trials in the United States for any of our product candidates, we may be required to have an allowed IND for each product candidate. We currently have only one allowed IND for our aNK product candidate for Merkel cell carcinoma, and are required to file additional INDs prior to initiating our planned clinical trials. We believe that the data from previous preclinical studies will support the filing of additional INDs, to enable us to undertake additional clinical studies as we have planned. However, submission of an IND may not result in the FDA allowing further clinical trials to begin and, once begun, issues may arise that will require us to suspend or terminate such clinical trials. Additionally, even if relevant regulatory authorities agree with the design and implementation of the clinical trials set forth in an IND or clinical trial application, these regulatory authorities may change their requirements in the future. The fact that we are pursuing novel technologies may also exacerbate these risks with respect to our product candidates, and as a result we may not meet our anticipated clinical development timelines.

We face significant competition in the biopharmaceutical industry, and many of our competitors have substantially greater experience and resources than we have.

Even if our aNK cell therapy proves successful, we might not be able to remain competitive because of the rapid pace of technological development in the biopharmaceutical field. Our aNK, haNK and taNK product candidates will compete with other cell-based immunotherapy approaches using T- and dendritic cells. We are aware of companies developing product candidates focused on NK cells. These companies include Bristol-Myers Squibb and Innate Pharma. Companies that are currently focused on T-cell based treatments include Adaptimmune Limited, Amgen Inc., Bellicum Pharmaceuticals, Inc., bluebird bio, Inc., Celgene Corporation,

Cellectis SA, GlaxoSmithKline plc, Intrexon Corporation, Juno Therapeutics, Inc., Kite Pharma, Inc., Novartis AG, Pfizer Inc. and Ziopharm Oncology, Inc. There is currently one approved dendritic cell-based cancer vaccine, PROVENGE, which is marketed by Valeant Pharmaceuticals for the treatment of metastatic castrateresistant prostate cancer. Other companies focused on developing dendritic cell-based product candidates include Argos Therapeutics, Inc., Biovest International, Inc., ImmunoCellular Therapeutics, Ltd., Immune Design, Inc., Inovio Pharmaceuticals, Inc., Intrexon Corporation and Northwest Biotherapeutics, Inc.

Many of our competitors have greater financial and other resources, larger research and development staffs, and more experienced capabilities in researching, developing and testing products than we do. All of these companies also have more experience in conducting clinical trials, obtaining FDA and other regulatory approvals, and manufacturing, marketing and distributing therapeutic products. Small companies like us may successfully compete by establishing collaborative relationships with larger pharmaceutical companies or academic institutions. In addition, large pharmaceutical companies or other companies with greater resources or experience than us may choose to forgo therapy opportunities that would have otherwise been complementary to our product development and collaboration plans. Our competitors may succeed in developing, obtaining patent protection for, or commercializing their products more rapidly than us. A competing company developing or acquiring rights to a more effective therapeutic product for the same diseases targeted by us, or one that offers significantly lower costs of treatment, could render our products noncompetitive or obsolete.

Our business plan involves the creation of a complex integrated ecosystem capable of addressing a wide range of indications. As a result, our future success depends on our ability to prioritize among many different opportunities.

We do not have sufficient resources to pursue development of all or even a substantial portion of the potential opportunities that we believe will be afforded to us by our planned integrated ecosystem. Because we have limited resources and access to capital to fund our operations, our management must make significant prioritization decisions as to which product candidates to pursue, and how much of our resources to allocate to each. Our management has broad discretion to suspend, scale down, or discontinue any or all of these development efforts, or to initiate new programs to treat other diseases. If we select and commit resources to opportunities that we are unable to successfully develop, or we forego more promising opportunities, our business, financial condition and results of operations will be adversely affected.

Our planned integrated ecosystem is to be comprised of multiple novel technologies that have never been tested in combination with our product candidates, and we do not know whether our attempts to use them in combination will be effective.

Our business strategy includes using our integrated discovery engine to introduce new product candidates in combination with technologies that were developed by other companies with whom we have entered into strategic collaborations. Each technology and collaboration is unique and has its own risks, and the failure of any individual technology or the combination could materially impair our ability to successfully pursue our own aNK platform and related product candidates.

With respect to our agreement with Sorrento Therapeutics, Inc., or Sorrento, we have not yet jointly developed any taNK product candidates. Although Sorrento has one of the largest fully human antibody libraries in the world, Sorrento’s antibodies may not be compatible with our taNK product candidates and there may be other libraries that would be more compatible with our technology and would produce better results for us. To the extent that we use antibodies from other parties for our taNK product candidates, we would still be required to pay royalties to Sorrento.

We have also entered into collaborations with affiliates of NantWorks to provide us with access to their database of genomic and proteomic information collected from a broad array of tumor cell samples. Our rights to

use the database are non-exclusive and are governed by agreements cancelable with 90 days' notice, and we therefore cannot guarantee that we would ultimately have any competitive advantage based on our use of this technology. The database also may not be able to identify novel tumor-associated antigens that are targetable with our technology and the genetic and proteomic analysis capability may not be effective as a companion diagnostic to guide therapeutic treatments.

Although we have agreements with these parties, we cannot control their actions and they may make mistakes, work with our competitors, or not devote sufficient time and attention to us. The arrangements may become cost-prohibitive for us, and their technologies may become obsolete or better options may be available that we are unable to utilize. Using our technology in combination with theirs has never been tried, and we cannot assure you that we will be successful in producing product candidates in connection with these arrangements.

Clinical drug development involves a lengthy and expensive process with an uncertain outcome, results of earlier studies and clinical trials may not be predictive of future clinical trial results, we may not be able to rely on the aNK Phase I clinical trial data for our other product candidates, and our clinical trials may fail to adequately demonstrate substantial evidence of safety and efficacy of our product candidates.

Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. A failure of one or more of our clinical trials can occur at any time during the clinical trial process. The results of preclinical studies and early clinical trials of our product candidates may not be predictive of the results of later-stage clinical trials. There is a high failure rate for drugs proceeding through clinical trials, and product candidates in later stages of clinical trials may fail to show the required safety and efficacy despite having progressed through preclinical studies and initial clinical trials. A number of companies in the pharmaceutical industry have suffered significant setbacks in advanced clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier clinical trials, and we cannot be certain that we will not face similar setbacks. Even if our clinical trials are completed, the results may not be sufficient to support obtaining regulatory approval for our product candidates. In addition, our strategy and anticipated timelines are predicated upon our ability to utilize the Phase I clinical trial data for aNK observed to date to support our planned clinical trials for all of our product candidates, including our haNK and taNK product candidates. To date, we have only one IND for our aNK product candidate, and we cannot assure you that the FDA will allow us to utilize the Phase I aNK data to support other planned clinical trials or allow our anticipated INDs for (1) planned Phase I or Phase I/II clinical trials for our other product candidates as potential monotherapies, (2) planned Phase II/III clinical trials for our haNK product candidates as potential combination therapies, or (3) any other planned clinical trials.

We have in the past experienced delays in our ongoing clinical trials and we may experience additional delays in the future. We do not know whether future clinical trials, if any, will begin on time, need to be redesigned, enroll an adequate number of patients on time or be completed on schedule, if at all. Clinical trials can be delayed, suspended or terminated by us, regulatory authorities, clinical trial investigators, and ethics committees for a variety of reasons, including failure to:

- generate sufficient preclinical, toxicology, or other in vivo or in vitro data to support the initiation or continuation of clinical trials;
- obtain regulatory approval, or feedback on clinical trial design, to commence a clinical trial;
- identify, recruit and train suitable clinical investigators;
- reach agreement on acceptable terms with prospective CROs and clinical trial sites;
- obtain and maintain institutional review board, or IRB, approval at each clinical trial site;
- identify, recruit and enroll suitable patients to participate in a clinical trial;
- have a sufficient number of patients complete a clinical trial or return for post-treatment follow-up;
- ensure clinical investigators observe clinical trial protocol or continue to participate in a clinical trial;
- address any patient safety concerns that arise during the course of a clinical trial;

- address any conflicts with new or existing laws or regulations;
- add a sufficient number of clinical trial sites;
- timely manufacture sufficient quantities of product candidate for use in clinical trials; or
- raise sufficient capital to fund a clinical trial.

Patient enrollment is a significant factor in the timing of clinical trials and is affected by many factors, including the size and nature of the patient population, the proximity of patients to clinical sites, the eligibility criteria for the clinical trial, the design of the clinical trial, competing clinical trials and clinicians' and patients' or caregivers' perceptions as to the potential advantages of the drug candidate being studied in relation to other available therapies, including any new drugs or treatments that may be approved for the indications we are investigating.

We could also encounter delays if a clinical trial is suspended or terminated by us, by the data safety monitoring board for such clinical trial or by the FDA or any other regulatory authority, or if the IRBs of the institutions in which such clinical trials are being conducted suspend or terminate the participation of their clinical investigators and sites subject to their review. Such authorities may suspend or terminate a clinical trial due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements, including GCPs, or our clinical protocols, inspection of the clinical trial operations or clinical trial site by the FDA or other regulatory authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a product candidate, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial.

If we experience delays in the completion of, or termination of, any clinical trial of our product candidates for any reason, the commercial prospects of our product candidates may be harmed, and our ability to generate product revenues from any of these product candidates will be delayed. In addition, any delays in completing our clinical trials will increase our costs, slow down our product candidate development and approval process and jeopardize our ability to commence product sales and generate revenues. Any of these occurrences may significantly harm our business, financial condition and prospects. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our product candidates.

We may be unable to obtain regulatory approval for our product candidates. The denial or delay of any such approval would delay commercialization and have a material adverse effect on our potential to generate revenue, our business and our results of operations.

The research, development, testing, manufacturing, labeling, packaging, approval, promotion, advertising, storage, recordkeeping, marketing, distribution, post-approval monitoring and reporting, and export and import of biopharmaceutical products are subject to extensive regulation by the FDA, and by foreign regulatory authorities in other countries. These regulations differ from country to country. To gain approval to market our product candidates, we must provide regulatory authorities with substantial evidence of safety, purity and potency of the product for each indication we seek to commercialize. We have not yet obtained regulatory approval to market any of our product candidates in the United States or any other country. Our business depends upon obtaining these regulatory approvals.

The FDA can delay, limit or deny approval of our product candidates for many reasons, including:

- our inability to satisfactorily demonstrate with substantial clinical evidence that the product candidates are safe, pure and potent for the requested indication;
- the FDA's disagreement with our clinical trial protocol or the interpretation of data from preclinical studies or clinical trials;
- the population studied in the clinical trial not being sufficiently broad or representative to assess safety in the full population for which we seek approval;

- our inability to demonstrate that clinical or other benefits of our product candidates outweigh any safety or other perceived risks;
- the FDA's determination that additional preclinical or clinical trials are required;
- the FDA's non-approval of the labeling or the specifications of our product candidates;
- the FDA's failure to accept the manufacturing processes or facilities of third-party manufacturers with which we contract; or
- the potential for approval policies or regulations of the FDA to significantly change in a manner rendering our clinical data insufficient for approval.

Even if we eventually successfully complete clinical testing and receive approval of any regulatory filing for our product candidates, the FDA may only grant approval contingent on the performance of costly additional post-approval clinical trials. The FDA may also approve our product candidates for a more limited indication or a narrower patient population than we originally requested, and the FDA may not approve the labeling that we believe is necessary or desirable for the successful commercialization of our product candidates. To the extent we seek regulatory approval in foreign countries, we may face challenges similar to those described above with regulatory authorities in applicable jurisdictions. Any delay in obtaining, or our inability to obtain, applicable regulatory approval for any of our product candidates would delay or prevent commercialization of our product candidates and would materially adversely impact our business, results of operations, financial condition and prospects.

Use of our product candidates could be associated with side effects or adverse events.

As with most biopharmaceutical products, use of our product candidates could be associated with side effects or adverse events which can vary in severity and frequency. Side effects or adverse events associated with the use of our product candidates may be observed at any time, including in clinical trials or once a product is commercialized, and any such side effects or adverse events may negatively affect our ability to obtain regulatory approval or market our product candidates. Side effects such as toxicity or other safety issues associated with the use of our product candidates could require us 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. We may be required by regulatory agencies to conduct additional preclinical or clinical trials regarding the safety and efficacy of our product candidates which we have not planned or anticipated. We cannot assure you that we will resolve any issues related to any product-related adverse events to the satisfaction of the FDA or any regulatory agency in a timely manner or ever, which could harm our business, prospects and financial condition.

In the Phase I clinical trial of a NK-001 conducted by Rush University, one case of transient grade 4 hypoglycemia and several mild-to-moderate fevers were seen in five out of six patients receiving higher doses. In the Phase I clinical trial of aNK-001 conducted by the University of Frankfurt, one report of mild fever and a report of sustained back pain were observed. If we are successful in commercializing our product candidates, the FDA and other foreign regulatory agency regulations will 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 inadvertently 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 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 clinical and commercial utility of our aNK platform is uncertain and may never be realized.

Our aNK platform is in the early stages of development. aNK cells have only been evaluated in four Phase I clinical safety trials to date, in over 40 patients. These clinical trials were designed to evaluate safety and

tolerability, and not designed to produce statistically significant results as to efficacy. Most of the data to date regarding aNK cells were derived from clinical trials not conducted by us, including physician-sponsored clinical trials, and utilizing product not manufactured by us but which we believe is comparable to aNK. Success in early clinical trials does not ensure that large-scale clinical trials will be successful nor does it predict final results. In addition, we will not be able to treat patients if we cannot manufacture a sufficient quantity of aNK cells that meet our minimum specifications. In addition, our haNK and taNK product candidates have never been tested in humans, and the results from the aNK clinical trials may not necessarily be indicative of the safety and tolerability or efficacy of haNK and taNK.

We may not ultimately be able to provide the FDA with substantial clinical evidence to support a claim of safety, purity and potency sufficient to enable the FDA to approve aNK cells for any indication. This may be because later clinical trials fail to reproduce favorable data obtained in earlier clinical trials, because the FDA disagrees with how we interpret the data from these clinical trials, or because the FDA does not accept these therapeutic effects as valid endpoints in pivotal clinical trials necessary for market approval. We will also need to demonstrate that aNK cells are safe. We do not have data on possible harmful long-term effects of aNK cells and do not expect to have this data in the near future. As a result, our ability to generate clinical safety and effectiveness data sufficient to support submission of a marketing application or commercialization of our aNK cell therapy is uncertain and is subject to significant risk.

We have limited experience as a company conducting clinical trials and rely on third parties to conduct many of our preclinical studies and clinical trials. Any failure by a third party or by us to conduct the clinical trials according to Good Clinical Practices, or GCPs, and in a timely manner may delay or prevent our ability to seek or obtain regulatory approval for or commercialize our product candidates.

To date, only one clinical trial related to our product candidates has been conducted by us. All other preclinical studies and clinical trials to date have been investigator-initiated studies sponsored by the investigator's institution. This lack of experience may contribute to our planned clinical trials not beginning or completing on time, if at all. Large-scale clinical trials will require significant additional resources and reliance on contract research organizations, or CROs, clinical investigators, or consultants. Consequently, our reliance on outside parties may introduce delays beyond our control. Our CROs and other third parties must communicate and coordinate with one another in order for our trials to be successful. Additionally, our CROs and other third parties may also have relationships with other commercial entities, some of which may compete with us. If our CROs or other third parties conducting our clinical trials do not perform their contractual duties or regulatory obligations, experience work stoppages, do not meet expected deadlines, terminate their agreements with us or need to be replaced, or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to our clinical trial protocols, GCPs, or other regulatory requirements or for any other reason, we may need to conduct additional clinical trials or enter into new arrangements with alternative CROs, clinical investigators or other third parties. We may be unable to enter into arrangements with alternative CROs on commercially reasonable terms, or at all.

We and the third parties upon which we rely are required to comply with GCPs. GCPs are regulations and guidelines enforced by regulatory authorities around the world, through periodic inspections, for products in clinical development. If we or these third parties fail to comply with applicable GCP regulations, the clinical data generated in our clinical trials may be deemed unreliable and have to be repeated, and our submission of marketing applications may be delayed or the regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. We are subject to the risk that, upon inspection, a regulatory authority will determine that any of our clinical trials fail to comply or failed to comply with applicable GCP regulations. In addition, our clinical trials must be conducted with material produced under current cGMP and Good Tissue Practice, or GTP, regulations, which are enforced by regulatory authorities. In addition, our clinical trials must be conducted with material produced under cGMP regulations, which are enforced by regulatory authorities. Our failure to comply with these regulations may require us to repeat clinical trials, which would delay the regulatory approval process. Moreover, our business may be significantly impacted if our CROs,

clinical investigators or other third parties violate federal or state healthcare fraud and abuse or false claims laws and regulations or healthcare privacy and security laws.

We also anticipate that part of our strategy for pursuing the wide range of indications potentially addressed by our aNK platform will involve further investigator-initiated clinical trials. While these trials generally provide us with valuable clinical data that can inform our future development strategy in a cost-efficient manner, we generally have less control over not only the conduct but also the design of these clinical trials. Third-party investigators may design clinical trials involving our product candidates with clinical endpoints that are more difficult to achieve or in other ways that increase the risk of negative clinical trial results compared to clinical trials we may design on our own. Negative results in investigator-initiated clinical trials, regardless of how the clinical trial was designed or conducted, could have a material adverse effect on our prospects and the perception of our product candidates.

Our successful development of our taNK product candidates is heavily dependent upon our collaboration with Sorrento.

In December 2014, we entered into a joint development and license agreement with Sorrento, pursuant to which the parties agreed to exclusively collaborate on research, development and commercialization of our taNK product candidates as agreed between the parties. The prospects for the product candidates depend on the expertise, development and commercial skills, and financial strength of Sorrento. Our collaboration with Sorrento may not be successful, and we may not realize the expected benefits from this collaboration, due to a number of important factors, including the following:

- Sorrento's technology platform or Sorrento itself could be slow, adversely affecting our ability to develop product candidates as quickly as we would otherwise be able to;
- whether we can successfully resolve disagreements related to which party should advance a particular program;
- in the event Sorrento advances a particular program, Sorrento will have sole control over development, spending, commercialization, and out-licensing;
- the continued service of certain key employees of Sorrento that we are dependent upon;
- the timing and amount of any payments we may receive under these agreements will depend on, among other things, the efforts, allocation of resources, and successful commercialization of the relevant product candidates by Sorrento and us; and
- Sorrento may change the focus of their development or commercialization efforts or pursue or emphasize higher-priority programs, including as a result of a change in control of Sorrento.

A failure of Sorrento to successfully develop our product candidates that are covered by the collaboration, or commercialize such product candidates, or the termination of our agreement with Sorrento may have a material adverse effect on our business, results of operations and financial condition.

We are heavily dependent on our senior management, particularly Drs. Patrick Soon-Shiong, Barry Simon, Hans G. Klingemann and Tien Lee, and a loss of a member of our senior management team in the future could harm our business.

If we lose members of our senior management, we may not be able to find appropriate replacements on a timely basis, and our business could be adversely affected. Our existing operations and continued future development depend to a significant extent upon the performance and active participation of certain key individuals, including Drs. Patrick Soon-Shiong, our Chairman and Chief Executive Officer and our principal stockholder, Barry Simon, our President and Chief Operating Officer, and Hans G. Klingemann, our co-founder and Vice President, Research and Development, and Tien Lee, our Chief Strategy Officer. Although Dr. Soon-

Shiong will primarily focus on Conkwest matters and is highly active in our management, he does devote a certain amount of his time to a number of different endeavors and companies, including NantWorks, a collection of multiple companies in the healthcare and technology space, which he founded in 2011. Additionally, we are dependent on commercial relationships with various other parties affiliated with NantWorks and with Dr. Soon-Shiong, as described below under "Related Party Transactions" and we may enter into additional relationships in the future, and if Dr. Soon-Shiong was to cease his affiliation with us or with NantWorks, these entities may be unwilling to continue these relationships with us on commercially reasonable terms, or at all. In addition, while these entities do not currently compete directly with us, they are already exploring opportunities in the immunotherapy, infectious disease and inflammatory disease fields, and as such may, in the future, develop products that are competitive with ours (including in other therapeutic fields which we target in the future). The risks related to our dependence upon Dr. Soon Shiong is particularly acute given his ownership percentage, relationships, role in our company and reputation. If we were to lose Drs. Soon-Shiong, Simon, Klingemann or Lee, we may not be able to find appropriate replacements on a timely basis and our financial condition and results of operations could be materially adversely affected.

To induce valuable employees to remain at our company, in addition to salary and cash incentives, we have provided stock options and warrants that vest over time. The value to employees of stock options and warrants that vest over time may be significantly affected by movements in our stock price that are beyond our control, and may at any time be insufficient to counteract more lucrative offers from other companies. Despite our efforts to retain valuable employees, members of our management, scientific and development teams may terminate their employment with us on short notice. We face significant competition for employees, particularly scientific personnel, from other biopharmaceutical companies, which include both publicly-traded and privately-held companies, and we may not be able to hire new employees quickly enough to meet our needs. Although we have employment agreements with our key employees, these employment agreements provide for at-will employment, which means that any of our employees could leave our employment at any time, with or without notice. We do not maintain "key man" insurance policies on the lives of these individuals or the lives of any of our other employees.

We will need to grow the size and capabilities of our organization, and we may experience difficulties in managing this growth.

To effect our business plan, we will need to rapidly add other management, accounting, regulatory, manufacturing and scientific staff. As of March 31, 2015, we only had 11 employees. We will need to attract, retain and motivate a significant number of new additional managerial, operational, sales, marketing, financial, and other personnel, as well as highly skilled scientific and medical personnel, and to expand our capabilities to successfully pursue our research, development, manufacturing and commercialization efforts and secure collaborations to market and distribute our products. This growth may strain our existing managerial, operational, financial and other resources. We also intend to add personnel in our research and development and manufacturing departments as we expand our clinical trial and research capabilities. Moreover, we will need to hire additional accounting and other personnel and augment our infrastructure as we transition to operating as a public company. Any inability to attract and retain qualified employees to enable our planned growth and establish additional capabilities or our failure to manage our growth effectively could delay or curtail our product development and commercialization efforts and harm our business.

We have limited manufacturing experience and may not be able to manufacture aNK cells on a large scale or in a cost-effective manner.

aNK cells have been grown in various quantities in closed-bag cell culture systems and smaller quantities in bioreactors. We or our third-party contractors will need to develop the ability to grow aNK cells on a large scale basis in a cost efficient manner. We have not demonstrated the ability to manufacture aNK cells beyond quantities sufficient for research and development and limited clinical activities. We have no experience manufacturing aNK cells specifically at the capacity that will be necessary to support large clinical trials or commercial sales, and have limited experience producing haNK and taNK cells, which may involve a more complex process(es) than manufacturing aNK cells. The novel nature of our technology also increases the

complexity and risk in the manufacturing process. We are in the process of locating a site for the manufacture of aNK cells for our planned clinical trials and, if we receive FDA approval, initial commercialization. However, we may encounter difficulties in obtaining the approvals for, and designing, constructing, validating and operating, any new manufacturing facility. We may also be unable to hire the qualified personnel that we will require to accommodate the expansion of our operations and manufacturing capabilities. If we relocate our manufacturing activities to a new facility during or after a pivotal clinical trial, we may be unable to obtain regulatory approval unless and until we demonstrate to the FDA's satisfaction the similarity of our aNK cells manufactured in the new facility to our aNK cells manufactured in prior facilities. If we cannot adequately demonstrate similarity to the FDA, we could be required to repeat clinical trials, which would be expensive, and would substantially delay regulatory approval.

Because our product candidates are cell-based, their manufacture is complicated. In addition, we rely on certain third party suppliers for manufacturing supplies such as X-VIVO 10 media formulation to grow and produce the cells. Our present production process may not meet our initial expectations as to reproducibility, yield, purity or other measurements of performance. In addition, we may have to customize a bioreactor system to our manufacturing process. Because our manufacturing process is unproven, we may never successfully commercialize our products. In addition, because the clinical trials were conducted using a system that will not be sufficient for commercial quantities, we may have to show comparability of the different versions of systems we have used. For these and other reasons, we may not be able to manufacture aNK cells on a large scale or in a cost-effective manner.

aNK cells have been produced at academic institutions associated with our other clinical trial sites. In the past, the lack of production of aNK cells has caused delays in the commencement of our clinical trials. The Baylor Center for Cellular and Gene Therapy is currently producing aNK cells for our clinical trial at the University of Pittsburgh Cancer Institute, or UPCI, and for our Merkel Cell clinical trial. We are adding NK cell production capacity in 2015 to meet anticipated demand for additional clinical trials but may not be able to successfully build out the facility to meet our current and anticipated future needs. Any damage to or destruction of the Baylor Center facility or equipment, or our facility and equipment, when we secure it, prolonged power outage, contamination or shutdown by the FDA or other regulatory authority could significantly impair or curtail our ability to obtain and produce aNK cells. In addition, the aNK cells of our master cell bank are stored in freezers at a third party biorepository (BioReliance), and aNK cells of our working cell bank are stored in freezers at the Baylor facility, and will also be stored in our freezers when we establish a production facility. If these cells are damaged at both facilities, including by the loss or malfunction of these freezers or our back-up power systems, we would need to establish a replacement aNK master cell bank, which would delay our patients' treatments. If we are unable to establish a replacement aNK master cell bank, we could incur significant additional expenses and liability to patients whose treatment is delayed, and our business could suffer.

If we or any of our third party manufacturers do not maintain high standards of manufacturing, our ability to develop and commercialize aNK cells could be delayed or curtailed.

We and any third parties that we may use in the future to manufacture our products must continuously adhere to cGMP regulations rigorously enforced by the FDA through its facilities inspection program. If our facilities or the facilities of third parties who produce our products do not pass a pre-approval inspection, the FDA will not grant market approval for aNK cells. In complying with cGMP, we and any third-party manufacturers must expend significant time, money and effort in production, record-keeping and quality control to assure that each component of our aNK cell therapy meets applicable specifications and other requirements. We or any of these third-party manufacturers may also be subject to comparable or more stringent regulations of foreign regulatory authorities. If we or any of our third-party manufacturers fail to comply with these requirements, we may be subject to regulatory action, which could delay or curtail our ability to develop, obtain regulatory approval of, and commercialize aNK cells. If our component part manufacturers and suppliers fail to provide components of sufficient quality, and that meet our required specifications, our clinical trials or commercialization of aNK cells could be delayed or halted, and we could face product liability claims.

If we or our third-party manufacturers use hazardous and biological materials in a manner that causes injury or violates applicable law, we may be liable for damages.

Our research and development activities involve the controlled use of potentially hazardous substances, including chemical and biological materials, by us and any third-party manufacturers. We and our manufacturers are subject to federal, state and local laws and regulations in the United States governing the use, manufacture, storage, handling and disposal of medical and hazardous materials. Although we believe that our procedures for using, storing and disposing of these materials comply with legally prescribed standards, we cannot completely eliminate the risk of contamination or injury resulting from medical or hazardous materials. As a result of any such contamination or injury, we may incur liability or local, city, state or federal authorities may curtail the use of these materials and interrupt our business operations. In the event of an accident, we could be held liable for damages or penalized with fines, and the liability could exceed our resources. We do not have any insurance for liabilities arising from medical or hazardous materials. Compliance with applicable environmental laws and regulations is expensive, and current or future environmental regulations may impair our research, development and production efforts, which could harm our business, prospects, financial condition or results of operations.

We have not yet developed a validated methodology for freezing and thawing large quantities of aNK cells, which we believe will be required for the storage and distribution of our product candidates.

We have not demonstrated that aNK cells can be frozen and thawed in large quantities without damage, in a cost-efficient manner and without degradation over time. We may encounter difficulties not only in developing freezing and thawing methodologies, but also in obtaining the necessary regulatory approvals for using such methodologies in treatment. If we cannot adequately demonstrate similarity of our frozen product to the unfrozen product to the satisfaction of the FDA, we could be required to repeat clinical trials, which would be expensive and substantially delay regulatory approval. If we are unable to freeze aNK cells for shipping purposes, our ability to promote adoption and standardization of our products, as well as achieve economies of scale by centralizing our production facility, will be limited. Even if we are able to successfully freeze and thaw aNK cells in large quantities, we will still need to develop a cost-effective and reliable distribution and logistics network, which we may be unable to accomplish. For these and other reasons, we may not be able to commercialize aNK cells on a large scale or in a cost-effective manner.

We will rely on third party healthcare professionals to administer aNK cells to patients, and our business could be harmed if these third parties administer aNK cells incorrectly.

We will rely on the expertise of physicians, nurses and other associated medical personnel to administer aNK cells to clinical trial patients. If these medical personnel are not properly trained to administer, or do not properly administer, aNK cells, the therapeutic effect of aNK cells may be diminished or the patient may suffer injury.

In addition, if we achieve the ability to freeze and thaw our aNK cells, third-party medical personnel will have to be trained on proper methodology for thawing aNK cells received from us. If this thawing is not performed correctly, the cells may become damaged and/or the patient may suffer injury. While we envision providing training materials and other resources to these third-party medical personnel, the thawing of aNK cells will occur outside our supervision and may not be administered properly. If, due to a third-party error, people believe that aNK cells are ineffective or harmful, the desire to use aNK cells may decline, which would negatively impact our business, reputation and prospects. We may also face significant liability even though we may not be responsible for the actions of these third parties.

Even if any of our product candidates receive regulatory approvals, they may fail to achieve the broad degree of market acceptance and use necessary for commercial success.

Any potential future commercial success of any of our product candidates will depend, among other things, on its acceptance by physicians, patients, healthcare payers, and other members of the medical community as a therapeutic and cost-effective alternative to commercially available products. Because only a few cell-based therapy products have been commercialized, we do not know to what extent cell-based immunotherapy products will be accepted as therapeutic alternatives. If we fail to gain market acceptance, we may not be able to earn sufficient revenues to continue our business. Market acceptance of, and demand for, any product that we may develop will depend on many factors, including:

- our ability to provide substantial evidence of safety and efficacy;
- convenience and ease of administration;
- prevalence and severity of adverse side effects;
- availability of alternative and competing treatments;
- cost effectiveness;
- effectiveness of our marketing and distribution strategy and pricing of any product that we may develop;
- publicity concerning our products or competitive products; and
- our ability to obtain sufficient third-party coverage and adequate reimbursement.

If aNK cells are approved for use but fail to achieve the broad degree of market acceptance necessary for commercial success, our operating results and financial condition will be adversely affected. In addition, even if aNK cells gain acceptance, the markets for treatment of patients with our target indications may not be as significant as we estimate.

There are risks inherent in our business that may subject us to potential product liability suits and other claims, which may require us to engage in expensive and time-consuming litigation or pay substantial damages and may harm our reputation and reduce the demand for our product.

Our business exposes us to product liability risks, which are inherent in the testing, manufacturing, marketing and sale of biopharmaceutical products. We will face an even greater risk of product liability if we commercialize aNK cells. For example, we may be sued if any product we develop allegedly causes or is perceived to cause injury or is found to be otherwise unsuitable during product testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability and a breach of warranties. Claims could also be asserted under state consumer protection acts. If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities or be required to limit commercialization of our products. Even a successful defense would require significant financial and management resources.

Certain aspects of how aNK cells are processed and administered may increase our exposure to liability. Medical personnel administer aNK cells to patients intravenously in an outpatient procedure. This procedure poses risks to the patient similar to those occurring with infusions of other cell products, such as T cells and stem cells, including blood clots, infection and mild to severe allergic reactions. Additionally, aNK cells or components of our aNK cell therapy may cause unforeseen harmful side effects. For example, a patient receiving aNK cells could have a severe allergic reaction or could develop an autoimmune condition to materials infused with the aNK cells.

In addition, we have not conducted studies on the long-term effects associated with the media that we use to grow our aNK cells. Similarly, we expect to use media in freezing our aNK cells for shipment. These media could contain substances that have proved harmful if used in certain quantities. As we continue to develop our aNK cell therapy, we may encounter harmful side effects that we did not previously observe in our prior studies and clinical trials. Additionally, the discovery of unforeseen side effects of aNK cells could also lead to lawsuits against us.

Regardless of merit or eventual outcome, product liability or other claims may, among other things, result in:

- decreased demand for any approved products;
- injury to our reputation and significant negative media attention;
- withdrawal of clinical trial participants or cancellation of clinical trials;
- costs to defend the related litigation;
- a diversion of management's time and our resources;
- substantial monetary awards to clinical trial participants or patients;
- regulatory investigations, product recalls, withdrawals or labeling, marketing or promotional restrictions;
- exhaustion of any available insurance and our capital resources;
- loss of revenue; and
- the inability to commercialize any products we develop.

Our inability to obtain and maintain sufficient product liability insurance at an acceptable cost and scope of coverage to protect against potential product liability claims could prevent or inhibit the commercialization of our products. We are in the process of obtaining product liability insurance covering our clinical trials with policy limits that we believe are customary for similarly situated companies and adequate to provide us with coverage for foreseeable risks. Although we maintain such insurance, any claim that may be brought against us could result in a court judgment or settlement in an amount that is not covered, in whole or in part, by our insurance or that is in excess of the limits of our insurance coverage. If we determine that it is prudent to increase our product liability coverage due to the commercial launch of any approved product, we may be unable to obtain such increased coverage on acceptable terms, or at all. Our insurance policies also have various exclusions and deductibles, and we may be subject to a product liability claim for which we have no coverage. We will have to pay any amounts awarded by a court or negotiated in a settlement that exceed our coverage limitations or that are not covered by our insurance, and we may not have, or be able to obtain, sufficient capital to pay such amounts. Moreover, in the future, we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses. If and when we obtain approval for marketing our product candidates, we intend to expand our insurance coverage to include the sale of the applicable products; however, we may be unable to obtain this liability insurance on commercially reasonable terms. If a successful product liability or other claim or series of claims is brought against us for uninsured liabilities or in excess of insured liabilities, our assets may not be sufficient to cover these claims and our business operations could suffer.

We currently have no marketing and sales organization and have no experience in marketing products. If we are unable to establish marketing and sales capabilities or enter into agreements with third parties to market and sell our product candidates, we may not be able to generate product revenue.

We currently have no sales, marketing or distribution capabilities and have no experience as a company in marketing products. If we develop internal sales, marketing and distribution organization, this would require significant capital expenditures, management resources and time, and we would have to compete with other pharmaceutical and biotechnology companies to recruit, hire, train and retain marketing and sales personnel.

If we are unable or decide not to establish internal sales, marketing and distribution capabilities, we expect to pursue collaborative arrangements regarding the sales, marketing and distribution of our products. However, we may not be able to establish or maintain such collaborative arrangements, or if we are able to do so, their sales forces may not be successful in marketing our products. Any revenue we receive would depend upon the efforts of such third parties, which may not be successful. We may have little or no control over the sales, marketing and distribution efforts of such third parties and our revenue from product sales may be lower than if we had commercialized our product candidates ourselves. We also face competition in our search for third parties

to assist us with the sales, marketing and distribution efforts of our product candidates. There can be no assurance that we will be able to develop internal sales, marketing distribution capabilities or establish or maintain relationships with third-party collaborators to commercialize any product in the United States or overseas.

A variety of risks associated with marketing our product candidates internationally could materially adversely affect our business.

We plan to seek regulatory approval of our product candidates outside of the United States and, accordingly, we expect that we will be subject to additional risks related to operating in foreign countries if we obtain the necessary approvals, including:

- differing regulatory requirements in foreign countries;
- unexpected changes in tariffs, trade barriers, price and exchange controls and other regulatory requirements;
- economic weakness, including inflation, or political instability in particular foreign economies and markets;
- compliance with tax, employment, immigration and labor laws for employees living or traveling abroad;
- foreign taxes, including withholding of payroll taxes;
- foreign currency fluctuations, which could result in increased operating expenses and reduced revenue, and other obligations incident to doing business in another country;
- difficulties staffing and managing foreign operations;
- workforce uncertainty in countries where labor unrest is more common than in the United States;
- differing payor reimbursement regimes, governmental payors or patient self-pay systems, and price controls;
- potential liability under the Foreign Corrupt Practices Act of 1977 or comparable foreign regulations;
- challenges enforcing our contractual and intellectual property rights, especially in those foreign countries that do not respect and protect
- intellectual property rights to the same extent as the United States;
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; and
- business interruptions resulting from geo-political actions, including war and terrorism.

These and other risks associated with international operations may materially adversely affect our ability to attain or maintain profitable operations.

We have formed, and may in the future form or seek, strategic alliances or enter into additional licensing arrangements in the future, and we may not realize the benefits of such alliances or licensing arrangements.

We have formed, and may in the future form or seek, strategic alliances, create joint ventures or collaborations or enter into additional licensing arrangements with third parties that we believe will complement or augment our development and commercialization efforts with respect to our product candidates and any future product candidates that we may develop.

Any of these relationships may require us to incur non-recurring and other charges, increase our near and long-term expenditures, issue securities that dilute our existing stockholders or disrupt our management and

business. In addition, we face significant competition in seeking appropriate strategic partners and the negotiation process is time-consuming and complex. Moreover, we may not be successful in our efforts to establish a strategic partnership or other alternative arrangements for our product candidates because they may be deemed to be at too early of a stage of development for collaborative effort and third parties may not view our product candidates as having the requisite potential to demonstrate safety and efficacy. If we license products or businesses, we may not be able to realize the benefit of such transactions if we are unable to successfully integrate them with our existing operations and company culture. We cannot be certain that, following a strategic transaction or license, we will achieve the revenue or specific net income that justifies such transaction. Any delays in entering into new strategic partnership agreements related to our product candidates could delay the development and commercialization of our product candidates in certain geographies for certain indications, which would harm our business prospects, financial condition and results of operations.

Our internal computer systems, or those used by our contractors or consultants, may fail or suffer security breaches.

Our business model involves the storage and transmission of clinical trial and other data on our systems and on the systems of our consultants and contractors, and security breaches expose us to a risk of loss of this information, governmental fines and penalties, litigation and/or potential liability, in addition to negative publicity. Despite the implementation of security measures, our internal computer systems and those of our contractors and consultants are vulnerable to damage from computer viruses and unauthorized access. Our security measures and those of our contractors and consultants may also be breached due to employee error, malfeasance or otherwise. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our development programs and our business operations. For example, the loss of clinical trial data from completed or future clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. Likewise, we rely on third parties for research and development of our product candidates and to conduct clinical trials and may rely on third parties for the manufacture of our product candidates and similar events relating to their computer systems could also have a material adverse effect on our business.

To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability and the further development and commercialization of our product candidates could be delayed.

Future acquisitions and investments could disrupt our business and harm our financial condition and operating results.

Our success may depend, in part, on our ability to expand our products and services. In some circumstances, we may determine to do so through the acquisition of complementary businesses and technologies rather than through internal development. The identification of suitable acquisition candidates can be difficult, time-consuming and costly, and we may not be able to successfully complete identified acquisitions. The risks we face in connection with acquisitions include:

- diversion of management time and focus from operating our business to addressing acquisition integration challenges;
- retention of key employees from the acquired company;
- coordination of research and development functions;
- integration of the acquired company’s accounting, management information, human resources and other administrative systems; and
- liability for activities of the acquired company before the acquisition, including intellectual property infringement claims, employee disputes, and alleged violations of laws; and
- unanticipated write-offs or charges.

Our failure to address these risks or other problems encountered in connection with our past or future acquisitions and investments could cause us to fail to realize the anticipated benefits of these acquisitions or investments, cause us to incur unanticipated liabilities, and harm our business generally. Future acquisitions could also result in dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities, amortization expenses, incremental operating expenses or the write-off of goodwill, any of which could harm our financial condition or operating results.

Business disruptions could seriously harm our future revenue and financial condition and increase our costs and expenses.

Our operations, and those of our contractors and consultants, could be subject to earthquakes, power shortages, telecommunications failures, water shortages, floods, hurricanes, typhoons, fires, extreme weather conditions, medical epidemics, acts of terrorism, acts of war and other natural or man-made disasters or business interruptions, for which we are predominantly self-insured. The occurrence of any of these business disruptions could seriously harm our operations and financial condition and increase our costs and expenses. We rely on third-party manufacturers to produce and process our product candidates. Our ability to obtain clinical supplies of our product candidates could be disrupted if the operations of these suppliers are affected by a man-made or natural disaster or other business interruption. Our corporate headquarters are in California near major earthquake faults and fire zones. Our operations and financial condition could suffer in the event of a major earthquake, fire or other natural disaster.

Our employees, independent contractors, clinical investigators, CROs, consultants, commercial partners and vendors may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, and insider trading.

We are exposed to the risk of employee fraud or other illegal activity by our employees, independent contractors, clinical investigators, CROs, consultants, commercial partners and vendors. Misconduct by these parties could include intentional, reckless and/or negligent conduct that fails to:

- comply with the laws of the FDA and other similar foreign regulatory bodies;
- provide true, complete and accurate information to the FDA and other similar foreign regulatory bodies;
- comply with manufacturing standards we have established;
- comply with healthcare fraud and abuse, privacy and security and other laws in the United States and similar foreign fraudulent misconduct laws;
- comply with federal securities laws regulating insider trading; or
- report financial information or data accurately or to disclose unauthorized activities to us.

If we obtain FDA approval of any of our product candidates and begin commercializing those products in the United States, our potential exposure under such laws will increase significantly, and our costs associated with compliance with such laws are also likely to increase. These laws may impact, among other things, our current activities with principal investigators and research patients, as well as proposed and future sales, marketing and education programs. In particular, the promotion, sales and marketing of healthcare items and services, as well as certain business arrangements in the healthcare industry, are subject to extensive laws designed to prevent fraud, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, structuring and commission(s), certain customer incentive programs and other business arrangements generally. Activities subject to these laws also include the collection and/or use of information obtained in the course of patient recruitment for clinical trials. The healthcare laws that may affect our ability to operate include, but are not limited to:

- the federal Anti-Kickback Statute, which prohibits, among other things, knowingly and willfully soliciting, receiving, offering or providing any remuneration (including any kickback, bribe, or rebate),

directly or indirectly, overtly or covertly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual, or the purchase, lease, order or recommendation of any good, facility, item or service for which payment may be made, in whole or in part, under a federal healthcare program, such as the Medicare and Medicaid programs;

- federal civil and criminal false claims laws and civil monetary penalty laws, including the civil False Claims Act, which impose criminal and civil penalties against individuals or entities for, among other things, knowingly presenting, or causing to be presented, claims for payment or approval from the federal government including Medicare and Medicaid, that are false or fraudulent or knowingly making a false statement to improperly avoid, decrease or conceal an obligation to pay money to the federal government;
- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which created additional federal criminal statutes that prohibit, among other actions, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program or obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any healthcare benefit program, regardless of the payor (e.g., public or private), and knowingly and willfully falsifying, concealing or covering up by any trick or device a material fact or making any materially false statements in connection with the delivery of, or payment for, healthcare benefits, items or services relating to healthcare matters;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, and their respective implementing regulations, which impose requirements, including mandatory contractual terms, on certain covered healthcare providers, health plans, and healthcare clearinghouses as well as their respective business associates that perform services for them that involve the use, or disclosure of, individually identifiable health information, relating to the privacy, security and transmission of individually identifiable health information;
- the federal Physician Payments Sunshine Act, created under the Patient Protection and Affordable Care Act, as amended by the Health Care Education Reconciliation Act, which we refer to collectively as ACA, and its implementing regulations, which require certain manufacturers of drugs, devices, biologicals and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) to report annually to the United States Department of Health and Human Services, or HHS, information related to payments or other transfers of value made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members by the 90th day of each subsequent calendar year, and disclosure of such information will be made by HHS on a publicly available website; and
- federal consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers.

Additionally, we are subject to state and foreign laws and regulations that are analogous to the healthcare laws and regulations described above, among others, some of which may be broader in scope and may apply regardless of the payor. Some state laws require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and relevant compliance guidance promulgated by the federal government; some state laws require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures; and some state and foreign laws govern the privacy and security of health information in ways that differ, and in certain cases are more stringent than, HIPAA, thus complicating compliance efforts.

We have adopted a code of business conduct and ethics, but it is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent inappropriate conduct may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental

investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. Efforts to ensure that our business arrangements will comply with applicable healthcare laws may involve substantial costs. It is possible that governmental and enforcement authorities will conclude that our business practices do not comply with current or future statutes, regulations or case law interpreting applicable fraud and abuse or other healthcare laws and regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of civil, criminal and/or administrative penalties, damages, disgorgement, monetary fines, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our operations, any of which could adversely affect our ability to operate our business and our results of operations. Defending against any such actions can be costly, time-consuming, and may require significant financial and personnel resources. Therefore, even if we are successful in defending against any such actions that may be brought against us, our business may be impaired.

We face significant competition in the biopharmaceutical industry, and many of our competitors have substantially greater experience and resources than we have.

Even if our aNK cell therapy proves successful, we might not be able to remain competitive because of the rapid pace of technological development in the biopharmaceutical field. We are currently aware of several companies developing cell-based immunotherapy products, such as cancer vaccines, as a method of treating cancer. Our aNK, taNK and haNK product candidates will compete with product candidates from companies that are currently focused on T-cell based treatments for cancer, such as CAR-T and TCR therapies, as well as dendritic cell-based therapies. Companies focused on the development of T-cell based treatments for cancer include Adaptimmune Limited, Bellicum Pharmaceuticals, Inc., bluebird bio, Inc., Celgene Corporation, Cellectis SA, GlaxoSmithKline plc, Intrexon Corporation, Juno Therapeutics, Inc., Kite Pharma, Inc., Novartis AG, Pfizer Inc. and Ziopharm Oncology, Inc. There is currently one approved dendritic cell-based cancer vaccine, PROVENGE which is marketed by Valeant Pharmaceuticals for the treatment of metastatic castrate-resistant prostate cancer. In addition, companies focused on developing dendritic cell-based product candidates include Aduro BioTech Inc, Advaxis, Inc., Argos Therapeutics, Inc., Biovest International, Inc., ImmunoCellular Therapeutics, Ltd., Immune Design, Inc., Inovio Pharmaceuticals, Inc., Intrexon Corporation and Northwest Biotherapeutics, Inc.

Many of our competitors have greater financial and other resources, larger research and development staffs, and more experienced capabilities in researching, developing and testing products than we do. All of these companies also have more experience in conducting clinical trials, obtaining FDA and other regulatory approvals, and manufacturing, marketing and distributing therapeutic products. Small companies like us may successfully compete by establishing collaborative relationships with larger pharmaceutical companies or academic institutions. In addition, large pharmaceutical companies or other companies with greater resources or experience than us may choose to forgo therapy opportunities that would have otherwise been complementary to our product development and collaboration plans. Our competitors may succeed in developing, obtaining patent protection for, or commercializing their products more rapidly than us. A competing company developing or acquiring rights to a more effective therapeutic product for the same diseases targeted by us, or one that offers significantly lower costs of treatment, could render our products noncompetitive or obsolete.

Competing generic medicinal products or biosimilars may be approved.

In the E.U., there exists a process for approval of generic biological medicinal products once patent protection and other forms of data and market exclusivity have expired. Arrangements for approval of generic biologics products exist in the United States, as well. Other jurisdictions are considering adopting legislation that would allow the approval of generic biological medicinal products. If generic medicinal products are approved, competition from such products may substantially reduce sales of our products.

Public opinion and scrutiny of cell-based immunotherapy approaches may impact public perception of our company and product candidates, or may adversely affect our ability to conduct our business and our business plans.

Our platform utilizes a relatively novel technology involving the genetic modification of human cells and utilization of those modified cells in other individuals, and no NK cell-based immunotherapy has been approved to date. Public perception may be influenced by claims, such as claims that cell-based immunotherapy is unsafe or unethical, and our approach may not gain the acceptance of the public or the medical community. In particular, our success will depend upon physicians specializing in the treatment of those diseases that our product candidates target prescribing treatments that involve the use of our product candidates in lieu of, or in addition to, existing treatments they are already familiar with and for which greater clinical data may be available. More restrictive government regulations or negative public opinion could have an adverse effect on our business or financial condition and may delay or impair the development and commercialization of our product candidates or demand for any products we may develop. Adverse events in our clinical trials, even if not ultimately attributable to our product candidates, and the resulting publicity could result in increased governmental regulation, unfavorable public perception, potential regulatory delays in the testing or approval of our potential product candidates, stricter labeling requirements for those product candidates that are approved and a decrease in demand for any such product candidates.

Risks Relating to Government Regulation

We may fail to obtain or may experience delays in obtaining regulatory approval to market aNK cells or platform products, which will significantly harm our business.

We do not have the necessary approval to market or sell aNK cells or platform products in the United States or any foreign market. Before marketing aNK cell products, we must successfully complete extensive preclinical studies and clinical trials and rigorous regulatory approval procedures. We cannot assure you that we will apply for or obtain the necessary regulatory approval to commercialize aNK cell products in a timely manner, or at all.

Conducting clinical trials is uncertain and expensive and often takes many years to complete. The results from preclinical testing and early clinical trials are often not predictive of results obtained in later clinical trials. In conducting clinical trials, we may fail to establish the effectiveness of aNK cells for the targeted indication or we may discover unforeseen side effects. Moreover, clinical trials may require the enrollment of large numbers of patients, and suitable patients may be difficult to identify and recruit. Clinical trials are also often subject to unanticipated delays. In addition, aNK cells are produced in small scale cell culture systems and we may be unable to adapt the production method to large scale production systems. Also, patients participating in the trials may die before completion of the clinical trial or suffer adverse medical effects unrelated to treatment with aNK cells. This could delay or lead to termination of our clinical trials. A number of companies in the biotechnology industry have suffered significant setbacks in every stage of clinical trials, even in advanced clinical trials after positive results in earlier clinical trials.

To date, the FDA has approved only a few cell-based therapies for commercialization. The processes and requirements imposed by the FDA may cause delays and additional costs in obtaining regulatory approvals for our products. Because our aNK cell therapy is novel, and cell-based therapies are relatively new, regulatory agencies may lack experience in evaluating product candidates like aNK cells. This inexperience may lengthen the regulatory review process, increase our development costs and delay or prevent commercialization of aNK cells. In addition, the following factors may impede or delay our ability to obtain timely regulatory approvals, if at all:

- our limited experience in filing and pursuing Biologics License Applications, or BLAs, necessary to gain regulatory approvals related to genetically modified cancer cell line therapies;
- any failure to develop substantial evidence of clinical efficacy and safety, and to develop quality standards;
- a decision by us or regulators to suspend or terminate our clinical trials if the participating patients are being exposed to unacceptable health risks;

- regulatory inspections of our clinical trials or manufacturing facilities, which may, among other things, require us to undertake corrective action or suspend or terminate our clinical trials if investigators find us not to be in compliance with applicable regulatory requirements;
- our ability to produce sufficient quantities of aNK cells to complete our clinical trials;
- varying interpretations of the data generated from our clinical trials; and
- changes in governmental regulations or administrative action.

Any delays in, or termination of, our clinical trials could materially and adversely affect our development and collaboration timelines, which may cause our stock price to decline. If we do not complete clinical trials for aNK cells and obtain regulatory approvals, we may not be able to recover any of the substantial costs we have invested in the development of aNK cells.

Even if we obtain regulatory approvals for aNK cells, those approvals and ongoing regulation of our products may limit how we manufacture and market our products, which could prevent us from realizing the full benefit of our efforts.

If we obtain regulatory approvals, aNK cells, our aNK product lines, and our manufacturing facilities will be subject to continual regulatory review, including periodic unannounced inspections, by the FDA and other United States and foreign regulatory authorities. In addition, regulatory authorities may impose significant restrictions on the indicated uses or impose ongoing requirements for potentially costly post-approval studies. aNK cells and other product candidates, would also be subject to ongoing FDA requirements governing the labeling, packaging, storage, advertising, promotion, recordkeeping and submission of safety and other post-market information. These and other factors may significantly restrict our ability to successfully commercialize aNK cells and our aNK cell therapy.

Manufacturers of biopharmaceutical products and their facilities, vendors and suppliers are subject to continual review and periodic unannounced inspections by the FDA and other regulatory authorities for compliance with current Good Manufacturing Practices, or cGMP, regulations, which include requirements relating to quality control and quality assurance as well as to the corresponding maintenance of records and documentation. Furthermore, our manufacturing facilities must be approved by regulatory agencies before these facilities can be used to manufacture aNK cells, and they will also be subject to additional regulatory inspections. Any material changes we may make to our manufacturing process or to the components used in our products may require additional prior approval by the FDA and state or foreign regulatory authorities. Failure to comply with FDA or other applicable regulatory requirements may result in criminal prosecution, civil penalties, recall or seizure of products, partial or total suspension of production or withdrawal of a product from the market.

We must also report adverse events that occur when our products are used. The discovery of previously unknown problems with aNK cells or our manufacturing facilities may result in restrictions or sanctions on our products or manufacturing facilities, including withdrawal of our products from the market or suspension of manufacturing. Regulatory agencies may also require us to reformulate our products, conduct additional clinical trials, make changes in the labeling of our product or obtain re-approvals. This may cause our reputation in the market place to suffer or subject us to lawsuits, including class action suits.

In addition, if we, our product candidates or the manufacturing facilities for our product candidates fail to comply with applicable regulatory requirements, a regulatory agency may:

- issue warning letters that can produce adverse publicity;
- impose civil or criminal penalties;
- suspend regulatory approval;
- suspend any ongoing clinical trials;

- refuse to approve pending applications or supplements to applications filed by us;
- impose restrictions on operations, including costly new manufacturing requirements;
- seize or detain products or request us to initiate a product recall; or
- pursue and obtain an injunction.

Obtaining and maintaining regulatory approval of our product candidates in one jurisdiction does not mean that we will be successful in obtaining regulatory approval of our product candidates in other jurisdictions.

Obtaining and maintaining regulatory approval of our product candidates in one jurisdiction does not guarantee that we will be able to obtain or maintain regulatory approval in any other jurisdiction, while a failure or delay in obtaining regulatory approval in one jurisdiction may have a negative effect on the regulatory approval process in others. For example, even if the FDA grants marketing approval of a product candidate, comparable regulatory authorities in foreign jurisdictions must also approve the product, manufacturing, and in many cases reimbursement of the product candidate in those countries. Approval procedures vary among jurisdictions and can involve requirements and administrative review periods different from, and greater than, those in the United States, including additional preclinical studies or clinical trials as clinical studies conducted in one jurisdiction may not be accepted by regulatory authorities in other jurisdictions. In some cases, the price that we intend to charge for our products is also subject to approval.

We may also submit marketing applications in other countries. Regulatory authorities in jurisdictions outside of the United States have requirements for approval of product candidates with which we must comply prior to marketing in those jurisdictions. Obtaining foreign regulatory approvals and compliance with foreign regulatory requirements could result in significant delays, difficulties and costs for us and could delay or prevent the introduction of our products in certain countries. If we fail to comply with the regulatory requirements in international markets and/or receive applicable marketing approvals, our target market will be reduced and our ability to realize the full market potential of our product candidates will be harmed.

We may seek orphan drug status or breakthrough therapy designation for one or more of our product candidates, but even if either is granted, we may be unable to maintain any benefits associated with breakthrough therapy designation or orphan drug status, including market exclusivity.

Under the Orphan Drug Act, the FDA may grant orphan designation to a drug or biologic intended to treat a rare disease or condition or for which there is no reasonable expectation that the cost of developing and making available in the United States a drug or biologic for a disease or condition will be recovered from sales in the United States for that drug or biologic. If a product that has orphan drug designation subsequently receives the first FDA approval for the disease for which it has such designation, the product is entitled to orphan product exclusivity, which means that the FDA may not approve any other applications, including a full Biologics License Application, or BLA, to market the same drug or biologic for the same indication for seven years, except in limited circumstances, such as a showing of clinical superiority to the product with orphan drug exclusivity. In 2012, the FDA established a Breakthrough Therapy Designation which is intended to expedite the development and review of products that treat serious or life-threatening conditions.

We may seek orphan drug status for one or more of our products candidates, but exclusive marketing rights in the United States may be limited if we seek approval for an indication broader than the orphan designated indication and may be lost if the FDA later determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantities of the product to meet the needs of patients with the rare disease or condition. In addition, we may seek breakthrough therapy designation for one or more of our product candidates, but there can be no assurance that we will receive such designation.

We will need to obtain FDA approval of any proposed product brand names, and any failure or delay associated with such approval may adversely impact our business.

A biopharmaceutical product cannot be marketed in the United States or other countries until we have completed rigorous and extensive regulatory review processes, including review and approval of a brand name. Any brand names we intend to use for our product candidates will require approval from the FDA regardless of whether we have secured a formal trademark registration from the U.S. Patent and Trademark Office, or the USPTO. The FDA may object to a product brand name if they believe the name creates potential for confusion or inappropriately implies medical claims. If the FDA objects to any of our proposed product brand names, we may be required to adopt an alternative brand name for our product candidates. If we adopt an alternative brand name, we would lose the benefit of our existing trademark applications for such product candidate and may be required to expend significant additional resources in an effort to identify a suitable product brand name that would qualify under applicable trademark laws, not infringe the existing rights of third parties and be acceptable to the FDA. We may be unable to build a successful brand identity for a new trademark in a timely manner or at all, which would limit our ability to commercialize our product candidates.

Coverage and reimbursement decisions by third-party payors may have an adverse effect on pricing and market acceptance.

There is significant uncertainty related to the third-party coverage and reimbursement of newly approved drugs. Patients who are provided medical treatment for their conditions generally rely on third-party payors to reimburse all or part of the costs associated with their treatment. Therefore, market acceptance and sales of our products, if approved, in both domestic and international markets will depend significantly on the availability of adequate coverage and reimbursement from third-party and/or government payors for any of our products and may be affected by existing and future healthcare reform measures. Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which drugs they will cover and establish approved lists, known as formularies, and establish payment levels for such drugs. Formularies may not include all FDA-approved drugs for a particular indication. Private payors often follow Medicare coverage policy and payment limitations in setting their own payment rates. Any reduction in payment under Medicare Part D may result in a similar reduction in payments from non-governmental payors. We cannot be certain that coverage and adequate reimbursement will be available for any of our products, if approved, or that such coverage and reimbursement will be authorized in a timely fashion. Also, we cannot be certain that reimbursement policies will not reduce the demand for, or the price paid for, any of our products, if approved. If reimbursement is not available or is available on a limited basis for any of our products, if approved, we may not be able to successfully commercialize any such products.

Reimbursement by a third-party or government payor may depend upon a number of factors, including, without limitation, the third-party or government payor’s determination that use of a product is:

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

Obtaining coverage and reimbursement approval for a product from a government or other third-party payor is a time consuming and costly process that could require us to provide supporting scientific, clinical and cost-effectiveness data for the use of our products to the payor. We may not be able to provide data sufficient to gain acceptance with respect to coverage and reimbursement or to have pricing set at a satisfactory level. If reimbursement of our products, if any, is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels such as may result where alternative or generic treatments are available, we may be unable to achieve or sustain profitability.

Assuming we obtain coverage for a given product, the resulting reimbursement payment rates might not be adequate or may require co-payments that patients find unacceptably high. Patients are unlikely to use our products unless coverage is provided and reimbursement is adequate to cover a significant portion of the cost of our products.

In the United States, third-party payors include federal and state healthcare programs, government authorities, private managed care providers, private health insurers, and other organizations. No uniform policy of coverage and reimbursement for products exists among third-party payors, and third-party payors are increasingly challenging the price, examining the medical necessity, and reviewing the cost-effectiveness of medical drug products and medical services, in addition to questioning their safety and efficacy. Therefore, coverage and reimbursement for products can differ significantly from payor to payor. As a result, the coverage determination process is often a time-consuming and costly process that will 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. We or our collaborators may need to conduct expensive pharmaco-economic studies in order to demonstrate the medical necessity and cost-effectiveness of our products, in addition to the costs required to obtain the FDA approvals.

In some foreign countries, particularly in Europe, the pricing of prescription pharmaceuticals is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time after the receipt of marketing approval for a product. To obtain reimbursement or pricing approval in some countries, we may be required to conduct additional clinical trials that compare the cost-effectiveness of our products to other available therapies. If reimbursement of any of our products, if approved, is unavailable or limited in scope or amount in a particular country, or if pricing is set at unsatisfactory levels, we may be unable to achieve or sustain profitability of our products in such country.

Recent legislative and regulatory activity may exert downward pressure on potential pricing and reimbursement for our products, if approved, that could materially affect the opportunity to commercialize.

The United States and several other jurisdictions are considering, or have already enacted, a number of legislative and regulatory proposals to change the healthcare system in ways that could affect our ability to sell any of our products profitably, if approved. Among policy-makers and payors in the United States and elsewhere, there is significant interest in promoting changes in healthcare systems with the stated goals of containing healthcare costs, improving quality and/or expanding access to healthcare. In the United States, the pharmaceutical industry has been a particular focus of these efforts and has been significantly affected by major legislative initiatives. There have been, and likely will continue to be, legislative and regulatory proposals at the federal and state levels directed at broadening the availability of healthcare and containing or lowering the cost of healthcare. We cannot predict the initiatives that may be adopted in the future. The continuing efforts of the government, insurance companies, managed care organizations and other payors of healthcare services to contain or reduce costs of healthcare may adversely affect:

- the demand for any of our products, if approved;
- our ability to set a price that we believe is fair for any of our products, if approved;
- our ability to generate revenues and achieve or maintain profitability;
- the level of taxes that we are required to pay; and
- the availability of capital.

In March 2010, ACA became law in the United States. The goal of ACA is to reduce the cost of healthcare, broaden access to health insurance, constrain healthcare spending, enhance remedies against fraud and abuse, add transparency requirements for the healthcare and health insurance industries, impose taxes and fees on the health industry, impose additional health policy reforms, and substantially change the way healthcare is financed by both governmental and private insurers. While we cannot predict what impact on federal reimbursement policies this legislation will have in general or on our business specifically, ACA may result in downward pressure on

pharmaceutical reimbursement, which could negatively affect market acceptance of any of our products, if they are approved. Provisions of ACA relevant to the pharmaceutical industry include the following:

- an annual, nondeductible fee on any entity that manufactures or imports certain branded prescription drugs and biologic agents, apportioned among these entities according to their market share in certain government healthcare programs, not including orphan drug sales;
- an increase in the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program to 23.1% and 13% of the average manufacturer price for most branded and generic drugs, respectively;
- a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% point-of-sale discounts on negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D;
- extension of manufacturers' Medicaid rebate liability to covered drugs dispensed to individuals who are enrolled in Medicaid managed care organizations;
- expansion of eligibility criteria for Medicaid programs by, among other things, allowing states to offer Medicaid coverage to additional individuals and by adding new mandatory eligibility categories for certain individuals with income at or below 133% of the Federal Poverty Level, thereby potentially increasing manufacturers' Medicaid rebate liability;
- expansion of the entities eligible for discounts under the Public Health Service pharmaceutical pricing program;
- new requirements for certain manufacturers of drugs, devices, biologics, and medical supplies for which payment is available under Medicare, Medicaid, or the Children's Health Insurance Program, with specific exceptions to report annually certain financial arrangements with physicians and teaching hospitals, as defined in ACA and its implementing regulations, including reporting any payment or "transfer of value" provided to physicians and teaching hospitals and any ownership and investment interests held by physicians and their immediate family members during the preceding calendar year;
- expansion of healthcare fraud and abuse laws, including the federal False Claims Act and the federal Anti-Kickback Statute, new government investigative powers and enhanced penalties for noncompliance;
- a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in and conduct comparative clinical effectiveness research, along with funding for such research; and
- 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.

We cannot predict what healthcare reform initiatives may be adopted in the future. Further federal, state and foreign legislative and regulatory developments are likely, and we expect ongoing initiatives to increase pressure on drug pricing. Such reforms could have an adverse effect on anticipated revenues from product candidates that we may successfully develop and for which we may obtain regulatory approval and may affect our overall financial condition and ability to develop product candidates.

We are subject to governmental export and import controls that could impair our ability to compete in international markets due to licensing requirements and subject us to liability if we are not in compliance with applicable laws.

Our products and solutions are subject to export control and import laws and regulations, including the U.S. Export Administration Regulations, U.S. Customs regulations, and various economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Controls. Exports of our products and solutions outside of the United States must be made in compliance with these laws and

regulations. If we fail to comply with these laws and regulations, we and certain of our employees could be subject to substantial civil or criminal penalties, including the possible loss of export or import privileges; fines, which may be imposed on us and responsible employees or managers; and, in extreme cases, the incarceration of responsible employees or managers.

In addition, changes in our products or solutions or changes in applicable export or import laws and regulations may create delays in the introduction, provision, or sale of our products and solutions in international markets, prevent customers from using our products and solutions or, in some cases, prevent the export or import of our products and solutions to certain countries, governments or persons altogether. Any limitation on our ability to export, provide, or sell our products and solutions could adversely affect our business, financial condition and results of operations.

We are subject to U.S. and foreign anti-corruption and anti-money laundering laws with respect to our operations and non-compliance with such laws can subject us to criminal and/or civil liability and harm our business.

We are subject to the U.S. Foreign Corrupt Practices Act of 1977, as amended, or the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act, and possibly other state and national anti-bribery and anti-money laundering laws in countries in which we conduct activities. Anti-corruption laws are interpreted broadly and prohibit companies and their employees, agents, third-party intermediaries, joint venture partners and collaborators from authorizing, promising, offering, or providing, directly or indirectly, improper payments or benefits to recipients in the public or private sector. We currently use contract research organizations abroad for clinical trials. In addition, we may engage third party intermediaries to sell our products and solutions abroad once we enter a commercialization phase for our product candidates and/or to obtain necessary permits, licenses, and other regulatory approvals. We or our third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities. We can be held liable for the corrupt or other illegal activities of these third-party intermediaries, our employees, representatives, contractors, partners, and agents, even if we do not explicitly authorize or have actual knowledge of such activities.

We have adopted an anti-corruption policy, which will be effective upon the completion of this offering, and expect to prepare and implement procedures to ensure compliance with such policy. The anti-corruption policy mandates compliance with the FCPA and other anti-corruption laws applicable to our business throughout the world. However, there can be no assurance that our employees and third party intermediaries will comply with this policy or such anti-corruption laws. Noncompliance with anti-corruption and anti-money laundering laws could subject us to whistleblower complaints, investigations, sanctions, settlements, prosecution, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, suspension and/or debarment from contracting with certain persons, the loss of export privileges, reputational harm, adverse media coverage, and other collateral consequences. If any subpoenas, investigations, or other enforcement actions are launched, or governmental or other sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our business, results of operations and financial condition could be materially harmed. In addition, responding to any action will likely result in a materially significant diversion of management's attention and resources and significant defense and compliance costs and other professional fees. In certain cases, enforcement authorities may even cause us to appoint an independent compliance monitor which can result in added costs and administrative burdens.

Risks Relating to Our Intellectual Property

If our efforts to protect the intellectual property related to our product candidates are not adequate, we may not be able to compete effectively in our market.

We rely upon a combination of patents, trade secret protection and confidentiality agreements to protect the intellectual property related to our product candidates and technology. Any disclosure to or misappropriation by

third parties of our confidential proprietary information could enable competitors to quickly duplicate or surpass our technological achievements, eroding our competitive position in the market. We have worldwide commercial rights to the NK-92 cell line and we believe that we control commercial use of our aNK cells in key territories. We have developed and in-licensed numerous patents and patent applications and we possess substantial know-how and trade secrets relating to the development and commercialization of Natural Killer cell-based immunotherapy product candidates, including related manufacturing processes and technology. As of the date of this prospectus, our owned and licensed patent portfolio consists of two licensed U.S. issued patents, approximately two licensed U.S. pending patent applications, one owned U.S. issued patent, and approximately 28 owned U.S. pending patent applications covering certain of our proprietary technology, inventions, and improvements and our most advanced product candidates, as well as approximately 16 licensed patents and eight owned patents issued in jurisdictions outside of the United States, approximately five licensed patent applications and three owned patent applications pending in jurisdictions outside of the United States that, in many cases, are counterparts to the foregoing U.S. patents and patent applications, as well as an additional three pending Patent Cooperation Treaty (PCT) patent applications. We believe we have intellectual property rights that are necessary to commercialize aNK cells. However, our patent applications may not result in issued patents, and, even if issued, the patents may be challenged and invalidated. Moreover, our patents and patent applications may not be sufficiently broad to prevent others from practicing our technologies or developing competing products. We also face the risk that others may independently develop similar or alternative technologies or may design around our proprietary property.

The patent application process, also known as patent prosecution, is expensive and time-consuming, and we and our current or future licensors and licensees may not be able to prepare, file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. It is also possible that we or our current licensors, or any future licensors or licensees, will fail to identify patentable aspects of inventions made in the course of development and commercialization activities before it is too late to obtain patent protection on them. Therefore, these and any of our patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business. Defects of form in the preparation or filing of our patents or patent applications may exist, or may arise in the future, for example with respect to proper priority claims, inventorship, etc., although we are unaware of any such defects that we believe are of material import. If we or our current licensors, or any future licensors or licensees, fail to establish, maintain or protect such patents and other intellectual property rights, such rights may be reduced or eliminated. If our current licensors, or any future licensors or licensees, are not fully cooperative or disagree with us as to the prosecution, maintenance or enforcement of any patent rights, such patent rights could be compromised. If there are material defects in the form or preparation of our patents or patent applications, such patents or applications may be invalid and unenforceable. Any of these outcomes could impair our ability to prevent competition from third parties, which may have an adverse impact on our business.

The strength of patents in the biopharmaceutical field involves complex legal and scientific questions and can be uncertain. This uncertainty includes changes to the patent laws through either legislative action to change statutory patent law or court action that may reinterpret existing law or rules in ways affecting the scope or validity of issued patents. The patent applications that we own or in-license may fail to result in issued patents in the United States or foreign countries with claims that cover our product candidates. Even if patents do successfully issue from the patent applications that we own or in-license, third parties may challenge the validity, enforceability or scope of such patents, which may result in such patents being narrowed, invalidated or held unenforceable. For example, patents granted by the European Patent Office may be challenged, also known as opposed, by any person within nine months from the publication of their grant. Any successful challenge to our patents could deprive us of exclusive rights necessary for the successful commercialization of our product candidates. Furthermore, even if they are unchallenged, our patents may not adequately protect our product candidates, provide exclusivity for our product candidates, or prevent others from designing around our claims. If the breadth or strength of protection provided by the patents we hold or pursue with respect to our product candidates is challenged, it could dissuade companies from collaborating with us to develop, or threaten our ability to commercialize our product candidates.

Patents have a limited lifespan. In the United States, the natural expiration of a patent is generally 20 years after its effective filing date. Various extensions may be available; however the life of a patent, and the protection it affords, is limited. Without patent protection for our product candidates, we may be open to competition from generic versions of our product candidates. Further, if we encounter delays in our development efforts, including our clinical trials, the period of time during which we could market our product candidates under patent protection would be reduced.

In addition to the protection afforded by patents, we also rely on trade secret protection to protect proprietary know-how that may not be patentable or that we elect not to patent, processes for which patents may be difficult to obtain or enforce, and any other elements of our product candidates, and our product development processes (such as a manufacturing and formulation technologies) that involve proprietary know-how, information or technology that is not covered by patents. However, trade secrets can be difficult to protect. If the steps taken to maintain our trade secrets are deemed inadequate, we may have insufficient recourse against third parties for misappropriating any trade secrets. Misappropriation or unauthorized disclosure of our trade secrets could significantly affect our competitive position and may have a material adverse effect on our business. Furthermore, trade secret protection does not prevent competitors from independently developing substantially equivalent information and techniques and we cannot guarantee that our competitors will not independently develop substantially equivalent information and techniques. The FDA, as part of its Transparency Initiative, is currently considering whether to make additional information publicly available on a routine basis, including information that we may consider to be trade secrets or other proprietary information, and it is not clear at the present time how the FDA's disclosure policies may change in the future, if at all.

In an effort to protect our trade secrets and other confidential information, we require our employees, consultants, advisors, and any other third parties that have access to our proprietary know-how, information or technology, for example, third parties involved in the formulation and manufacture of our product candidates, and third parties involved in our clinical trials to execute confidentiality agreements upon the commencement of their relationships with us. These agreements require that all confidential information developed by the individual or made known to the individual by us during the course of the individual's relationship with us be kept confidential and not disclosed to third parties. However, we cannot be certain that our trade secrets and other confidential proprietary information will not be disclosed despite having such confidentiality agreements. Adequate remedies may not exist in the event of unauthorized use or disclosure of our trade secrets. In addition, in some situations, these confidentiality agreements may conflict with, or be subject to, the rights of third parties with whom our employees, consultants, or advisors have previous employment or consulting relationships. To the extent that our employees, consultants or contractors use any intellectual property owned by third parties in their work for us, disputes may arise as to the rights in any related or resulting know-how and inventions. If we are unable to prevent unauthorized material disclosure of our trade secrets to third parties, we may not be able to establish or maintain a competitive advantage in our market, which could materially adversely affect our business, operating results and financial condition.

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 on obtaining and enforcing patents. Obtaining and enforcing patents in the pharmaceutical industry involves both technological and legal complexity, and therefore, is costly, time-consuming and inherently uncertain. In addition, the United States has recently enacted and is currently implementing wide-ranging patent reform legislation. Further, recent U.S. Supreme Court rulings have either narrowed the scope of patent protection available in certain circumstances or 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.

For our U.S. patent applications containing a claim not entitled to priority before March 16, 2013, there is a greater level of uncertainty in the patent law. In September 2011, the Leahy-Smith America Invents Act, or the

American Invents Act, or AIA, was signed into law. The AIA includes a number of significant changes to U.S. patent law, including provisions that affect the way patent applications will be prosecuted and may also affect patent litigation. The USPTO is currently developing regulations and procedures to govern administration of the AIA, and many of the substantive changes to patent law associated with the AIA. It is not clear what other, if any, impact the AIA will have on the operation of our business. Moreover, the AIA 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.

An important change introduced by the AIA is that, 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 are filed by different parties claiming the same invention. A third party that files a patent application in the USPTO after that date but 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. This will require us to be cognizant going forward of the time from invention to filing of a patent application. Furthermore, our ability to obtain and maintain valid and enforceable patents depends on whether the differences between our technology and the prior art allow our technology to be patentable over the prior art. Since patent applications in the United States and most other countries are confidential for a period of time after filing, we cannot be certain that we were the first to either (1) file any patent application related to our product candidates or (2) invent any of the inventions claimed in our patents or patent applications.

Among some of the other changes introduced by the AIA are changes that limit where a patentee may file a patent infringement suit and providing opportunities for third parties to challenge any issued patent in the USPTO. This applies to all of our U.S. patents, even those issued before March 16, 2013. Because of a lower evidentiary standard in USPTO proceedings compared to the evidentiary standard in United States federal court necessary to invalidate a patent claim, a third party could potentially provide evidence in a USPTO proceeding sufficient for the USPTO to hold a claim invalid even though the same evidence would be insufficient to invalidate the claim if first presented in a district court action. Accordingly, a third party may attempt to use the USPTO procedures to invalidate our patent claims that would not have been invalidated if first challenged by the third party as a defendant in a district court action.

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

The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent prosecution process. Periodic maintenance fees and various other governmental fees on any issued patent and/or pending patent applications are due to be paid to the USPTO and foreign patent agencies in several stages over the lifetime of a patent or patent application. We have systems in place to remind us to pay these fees, and we employ an outside firm and rely on our outside counsel to pay these fees. While an inadvertent lapse may sometimes be cured by payment of a late fee or by other means in accordance with the applicable rules, there are many situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. If we fail to maintain the patents and patent applications directed to our product candidates, our competitors might be able to enter the market earlier than should otherwise have been the case, which would have a material adverse effect on our business.

Third-party claims alleging intellectual property infringement may adversely affect our business.

Our commercial success depends in part on our avoiding infringement of the patents and proprietary rights of third parties, for example, the intellectual property rights of competitors. Our research, development and commercialization activities may be subject to claims that we infringe or otherwise violate patents owned or controlled by third parties. 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 our product candidates. As the

biotechnology and pharmaceutical industries expand and more patents are issued, the risk increases that our activities related to our product candidates may give rise to claims of infringement of the patent rights of others. We cannot assure you that our product candidates will not infringe existing or future patents. We may not be aware of patents that have already issued that a third party, for example a competitor in our market, might assert are infringed by our product candidates. It is also possible that patents of which we are aware, but which we do not believe are relevant to our product candidates, could nevertheless be found to be infringed by our product candidates. Nevertheless, we are not aware of any issued patents that we believe would prevent us from marketing our product candidates, if approved. There may also be patent applications that have been filed but not published that, when issued as patents, could be asserted against us.

Third parties making claims against us for infringement or misappropriation of their intellectual property rights may seek and obtain injunctive or other equitable relief, which could effectively block our ability to further develop and commercialize our product candidates. 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. Defense of these claims, regardless of their merit, would cause us to incur substantial expenses and, and would be a substantial diversion of employee resources from our business. In the event of a successful claim of infringement against us by a third party, we may have to (1) pay substantial damages, including treble damages and attorneys' fees if we are found to have willfully infringed the third party's patents; (2) obtain one or more licenses from the third party; (3) pay royalties to the third party; and/or (4) redesign any infringing products. Redesigning any infringing products may be impossible or require substantial time and monetary expenditure. Further, we cannot predict whether any required license would be available at all or whether it would be available on commercially reasonable terms. In the event that we could not obtain a license, we may be unable to further develop and commercialize our product candidates, which could harm our business significantly. Even if we are able to obtain a license, the license would likely obligate us to pay 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. Ultimately, we could be prevented from commercializing a product, or be forced to cease some aspect of our business operations, if, as a result of actual or threatened patent infringement claims, we are unable to enter into licenses on acceptable terms.

Defending ourselves or our licensors in litigation is very expensive, particularly for a company of our size, and time-consuming. Some of our competitors may be able to sustain the costs of litigation or administrative proceedings more effectively than we can because of greater financial resources. Patent litigation and other proceedings may also absorb significant management time. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could impair our ability to compete in the marketplace. The occurrence of any of the foregoing could have a material adverse effect on our business, financial condition or results of operations.

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

Third parties may infringe or misappropriate our intellectual property, including our existing patents, patents that may issue to us in the future, or the patents of our licensors to which we have a license. As a result, we may be required to file infringement claims to stop third-party infringement or unauthorized use. Further, we may not be able to prevent, alone or with our licensors, misappropriation of our intellectual property rights, particularly in countries where the laws may not protect those rights as fully as in the United States.

Generic drug manufacturers may develop, seek approval for, and launch generic versions of our products. If we file an infringement action against such a generic drug manufacturer, that company may challenge the scope, validity or enforceability of our or our licensors' patents, requiring us and/or our licensors to engage in complex, lengthy and costly litigation or other proceedings.

For example, if we or one of our licensors initiated legal proceedings against a third party to enforce a patent covering our product candidates, the defendant could counterclaim that the patent covering our product

candidates is invalid and/or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity and/or unenforceability are commonplace, and there are numerous grounds upon which a third party can assert invalidity or unenforceability of a patent.

In addition, within and outside of the United States, there has been a substantial amount of litigation and administrative proceedings, including interference and reexamination proceedings before the USPTO or oppositions and other comparable proceedings in various foreign jurisdictions, regarding patent and other intellectual property rights in the biopharmaceutical industry. Recently, the AIA introduced new procedures including inter partes review and post grant review. The implementation of these procedures brings uncertainty to the possibility of challenges to our patents in the future, including those that patents perceived by our competitors as blocking entry into the market for their products, and the outcome of such challenges.

In March 2009, we received a final rejection in one of our original patent applications pertaining to methods of use claims for NK-92 from the USPTO. We filed a Notice of Appeal to the USPTO Board of Appeals and Interferences and a Decision on Appeal was rendered in the fall of 2013. That decision reversed the Examiner's rejection of the claim to certain methods of use with NK-92, but affirmed the Examiner's rejection of the remaining patent claims. In December 2013, we brought an action in the U.S. District Court for the Eastern District of Virginia to review the decision of the USPTO as we disagreed with the decision as to the non-allowed claims. A trial before the district court judge is being scheduled, likely in the fourth quarter of 2015.

Such litigation and administrative proceedings could result in revocation of our patents or amendment of our patents such that they do not cover our product candidates. They may also put our pending patent applications at risk of not issuing, or issuing with limited and potentially inadequate scope to cover our product candidates. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to the validity question, for example, we cannot be certain that there is no invalidating prior art, of which we and the patent examiner were unaware during prosecution. Additionally, it is also possible that prior art of which we are aware, but which we do not believe affects the validity or enforceability of a claim, may, nonetheless, ultimately be found by a court of law or an administrative panel to affect the validity or enforceability of a claim, for example if a priority claim is found to be improper. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our product candidates. Such a loss of patent protection could have a material adverse impact on our business.

Enforcing our or our licensor's intellectual property rights through litigation is very expensive, particularly for a company of our size, and time-consuming. Some of our competitors may be able to sustain the costs of litigation more effectively than we can because of greater financial resources. Patent litigation and other proceedings may also absorb significant management time. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could impair our ability to compete in the marketplace. The occurrence of any of the foregoing could have a material adverse effect on our business, financial condition or results of operations.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation or administrative proceedings, there is a risk that some of our confidential information could be compromised by disclosure. In addition, during the course of litigation or administrative proceedings, there could be public announcements of the results of hearings, motions or other interim proceedings or developments or public access to related documents. If investors perceive these results to be negative, the market price for our common stock could be significantly harmed.

If we fail to comply with our obligation in any of the agreements under which we license intellectual property 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.

Licensing of intellectual property rights is of critical importance to our business and involves complex legal, business and scientific issues. We rely on our exclusive license from Hans Klingemann, M.D., Ph.D., one of our founders and the inventor of our aNK cell therapy, and may rely on our exclusive licenses from Rush University Medical Center and other licensors such as Fox Chase Cancer Research Center and the University Health Network. If we fail to comply with the diligence obligations or otherwise materially breach our license agreement, and fail to remedy such failure or cure such breach, the licensor may have the right to terminate the license.

Our license agreement with Dr. Klingemann, as amended, is effective for 15 years following the first commercial sale of a product based on the license and may be terminated earlier by either party for material breach. Under the license agreement we have the right to enforce the licensed patents. At the end of the relevant 15 year period, we will have a perpetual, irrevocable, fully-paid royalty-free, exclusive license. Our license agreement with Rush University Medical Center terminates on the 12th anniversary of our first payment of royalties, at which point the license is deemed perpetual, irrevocable, fully-paid royalty-free, exclusive license, and may be terminated earlier by either party for material breach.

Disputes may arise between us and our licensors regarding intellectual property rights subject to a license agreement, including:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- our right to sublicense intellectual property rights to third parties under collaborative development relationships; and
- our diligence obligations with respect to the use of the licensed technology in relation to our development and commercialization of our product candidates, and what activities satisfy those diligence obligations.

While we would expect to exercise all rights and remedies available to us, including seeking to cure any breach by us, and otherwise seek to preserve our rights under the patents licensed to us, we may not be able to do so in a timely manner, at an acceptable cost or at all. Generally, the loss of any one of our current licenses, or any other license we may acquire in the future, could materially harm our business, prospects, financial condition and results of operations.

Confidentiality agreements with employees and others may not adequately prevent disclosure of our trade secrets and other proprietary information and may not adequately protect our intellectual property, which could limit our ability to compete.

Because we operate in the highly technical field of research and development, we rely in part on trade secret protection in order to protect our proprietary trade secrets and unpatented know-how. However, trade secrets are difficult to protect, and we cannot be certain that others will not develop the same or similar technologies on their own. We have taken steps, including entering into confidentiality agreements with our employees, consultants, outside scientific collaborators, sponsored researchers and other advisors, to protect our trade secrets and unpatented know-how. These agreements generally require that the other party keep confidential and not disclose to third parties all confidential information developed by the party or made known to the party by us during the course of the party’s relationship with us. We also typically obtain agreements from these parties which provide that inventions conceived by the party in the course of rendering services to us will be our exclusive property. However, these agreements may not be honored and may not effectively assign intellectual property rights to us. Enforcing a claim that a party illegally obtained and is using our trade secrets or know-how is difficult, expensive and time consuming, and the outcome is unpredictable. In addition, courts outside the United States may be less willing to protect trade secrets or know-how. The failure to obtain or maintain trade secret protection could adversely affect our competitive position.

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

We have received confidential and proprietary information from third parties. In addition, we employ individuals who were previously employed at other biotechnology or pharmaceutical companies. We may be subject to claims that we or our employees, consultants or independent contractors have inadvertently or otherwise improperly used or disclosed confidential information of these third parties or our employees' former employers. Further, we may be subject to ownership disputes in the future arising, for example, from conflicting obligations of consultants or others who are involved in developing our product candidates. We may also be subject to claims that former employees, consultants, independent contractors, collaborators or other third parties have an ownership interest in our patents or other intellectual property. Litigation may be necessary to defend against these and other claims challenging our right to and use of confidential and proprietary information. If we fail in defending any such claims, in addition to paying monetary damages, we may lose our rights therein. Such an outcome could have a material adverse effect on our business. Even if we are successful in defending against these claims, litigation could result in substantial cost and be a distraction to our management and employees.

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

We strive to control cell line distribution as well as limit commercial use through licenses and material transfer agreements with third parties in addition to its patents and patent applications. However, a company may illicitly obtain our cells or create their own modified variants and attempt to commercialize them in foreign countries where we do not have any patents or patent applications where legal recourse may be limited. This may have a significant commercial impact on our foreign business operations.

Filing, prosecuting and defending patents on our product candidates in all countries throughout the world would be prohibitively expensive. The requirements for patentability may differ in certain countries, particularly developing countries. For example, China has a heightened requirement for patentability, and specifically requires a detailed description of medical uses of a claimed drug. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as laws in the United States. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and further, may export otherwise infringing products to territories where we have patent protection, but enforcement on infringing activities is inadequate. 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 and other intellectual property protection, particularly those relating to pharmaceuticals, 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 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. In addition, certain countries in Europe and certain developing countries, including India and China, have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In those countries, we may have limited remedies if our patents are infringed or if we are compelled to grant a license to our patents to a third party, which could materially diminish the value of those patents. This could limit our potential revenue opportunities. 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 own or license. Finally, our ability to protect and enforce our intellectual property rights may be adversely affected by unforeseen changes in foreign intellectual property laws.

Risks Relating to this Offering and Our Common Stock

Our Chairman and Chief Executive Officer and entities affiliated with him collectively own and will own after this offering a significant majority of our common stock and will exercise significant influence over matters requiring stockholder approval, regardless of the wishes of other stockholders.

Following this offering, our Chairman and Chief Executive Officer, Patrick Soon-Shiong, M.D., and entities affiliated with him, will collectively beneficially own % of our outstanding shares of common stock (assuming no exercise of the underwriters' option to purchase additional shares and no purchasing of shares by Dr. Soon-Shiong and his affiliates in the directed share program). Additionally, Dr. Soon-Shiong is the owner of an option and a warrant to purchase an aggregate of 10.5 million shares of our common stock, which would give him and his affiliates ownership of % of our outstanding shares of common stock if they were fully vested and exercised in full (assuming no exercise of the underwriters' option to purchase additional shares and no purchasing of shares by Dr. Soon-Shiong and his affiliates in the directed share program). In addition, pursuant to the Subscription and Investment Agreement between us and Cambridge Equities, LP, or Cambridge, an entity that Dr. Soon-Shiong controls, Cambridge has the ability to designate one director to be nominated for election to our board of directors for as long as Cambridge continues to hold at least 20% of the issued and outstanding shares of our common stock. Dr. Soon-Shiong was selected by Cambridge to hold this board seat. Dr. Soon-Shiong and his affiliates will therefore have significant influence over management and significant control over matters requiring stockholder approval, including the annual election of directors and significant corporate transactions, such as a merger or other sale of our company or its assets, for the foreseeable future. This concentrated control will limit stockholders' ability to influence corporate matters and, as a result, we may take actions that our stockholders do not view as beneficial. As a result, the market price of our common stock could be adversely affected.

We do not know whether an active, liquid and orderly trading market will develop for our common stock or what the market price of our common stock will be and as a result it may be difficult for you to sell your shares of our common stock.

Prior to this offering there has been no public market for shares of our common stock. Although we expect that our common stock will be approved for listing on The NASDAQ Global Select Market, there is no assurance such application will be approved, or if it is approved, that an active trading market for our shares may develop or be sustained following this offering. You may not be able to sell your shares quickly or at the market price if trading in shares of our common stock is not active. The initial public offering price for our common stock will be determined through negotiations with the underwriters, and the negotiated price may not be indicative of the market price of the common stock after the offering. As a result of these and other factors, you may be unable to resell your shares of our common stock at or above the initial public offering price. Further, an inactive market may also impair our ability to raise capital by selling shares of our common stock and may impair our ability to enter into strategic partnerships or acquire companies or products by using our shares of common stock as consideration.

If a market for our common stock develops, there is a significant risk the market price of our common stock is volatile, and you may not be able to sell your shares at or above the initial public offering price.

We and the underwriters will determine the initial public offering price of our common stock through negotiation. This price will not necessarily reflect the price at which investors in the market will be willing to buy and sell our shares following this offering. The stock market in general and the market for biopharmaceutical companies in particular have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. A certain degree of market price volatility may also occur as a result of being a newly public company. As a result of this volatility, investors may not be able to sell their common stock at or above the initial public offering price. The market price of our common stock following this offering may be highly volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control, including:

- the commencement, enrollment or results of the planned clinical trials of our product candidates or any future clinical trials we may conduct, or changes in the development status of our product candidates;

- any delay in our regulatory filings for our product candidates and any adverse development or perceived adverse development with respect to the applicable regulatory authority's review of such filings, including without limitation the FDA's issuance of a "refusal to file" letter or a request for additional information;
- adverse results or delays in clinical trials;
- our decision to initiate a clinical trial, not to initiate a clinical trial or to terminate an existing clinical trial;
- adverse regulatory decisions, including failure to receive regulatory approval of our product candidates;
- changes in laws or regulations applicable to our products, including but not limited to clinical trial requirements for approvals;
- our failure to commercialize our product candidates;
- additions or departures of key scientific or management personnel;
- unanticipated serious safety concerns related to the use of our product candidates;
- announcements by us or our competitors of significant contracts, acquisitions, strategic partnerships, joint ventures or capital commitments;
- our ability to effectively manage our growth;
- variations in our quarterly operating results;
- our cash position;
- announcements that our revenue or income are below or that costs or losses are greater than analysts' expectations;
- publication of research reports about us or our industry, or immunotherapy in particular, or positive or negative recommendations or withdrawal of research coverage by securities analysts;
- changes in the market valuations of similar companies;
- general economic slowdowns;
- sales of large blocks of our common stock;
- fluctuations in stock market prices and volumes;
- disputes or other developments relating to proprietary rights, including patents, litigation matters and our ability to obtain patent protection for our technologies;
- significant lawsuits, including patent or stockholder litigation;
- concern by potential investors that the large number of shares of common stock which may be sold pursuant to this prospectus may have a downward effect upon the market price of the stock;
- the effect of sales pursuant to this prospectus on the trading volume of our common stock; and
- the other factors described in this "Risk Factors" section.

In the past, securities class action litigation has often been instituted against companies following periods of volatility in the market price of a company's securities. This type of litigation, if instituted, could result in substantial costs and a diversion of management's attention and resources, which would harm our business, operating results or financial condition.

Future sales and issuances of our common stock or rights to purchase common stock, including pursuant to our equity incentive plan and the warrant held by our Chairman and Chief Executive Officer, could result in additional dilution of the percentage ownership of our stockholders and could cause our stock price to fall.

Sales of a substantial number of shares of our common stock in the public market could occur at any time. If our stockholders sell, or the market perceives that our stockholders intend to sell, substantial amounts of our common stock in the public market following this offering, the market price of our common stock could decline significantly. Substantially all of our existing stockholders are subject to lock-up agreements with the underwriters of this offering that restrict the stockholders' ability to transfer shares of our common stock for at least 180 days from the date of this prospectus. The lock-up agreements limit the number of shares of common stock that may be sold immediately following the public offering. Subject to certain limitations, approximately shares will become eligible for sale upon expiration of the lock-up period, as calculated and described in more detail in the section titled "Shares Eligible for Future Sale." In addition, shares issued or issuable upon exercise of options and warrants vested as of the expiration of the lock-up period will be eligible for sale at that time. In particular, the option and the warrant to purchase common stock held by our Chairman and Chief Executive Officer may be exercisable for up to an aggregate of 10.5 million shares of our common stock, or approximately % of our outstanding common stock, assuming exercise of the underwriters' option to purchase additional shares. Sales of stock by these stockholders could have a material adverse effect on the trading price of our common stock.

Following the closing of this offering, certain holders of approximately shares of our common stock, including shares issuable upon the exercise of outstanding options and warrants, are entitled to certain rights with respect to the registration of their shares under the Securities Act of 1933, as amended, or the Securities Act, subject to the 180-day lock-up arrangement 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 held by our affiliates as defined in Rule 144 under the Securities Act. Any sales of securities by these stockholders could have a material adverse effect on the market price of our common stock.

In addition, we expect that additional capital may be needed in the future to continue our planned operations, including conducting clinical trials, commercialization efforts, expanded research and development activities and costs associated with operating a public company. To raise capital, we may sell common stock, convertible securities or other equity securities in one or more transactions at prices and in a manner we determine from time to time. If we sell common stock, convertible securities or other equity securities, investors may be materially diluted by subsequent sales. Such sales may also result in material dilution to our existing stockholders, and new investors could gain rights, preferences and privileges senior to the holders of our common stock, including shares of common stock sold in this offering.

We will incur costs as a result of operating as a public company and our management will be required to devote substantial time to new compliance initiatives and corporate governance practices, including maintaining an effective system of internal control over financial reporting.

As a public company listed in the United States, and increasingly after we are no longer an "emerging growth company," we will incur significant additional legal, accounting and other expenses that we did not incur as a private company. In addition, changing laws, regulations and standards relating to corporate governance and public disclosure, including Sarbanes-Oxley and regulations implemented by the Securities and Exchange Commission or SEC, and The NASDAQ Stock Market, or NASDAQ, may increase legal and financial compliance costs and make some activities more time consuming. These laws, regulations and standards are subject to varying interpretations and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. We currently engage our Chief Financial Officer pursuant to a part-time consulting arrangement. We intend to invest resources to create a larger finance function with additional personnel to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If notwithstanding our efforts to comply with new laws, regulations and standards, we fail to comply, regulatory authorities may initiate legal proceedings against us and our business may be harmed.

As a public company in the United States, we will be required, pursuant to Section 404 of Sarbanes-Oxley, or Section 404, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting. We will need to disclose any material weaknesses identified by our management in our internal control over financial reporting, and, when we are no longer an "emerging growth company," we will need to provide a statement that our independent registered public accounting firm has issued an opinion on our internal control over financial reporting. We expect that our first report on compliance with Section 404 will be furnished in connection with our financial statements for the year ending December 31, 2016.

The controls and other procedures are designed to ensure that information required to be disclosed by us in the reports that we file with the SEC is disclosed accurately and is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms. We are in the early stages of conforming our internal control procedures to the requirements of Section 404 and we may not be able to complete our evaluation, testing and any required remediation needed to comply with Section 404 in a timely fashion. Our independent registered public accounting firm was not engaged to perform an audit of our internal control over financial reporting for the year ended December 31, 2014 or for any other period. Accordingly, no such opinion was expressed.

Even after we develop these new procedures, these new controls may become inadequate because of changes in conditions or the degree of compliance with these policies or procedures may deteriorate and material weaknesses in our internal control over financial reporting may be discovered. We may err in the design or operation of our controls, and all internal control systems, no matter how well designed and operated, can provide only reasonable assurance that the objectives of the control system are met. Because there are inherent limitations in all control systems, there can be no absolute assurance that all control issues have been or will be detected. If we are unable, or are perceived as unable, to produce reliable financial reports due to internal control deficiencies, investors could lose confidence in our reported financial information and operating results, which could result in a negative market reaction.

To fully comply with Section 404, we will need to retain additional employees to supplement our current finance staff, and we may not be able to do so in a timely manner, or at all. In addition, in the process of evaluating our internal control over financial reporting, we expect that certain of our internal control practices will need to be updated to comply with the requirements of Section 404 and the regulations promulgated thereunder, and we may not be able to do so on a timely basis, or at all. In the event that we are not able to demonstrate compliance with Section 404 in a timely manner, or are unable to produce timely or accurate financial statements, we may be subject to sanctions or investigations by regulatory authorities, such as the SEC or the stock exchange on which our stock is listed, and investors may lose confidence in our operating results and the price of our common stock could decline. Furthermore, if we are unable to certify that our internal control over financial reporting is effective and in compliance with Section 404, we may be subject to sanctions or investigations by regulatory authorities, such as the SEC or stock exchanges, and we could lose investor confidence in the accuracy and completeness of our financial reports, which could hurt our business, the price of our common stock and our ability to access the capital markets.

We also expect that being a public company will make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, on committees of our board of directors or as members of senior management.

We have not paid cash dividends in the past and do not expect to pay dividends in the future. Any return on investment may be limited to the value of our common stock.

We have never paid cash dividends on our common stock and do not anticipate paying cash dividends in the foreseeable future. The payment of dividends on our common stock will depend on earnings, financial condition and other business and economic factors affecting us at such time as the board of directors may consider relevant. If we do not pay dividends, our common stock may be less valuable because a return on your investment will only occur if our stock price appreciates.

Because we qualify for, and intend to rely on, the exemptions from corporate governance requirements as a result of being a "controlled company" within the meaning of the NASDAQ listing standards, you will not have the same protections afforded to stockholders of companies that are subject to such requirements.

Upon the completion of this offering, our Chairman and Chief Executive Officer, Patrick Soon-Shiong, M.D., and entities affiliated with him, will continue to control a majority of our common stock. As a result, we are a "controlled company" within the meaning of the NASDAQ listing standards. Under these rules, a company of which more than 50% of the voting power is held by an individual, a group or another company is a "controlled company" and may elect not to comply with certain NASDAQ corporate governance requirements, including (1) the requirement that a majority of the board of directors consist of independent directors and (2) the requirement that we have a nominating and corporate governance committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities. Following this offering, we intend to rely on certain of these exemptions. As a result, we will not have a nominating and corporate governance committee. Accordingly, you will not have the same protections afforded to stockholders of companies that are subject to all of the NASDAQ corporate governance requirements.

We are an "emerging growth company," and the reduced disclosure requirements applicable to emerging growth companies could make our common stock could be less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act enacted in April 2012, and may remain an "emerging growth company" for up to five years following the completion of this offering, although, if we have more than $1.0 billion in annual revenue, the market value of our common stock that is held by non-affiliates exceeds $700.0 million as of June 30 of any year, or we issue more than $1.0 billion of non-convertible debt over a three-year period before the end of that five-year period, we would cease to be an "emerging growth company" as of the following December 31. For as long as we remain an "emerging growth company," we are permitted and intend to rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not "emerging growth companies." These exemptions include:

- being permitted to provide only two years of audited financial statements, in addition to any required unaudited interim financial statements, with correspondingly reduced "Management's discussion and analysis of financial condition and results of operations" disclosure;
- not being required to comply with the auditor attestation requirements in the assessment of our internal control over financial reporting;
- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements;
- reduced disclosure obligations regarding executive compensation; and
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

We have taken advantage of reduced reporting requirements in this prospectus. In particular, in this prospectus, we have provided only two years of audited financial statements and have not included all of the executive compensation related information that would be required if we were not an emerging growth company. In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards, delaying the adoption of these accounting standards until they would apply to private companies. We have irrevocably elected not to avail ourselves of this exemption and, as a result, we will adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required for other public companies. We cannot predict whether investors will find our common stock less attractive as a result of our reliance on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and the market price of our common stock may be reduced or more volatile.

If you purchase our common stock in this offering, because the initial public offering price of our common stock will be substantially higher than our as adjusted net tangible book value per share following this offering, you will incur immediate and substantial dilution in the book value of your shares.

Investors purchasing common stock in this offering will pay a price per share that substantially exceeds our net tangible book value per share as of March 31, 2015. Net tangible book value is our tangible assets after subtracting our liabilities. As a result, investors purchasing common stock in this offering will incur immediate dilution of $ per share, based on the difference between $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and the as adjusted net tangible book value per share of our outstanding common stock as of March 31, 2015.

This dilution is due to our investors who purchased shares prior to this offering having paid substantially less than the price offered to the public in this offering when they purchased their shares. In addition, as of March 31, 2015, options to purchase 5,000,270 shares of our common stock at a weighted-average exercise price of $2.65 per share and warrants to purchase 12,211,777 shares of our common stock at a weighted-average exercise price of $3.65 per share were outstanding. The exercise of any of these options would result in additional dilution. As a result of the dilution to investors purchasing shares in this offering, investors may receive significantly less than the purchase price paid in this offering, if anything, in the event of our liquidation. Further, because we will need to raise additional capital to fund our clinical development programs, we may in the future sell substantial amounts of common stock or securities convertible into or exchangeable for common stock.

These future issuances of common stock or common stock-related securities, together with the exercise of outstanding options and any additional shares issued in connection with acquisitions, if any, may result in further dilution. For a further description of the dilution that you will experience immediately after this offering, see “Dilution.”

Our ability to use our net operating loss carryforwards and certain other tax attributes to offset future taxable income may be subject to certain limitations.

As of December 31, 2014 we had U.S. federal and combined California, Illinois and Massachusetts state net operating loss carryforwards, or NOLs, of approximately $10.0 million and $9.7 million, respectively, which expire in various years beginning in 2015, if not utilized. As of December 31, 2014, we had minimal research and development tax credit carryforwards. Under Sections 382 and 383 of Internal Revenue Code of 1986, as amended, or the Code, if a corporation undergoes an “ownership change,” the corporation’s ability to use its pre-change NOLs and other pre-change tax attributes, such as research tax credits, to offset its future post-change income and taxes may be limited. In general, an “ownership change” occurs if there is a cumulative change in our ownership by “5% shareholders” that exceeds 50 percentage points over a rolling three-year period. Similar rules may apply under state tax laws. Although we have not yet conducted a study, we believe that we have recently undergone one or more ownership changes, and accordingly our ability to use our NOLs and other tax assets to reduce taxes owed on the net taxable income that we earn in the event that we attain profitability will be limited. Such limitations and any further limitations from future ownership changes on the ability to use our NOLs and other tax assets could adversely impact our business, financial condition and operating results in the event that we attain profitability.

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

The trading market for our common stock will depend on the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts. There can be no assurance that analysts will cover us or provide favorable coverage. If one or more of the analysts who cover us downgrade our stock or change their opinion of our stock, our share price would likely decline. If one or more of these analysts cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our share price or trading volume to decline.

We are not subject to the provisions of Section 203 of the Delaware General Corporation Law, which could negatively affect your investment.

We elected in our certificate of incorporation to not be subject to the provisions of Section 203 of the Delaware General Corporation Law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner. A "business combination" includes a merger, asset sale or other transaction resulting in a financial benefit to the interested stockholder. An "interested stockholder" is a person who, together with affiliates and associates, owns (or, in certain cases, within three years prior, did own) 15% or more of the corporation's voting stock. Our decision not to be subject to Section 203 will allow, for example, our Chairman and Chief Executive Officer (who with members of his immediate family and entities affiliated with him beneficially own approximately % of our common stock) to transfer shares in excess of 15% of our voting stock to a third-party free of the restrictions imposed by Section 203. This may make us more vulnerable to takeovers that are completed without the approval of our board of directors and/or without giving us the ability to prohibit or delay such takeovers as effectively.

Some provisions of our charter documents and Delaware law may have anti-takeover effects that could discourage an acquisition of us by others, even if an acquisition would be beneficial to our stockholders, and may prevent attempts by our stockholders to replace or remove our current management.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws that will be effective upon the completion of this offering, 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. These provisions include:

- a requirement that special meetings of stockholders be called only by the board of directors, the president or the chief executive officer;
- advance notice requirements for stockholder proposals and nominations for election to our board of directors; and
- the authority of the board of directors to issue preferred stock on terms determined by the board of directors without stockholder approval and which preferred stock may include rights superior to the rights of the holders of common stock.

These anti-takeover provisions and other provisions in our amended and restated certificate of incorporation and amended and restated bylaws could make it more difficult for stockholders or potential acquirors to obtain control of our board of directors or initiate actions that are opposed by the then-current board of directors and could also delay or impede a merger, tender offer or proxy contest involving our company. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing or cause us to take other corporate actions you desire. Any delay or prevention of a change of control transaction or changes in our board of directors could cause the market price of our common stock to decline.

Claims for indemnification by our directors and officers may reduce our available funds to satisfy successful third-party claims against us and may reduce the amount of money available to us.

Our amended and restated certificate of incorporation and amended and restated bylaws provide that we will indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law. In addition, as permitted by Section 145 of the Delaware General Corporation Law, our amended and restated bylaws and our indemnification agreements that we have entered into with our directors and officers provide that:

- We will indemnify our directors and officers for serving us in those capacities or for serving other business enterprises at our request, to the fullest extent permitted by Delaware law. Delaware law provides that a corporation may indemnify such person if such person acted in good faith and in a

manner such person reasonably believed to be in or not opposed to the best interests of the registrant and, with respect to any criminal proceeding, had no reasonable cause to believe such person's conduct was unlawful.

- We may, in our discretion, indemnify employees and agents in those circumstances where indemnification is permitted by applicable law.
- We are required to advance expenses, as incurred, to our directors and officers in connection with defending a proceeding, except that such directors or officers shall undertake to repay such advances if it is ultimately determined that such person is not entitled to indemnification.
- We will not be obligated pursuant to our amended and restated bylaws to indemnify a person with respect to proceedings initiated by that person against us or our other indemnitees, except with respect to proceedings authorized by our board of directors or brought to enforce a right to indemnification.
- The rights conferred in our amended and restated bylaws are not exclusive, and we are authorized to enter into indemnification agreements with our directors, officers, employees and agents and to obtain insurance to indemnify such persons.
- We may not retroactively amend our bylaw provisions to reduce our indemnification obligations to directors, officers, employees and agents.

To the extent that a claim for indemnification is brought by any of our directors or officers, it would reduce the amount of funds available for use in our business.

The industry- and market-related estimates included in this prospectus are based on various assumptions and may prove to be inaccurate.

Industry- and market-related estimates included in this prospectus, including, without limitation, estimates related to our market size and industry data, are subject to uncertainty and are based on assumptions which may not prove to be accurate. This may have negative consequences, such as us overestimating our potential market opportunity. For more information, see the section titled "Market, Industry and Other Data."

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that are based on management's beliefs and assumptions and on information currently available to management. Some of the statements in the section captioned "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business" and elsewhere in this prospectus contain forward-looking statements. In some cases, you can identify forward-looking statements by the following words: "may," "will," "could," "would," "should," "expect," "intend," "plan," "anticipate," "believe," "estimate," "predict," "project," "potential," "continue," "ongoing" or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words.

These statements involve risks, uncertainties and other factors that may cause actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. Although we believe that we have a reasonable basis for each forward-looking statement contained in this prospectus, we caution you that these statements are based on a combination of facts and factors currently known by us and our projections of the future, about which we cannot be certain. Forward-looking statements in this prospectus include, but are not limited to, statements about:

- our ability to pioneer immunotherapy, implement precision cancer medicine and change the current paradigm of cancer care;
- our expectations regarding the potential benefits of our strategy and technology;
- our expectations regarding the operation of our product candidates and related benefits;
- our ability to utilize multiple modes to induce cell death;
- our beliefs regarding the benefits and perceived limitations of competing approaches, and the future of competing technologies and our industry;
- details regarding our strategic vision and planned product candidate pipeline;
- our beliefs regarding the success, cost and timing of our product candidate development activities and clinical trials;
- our expectations regarding our ability to utilize the Phase I aNK clinical trial data to support the development of all of our product candidates;
- the timing or likelihood of regulatory filings or other actions and related regulatory authority responses, including any planned IND filings or pursuit of accelerated regulatory approval pathways or orphan drug status and breakthrough therapy designations;
- our ability to implement an integrated discovery ecosystem and the operation of that planned ecosystem, including being able to regularly add neoepitopes and subsequently formulate new product candidates;
- the ability and willingness of strategic collaborators, including certain affiliates of NantWorks and Sorrento, to share our vision and effectively work with us to achieve our goals;
- the ability and willingness of various third parties to engage in research and development activities involving our product candidates, and our ability to leverage those activities;
- our ability to attract additional third party collaborators;
- our expectations regarding the ease of administration associated with our product candidates;
- our expectations regarding the patient compatibility associated with our product candidates;
- our beliefs regarding the potential markets for our product candidates and our ability to serve those markets;

- our ability to produce an “off-the-shelf” therapy;
- our beliefs regarding the potential manufacturing and distribution benefits associated with our product candidates, and our ability to scale up the production of our product candidates;
- our plans regarding our planned manufacturing facility and CMO engagement;
- our ability to obtain and maintain regulatory approval of any of our product candidates, and any related restrictions, limitations and/or warnings in the label of any approved product candidate;
- our ability to commercialize any approved products;
- the rate and degree of market acceptance of any approved products;
- our ability to attract and retain key personnel;
- the accuracy of our estimates regarding our any future revenue as well as our future operating expenses, future revenue, capital requirements and needs for additional financing;
- our ability to obtain funding for our operations, including funding necessary to complete further development and any commercialization of our product candidates;
- our ability to obtain and maintain intellectual property protection for our product candidate and not infringe upon the intellectual property of others;
- regulatory developments in the United States and foreign countries;
- our expectations regarding the period during which we qualify as an emerging growth company under the JOBS Act; and
- our use of the proceeds from this offering.

In addition, you should refer to the “Risk Factors” section of this prospectus for a discussion of other important factors that may cause actual results to differ materially from those expressed or implied by the forward-looking statements. As a result of these factors, we cannot assure you that the forward-looking statements in this prospectus will prove to be accurate. Furthermore, if the forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

MARKET, INDUSTRY AND OTHER DATA

We obtained the industry, market and similar data set forth in this prospectus from our own internal estimates and research, and from industry publications and research, primary market research commissioned by us, and surveys and studies conducted by third parties. These data involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such information and estimates.

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. In some cases, we do not expressly refer to the sources from which this data is 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 is derived from the same sources, unless otherwise expressly stated or the context otherwise requires.

USE OF PROCEEDS

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

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) the net proceeds that we receive from this offering by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Each increase (decrease) of 1.0 million shares in the number of shares of common stock offered by us, as set forth on the cover page of this prospectus, would increase (decrease) the net proceeds that we receive from this offering by approximately $ million, assuming that the assumed initial public offering price remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The principal purposes of this offering are to obtain additional capital to support our operations, establish a public market for our common stock and facilitate our future access to the public capital markets. More specifically, we anticipate that we will use the net proceeds from this offering as follows:

- approximately $ million to fund expenses in connection with our Phase II clinical trial for our aNK product candidate for Merkel cell carcinoma, which we expect will be sufficient to fund the clinical trial;
- approximately $ million to fund expenses in connection with our planned Phase I/II clinical trial for Herceptin-haNK for solid tumors, which we expect will be sufficient to fund the clinical trial;
- approximately $ million to fund expenses in connection with our planned Phase I/II clinical trials for CD33.taNK for acute myeloid leukemia and PDL1.taNK for solid tumor hematological cancers, which we expect will be sufficient to fund the clinical trials;
- approximately $ million to establish our planned manufacturing facility and processes and the hiring of additional personnel; and
- the remaining amounts for other research and development activities, working capital and general corporate purposes.

We may also use a portion of the net proceeds from this offering and our existing cash to in-license, acquire or invest in complementary business, technologies, products or assets. However, we have no current plans, commitments or obligations to do so.

We believe that the net proceeds from this offering and our existing cash will be sufficient to fund our operations through at least the next 12 months. This expected use of the net proceeds from the offering represents our intentions based upon our current plans and business conditions. We cannot specify with certainty all of the particular uses of the net proceeds that we will receive from this offering, or the amounts that we will actually spend on the uses set forth above. The amounts and timing of our actual expenditures will depend on numerous factors, including the ongoing status of and results from clinical trials and other studies, the product approval process with the FDA, and the scope of our commercialization efforts, as well as any strategic collaborations that

we may enter into with third parties for our product candidates, any unforeseen cash needs, and our investments and acquisitions. We may find it necessary or advisable to use the net proceeds for other purposes, and we will have broad discretion in using these proceeds. Investors will be relying on our judgment regarding the use of the net proceeds from this offering. Pending the use of proceeds as described above, we plan to invest the net proceeds that we receive in short-term and intermediate-term interest-bearing obligations, investment-grade investments, certificates of deposit or direct or guaranteed obligations of the U.S. government. We cannot predict whether the invested proceeds will yield a favorable return.

DIVIDEND POLICY

We have never declared or paid cash dividends on our common stock. We currently intend to retain all available funds and any future earnings for use in the operation of our business and do not anticipate paying any dividends on our common stock in the foreseeable future. Any future determination to declare dividends will be made at the discretion of our board of directors and will depend on, among other factors, our financial condition, operating results, capital requirements, general business conditions and other factors that our board of directors may deem relevant.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of March 31, 2015:

- on an actual basis; and
- on an as adjusted basis to reflect our receipt of the net proceeds from our issuance and sale of shares of our common stock in this offering at an assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. The discussion below does not reflect the approximately $71.0 million of aggregate net proceeds received by us in connection a series of private placements for 1,997,675 shares of our common stock which closed in June 2015.

	March 31, 2015	
	Actual	As Adjusted(1)
	(unaudited)	
Cash and cash equivalents	$ 49,854	$
Warrant derivative liability	1,060	
Stockholders' equity:		
Common stock, $0.0001 par value; no shares authorized, issued or outstanding (actual); 200,000,000 shares authorized, shares issued and outstanding (as adjusted)	—	
Class A common stock, $0.0001 par value; 75,470,414 shares authorized, 32,997,244 issued and outstanding (actual); no shares authorized, issued or outstanding (as adjusted)	3	
Class B common stock, $0.0001 par value; 4,529,586 shares authorized, no shares issued and outstanding (actual); no shares authorized, issued or outstanding (as adjusted)	—	
Preferred stock, $0.0001 par value; 20,000,000 shares authorized, no shares issued and outstanding (actual and as adjusted)	—	
Additional paid-in capital	66,747	
Accumulated deficit	(17,667)	
Total stockholders' equity	49,083	
Total capitalization	$ 50,143	$

(1) Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase (decrease) each of cash and cash equivalents, additional paid-in capital, total stockholders' equity and total capitalization by approximately $ million, assuming that the number of shares of common stock offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Each increase (decrease) of 1.0 million shares in the number of shares of common stock offered by us would increase (decrease) each of cash and cash equivalents, additional paid-in capital, total stockholders' equity and total capitalization by approximately $ million, assuming that the assumed initial public offering price remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. The as adjusted information discussed above is illustrative only and will be adjusted based on the actual public offering price and other terms of this offering determined at pricing.

The outstanding share information in the table above is based on 33,089,891 shares outstanding as of March 31, 2015 and excludes:

- 12,211,777 shares of common stock issuable upon the exercise of outstanding warrants as of March 31, 2015, with a weighted-average exercise price of $3.65 per share;
- 5,000,270 shares of common stock issuable upon the exercise of outstanding options as of March 31, 2015, with a weighted-average exercise price of $2.65 per share; and
- shares of common stock reserved for future issuance under our stock-based compensation plans, consisting of (1) 405,000 shares of common stock reserved for future issuance under our 2014 Plan, which shares will be added to the shares of common stock to be reserved under our 2015 Plan which will become effective upon completion of this offering, and (2) shares of common stock reserved for future issuance under our 2015 Plan, as well as, shares of common stock that become available under our 2015 Plan pursuant to provisions thereof that automatically increase the share reserve under the 2015 Plan each year, as more fully described in the section titled “Executive and Director Compensation—Employee Benefit and Stock Plans.”

DILUTION

If you invest in our common stock, your ownership interest will be diluted to the extent of the difference between the amount per share paid by purchasers of shares of our common stock in this initial public offering and the as adjusted net tangible book value per share of our common stock immediately after completion of this offering.

Our historical net tangible book value as of March 31, 2015 was approximately $47.2 million, or $1.43 per share of common stock. Our historical net tangible book value is the amount of our total tangible assets less our liabilities. As of March 31, 2015, we excluded $1.7 million of intangible assets and $0.2 million of deferred equity issuance costs to arrive at tangible assets. Historical net tangible book value per share is our historical net tangible book value divided by the number of shares of common stock outstanding as of March 31, 2015.

After giving effect to the sale of shares of common stock in this offering at an assumed initial public offering price of $, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, our as adjusted net tangible book value at March 31, 2015 would have been $ million, or $ per share of common stock. This represents an immediate increase in as adjusted net tangible book value of $ per share to existing stockholders and an immediate dilution of $ per share to new investors.

The following table illustrates this dilution:

Assumed initial public offering price per share		$
Historical net tangible book value per share as of March 31, 2015	$47.2	
Increase in net tangible book value per share attributable to new investors in this offering		
As adjusted net tangible book value per share immediately after this offering		
Dilution per share to new investors in this offering		$

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) our as adjusted net tangible book value per share to new investors by $, and would increase (decrease) dilution per share to new investors in this offering by $, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. In addition, to the extent any outstanding options or warrants to purchase common stock are exercised, new investors would experience further dilution. If the underwriters exercise their option to purchase additional shares in full, the as adjusted net tangible book value per share of our common stock after giving effect to this offering would be approximately $ per share, and the dilution per share to investors in this offering would be approximately $ per share of common stock.

The following table summarizes, on an as adjusted basis as of March 31, 2015, the total number of shares of common stock purchased from us, the total consideration paid to us and the average price per share paid to us by existing stockholders and by new investors purchasing shares of common stock in this offering at the assumed initial public offering price of $, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, 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		%	$	%	$
New investors					$
Total		100%	$	100%	

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) each of the total consideration paid by new investors and total consideration paid by all stockholders by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Each increase (decrease) of 1.0 million shares in the number of shares of common stock offered by us, as set forth on the cover page of this prospectus, would increase (decrease) each of the total consideration paid by new investors and total consideration paid by all stockholders by approximately $ million, assuming that the assumed initial public offering price remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. In addition, to the extent any outstanding options or warrants to purchase common stock are exercised or any outstanding restricted stock units have vested, new investors will experience further dilution.

If the underwriters exercise their option to purchase additional shares in full, our existing stockholders would own % and our new investors would own % of the total number of shares of our common stock outstanding after this offering.

The foregoing discussion and tables are based on 33,089,891 shares of common stock outstanding as of March 31, 2015, and exclude:

- 12,211,777 shares of common stock issuable upon the exercise of outstanding warrants as of March 31, 2015, with a weighted-average exercise price of $3.65 per share;
- 5,000,270 shares of common stock issuable upon the exercise of outstanding options as of March 31, 2015, with a weighted-average exercise price of $2.65 per share; and
- shares of common stock reserved for future issuance under our stock-based compensation plans, consisting of (1) 405,000 shares of common stock reserved for future issuance under our 2014 Plan, which shares will be added to the shares of common stock to be reserved under our 2015 Plan which will become effective upon completion of this offering, and (2) shares of common stock reserved for future issuance under our 2015 Plan, as well as, shares of common stock that become available under our 2015 Plan pursuant to provisions thereof that automatically increase the share reserve under the 2015 Plan each year, as more fully described in the section titled “Executive and Director Compensation—Employee Benefit and Stock Plans.”

In addition, the foregoing discussion does not reflect the sale of an aggregate of 1,997,675 shares of our common stock at a price of $35.54 in a series of private placements which closed in June 2015.

Furthermore, we may choose to raise additional capital through the sale of equity or convertible debt securities due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent we issue additional shares of common stock or other equity or convertible debt securities in the future, there will be further dilution to investors participating in this offering

SELECTED FINANCIAL DATA

We derived the following selected statements of operations data for the years ended December 31, 2013 and 2014 and selected balance sheet data as of December 31, 2013 and 2014 from our audited financial statements included elsewhere in this prospectus. We derived the following selected statements of operations data for the three months ended March 31, 2014 and 2015, and the selected balance sheet data as of March 31, 2015, from our unaudited condensed consolidated financial statements and related notes included elsewhere in this prospectus. Our interim unaudited financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America on the same basis as the annual audited financial statements and, in the opinion of management, reflect all adjustments, consisting only of normal recurring adjustments, necessary for the fair statement of our financial position as of March 31, 2015 and our results of our operations for the three months ended March 31, 2014 and 2015. Historical results are not necessarily indicative of the results that may be expected in the future and are not necessarily indicative of results to be expected for the full year or any other period. You should read the following selected financial data below together with the financial statements and related notes included elsewhere in this prospectus, as well as the section of this prospectus captioned "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	Year Ended December 31,		Three Months Ended March 31,	
	2013	2014	2014	2015
			(unaudited)	
	(in thousands, except share and per share data)			
Statements of Operations Data:				
Revenue	$ 600	$ 641	$ 286	$ 120
Operating expenses:				
Royalties and cost of licensing	253	323	122	60
Research and development	446	1,595	120	603
Selling, general and administrative	1,982	4,326	939	3,368
Total operating expenses	2,681	6,244	1,181	4,031
Loss from operations	(2,081)	(5,603)	(895)	(3,911)
Other income (expense):				
Other income	—	—	—	133
Interest expense, net	(461)	(451)	(239)	32
Fair value adjustment	684	(158)	(23)	(883)
Total other income (expense)	223	(609)	(262)	(718)
Loss before income taxes	(1,858)	(6,212)	(1,157)	(4,629)
Income tax expense	1	1	1	1
Net loss	$ (1,859)	$ (6,213)	$ (1,158)	$ (4,630)
Net loss per share:				
Basic and diluted	$ (4.32)	$ (1.40)	$ (0.74)	$ (0.14)
Weighted average number of shares during the period:				
Basic and diluted	430,519	4,453,702	1,555,900	33,020,592

	As of December 31, 2013	As of December 31, 2014	As of March 31, 2015 (unaudited)
	(in thousands)		
Balance Sheet Data:			
Cash and cash equivalents	$ 350	$ 59,104	$ 49,854
Working capital (deficit)	(4,020)	56,968	46,897
Total assets	2,103	60,828	52,138
Total liabilities	4,998	2,405	3,055
Accumulated deficit	(6,528)	(12,741)	(17,667)
Total stockholders' equity (deficit)	(2,895)	58,423	49,083

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 in conjunction with our financial statements and notes thereto appearing elsewhere in this prospectus. In addition to historical financial information, the following discussion and analysis contains forward-looking statements that involve risks, uncertainties, and assumptions. Our actual results could differ materially from those anticipated by these forward-looking statements as a result of many factors. We discuss factors that we believe could cause or contribute to these differences below and elsewhere in this prospectus, including those set forth under "Risk Factors" and "Forward-Looking Statements."

Overview

We are a pioneering clinical-stage immunotherapy company focused on harnessing the power of the innate immune system by using the natural killer cell to treat cancer, infectious diseases and inflammatory diseases. Natural killer, or NK, cells are the body's first line of defense due to their innate ability to rapidly seek and destroy abnormal cells, such as cancer or virally-infected cells, without prior exposure or activation by other support molecules required to activate adaptive immune cells such as T-cells.

We believe that our proprietary NK cell line, coupled with our integrated discovery ecosystem, uniquely positions us to implement precision cancer medicine and potentially change the current paradigm of cancer care by leveraging the advances that have evolved during the past decade and addressing newly discovered challenges of cancer. We believe that many recent advances in cancer treatments have not adequately addressed the heterogeneity of tumor cells, the large mutation load per tumor cell identified by advanced genomics sequencing technologies, and the resistance of the cancer stem cell to chemotherapy. Cancer is only recently understood to be a complex of rare diseases, with hundreds of patient-specific, cancer-promoting mutated proteins, some known and many more unknown called neoepitopes. Identifying and targeting these mutated proteins is our strategy to overcome the challenges of cancer in the era of genomics, transcriptomics and immuno-oncology. We believe neoepitopes, which are newly discovered antigens selectively expressed on the cancer cells and not on the essential normal tissue, represent large untapped targeting opportunities for immune effector cells such as our activated NK cells.

Multiple Modes of Tumor Cell Killing. Our immuno-oncology NK platform has multiple modes to potentially induce cell death against the tumor or infected cell by: (1) direct killing by binding to stress ligands expressed by the diseased cell with the release of toxic granules directly into the tumor cell; (2) antibody mediated killing by binding to antibodies administered in combination and enhancing the cancer killing effect of the administered antibody, enabling targeted cell killing through antibody dependent cellular cytotoxicity, or ADCC; and (3) target activated killing by binding to known or newly discovered tumor-specific antigens, expressed on the surface of tumor cells and inducing cell death by the release of toxic granules directly into the tumor cell, by the release of cytokines and chemokines which recruit additional innate and adaptive immune responses and by the recruitment of cytotoxic T-cells.

By implementing an integrated discovery ecosystem and leveraging these multiple modes of NK killing of abnormal cells, we believe we are uniquely positioned to potentially address a broad range of known and unknown cancer-promoting mutated proteins and to transform clinical cancer care. Our targeted therapeutic areas include: (1) cancer, focusing on bulky hematological cancers and solid tumors as well as cancer stem cells, (2) infectious diseases, including viral, fungal and bacterial infections, and (3) inflammatory diseases, ranging from rare inherited diseases to more prevalent autoimmune disorders.

Our Integrated Discovery Ecosystem for Precision Medicine. In order to effectively target newly discovered neoepitopes, we plan to integrate the following ecosystem to help drive the development of genetically modified NK cells anticipated to be directed against these cancer-promoting mutated proteins: (1) a high-speed

supercomputing infrastructure to help identify both known antigens on the surface of tumor cells and neoepitopes in clinical patients suffering from cancer, in a timely manner and at large scale; (2) a next-generation genomic and transcriptomic sequencing infrastructure to identify the expression of the neoepitopes on the surface of the tumor cell; (3) a diverse library of human antibodies from which to interrogate and extract an antibody matching the neoepitope; and (4) an NK cell potentially capable of being produced as a scalable cell-based “off-the-shelf” therapy without the need for patient compatibility matching. We expect to regularly add newly discovered neoepitopes from our discovery engine, and we believe the thousands of newly discovered antigens selectively expressed on the cancer cells and not on the essential normal tissue will provide us with the ability to create new and targeted libraries of antibodies to be potentially delivered as living drugs for metastatic cancer cells and cancer stem cells.

We retain exclusive worldwide rights to clinical and research data, intellectual property and know-how developed with our aNK cells, as well as what we believe is the only clinical grade master cell bank of aNK cells in existence.

Since our inception in 2002, we have devoted substantially all of our resources to the discovery and development of our product candidates, including conducting clinical trials, and funding general and administrative support for these operations. To date, we have generated minimal revenue from non-exclusive license agreements with numerous pharmaceutical and biotechnology companies granting the right to use our cell lines and intellectual property for non-clinical use. As described below, on June 9, 2015, we spun out these non-exclusive license agreements for non-clinical uses to Brink Biologics, Inc. (d/b/a Bank Biologics) in exchange for all of the issued and outstanding shares of Bank Biologics, which were subsequently distributed by a dividend to our stockholders. We have not generated any revenue from product sales. We have incurred net losses in each year since our inception and, as of March 31, 2015, we had an accumulated deficit of $17.7 million. Our net losses were approximately $1.9 million and $6.2 million for the years ended December 31, 2013 and 2014, respectively, and approximately $1.2 million and $4.6 million for the three months ended March 31, 2014 and 2015, respectively. Substantially all of our net losses resulted from costs incurred in connection with our research and development programs and from selling, general and administrative costs associated with our operations.

We expect to continue to incur significant expenses and increasing operating losses for the foreseeable future, which may fluctuate significantly from quarter-to-quarter and year-to-year. We anticipate that our expenses will increase substantially as we:

- continue research and development, including preclinical and clinical development of our existing product candidates;
- potentially seek regulatory approval for our product candidates;
- seek to discover and develop additional product candidates;
- establish a commercialization infrastructure and scale up our manufacturing and distribution capabilities to commercialize any of our product candidates for which we may obtain regulatory approval;
- seek to comply with regulatory standards and laws;
- maintain, leverage and expand our intellectual property portfolio;
- hire clinical, manufacturing, scientific and other personnel to support our product candidates development and future commercialization efforts;
- add operational, financial and management information systems and personnel; and
- incur additional legal, accounting and other expenses in operating as a public company.

We do not expect to generate any revenue from product sales unless and until we successfully complete development and obtain marketing approval for one or more of our product candidates, which we do not expect

to happen for at least the next several years, if ever. Until such time that we can generate substantial revenue from product sales, if ever, we expect to finance our operating activities through a combination of equity offerings, debt financings, government or other third-party funding, marketing and distribution arrangements and other collaborations, strategic alliances and licensing arrangements. However, we may be unable to raise additional funds or enter into such other arrangements when needed on favorable terms or at all, which would have a negative impact on our financial condition and could force us to delay, limit, reduce or terminate our research and development programs or commercialization efforts. Failure to receive additional funding could cause us to cease operations, in part or in full.

Collaboration Agreements

We anticipate that strategic collaborations will become an integral part of our operations, providing opportunities to leverage our partners' expertise and capabilities to further expand the potential of our technologies and product candidates. We believe we are well positioned to become a leader in cell-based immunotherapy due to our broad and vertically integrated platform and through complementary strategic partnerships.

Sorrento Therapeutics

In December 2014, we entered into a global/exclusive collaboration with Sorrento Therapeutics, Inc. to jointly develop taNK product candidates as may be agreed between the parties. This transaction allows us to leverage Sorrento's proprietary G-MAB technology platform, one of the largest fully human antibody libraries in the world, to source CARs for our taNK product candidates. The economics from each product candidate will be dependent on the proportion of the development costs that each party contributes.

Agreements with Affiliates of NantWorks

Our chairman and chief executive officer, Dr. Soon-Shiong, founded and has a controlling interest in NantWorks, which is a collection of multiple companies in the healthcare and technology space. We have entered into arrangements with certain affiliates of NantWorks described below that, taken together, we expect will facilitate the development of new genetically modified NK cells for our product pipeline.

In June 2015, we entered into an agreement with NantOmics, LLC to obtain genomic sequencing and proteomic analysis services, as well as related data management and bioinformatics services, exclusively from NantOmics. We will have rights to use the data and results generated from NantOmics' services in connection with the performance of the particular oncology trial with respect to which the services were performed, but NantOmics will own the data and results, as well as any other intellectual property it creates in performing these services for us. We are obligated to pay NantOmics a fixed, per sample fee, determined based on the type of services being provided. The agreement has an initial term of five years and renews automatically for successive one year periods, unless terminated by us or NantOmics. We and NantOmics have the right to terminate the agreement for convenience on 90 days prior written notice, or in the event there is a material, uncured breach of the agreement by the other party.

In June 2015, we entered into an agreement with NanoCav, LLC pursuant to which we obtained access to NanoCav's virus-free cell transfection technologies on a non-exclusive basis. Under the agreement, NanoCav will conduct certain, mutually-agreed feasibility studies, on a fee for service basis, to evaluate the use of its cell transfection technologies with our aNK cells. We may elect to obtain NanoCav's cell transfection equipment, and rights to its associated protocols and other intellectual property, for use only for pre-clinical research, or also for use in clinical and commercial applications. If we choose to qualify the equipment and technologies for cGMP use with our products, we are obligated to pay NanoCav an annual license fee, which is determined based upon whether we elect to use NanoCav's technologies for pre-clinical purposes only, or also for clinical and commercial purposes. In addition, if we use the equipment for clinical and commercial purpose, we are obligated

to pay an equipment fee on a cost-plus basis. We are also obligated to purchase any consumables we require to use with the NanoCav technologies from NanoCav, and to pay for those consumables on a cost-plus basis. The agreement has an initial term of five years and renews automatically for successive one year periods, unless terminated. We have the right to terminate the agreement for convenience on 90 days prior written notice, and both NanoCav and we may terminate if there is a material, uncured breach of the agreement by the other party.

In June 2015, we also entered into a supply agreement with NantCell, Inc. pursuant to which we have the right to purchase NantCell's proprietary bioreactors, made according to specifications we mutually agree with NantCell, in such quantities as we may require from time to time during the term of the agreement. We also have the right to purchase reagents and consumables associated with such equipment from NantCell. We made a non-refundable upfront payment to NantCell which is creditable against our future equipment purchases under the agreement. We are also obligated to pay for any equipment and consumables we purchase from NantCell on a cost-plus basis. The agreement has an initial term of five years and renews automatically for successive one year periods unless terminated by us or NantCell. We and NantCell have the right to terminate the agreement for convenience on 90 days prior written notice, or in the event there is a material, uncured breach of the agreement by the other party.

Spin-Out of Testing and Diagnostic Products and Services

On June 9, 2015, our business relating to testing and diagnostic products and services was spun out to Brink Biologics, Inc. (d/b/a Bank Biologics) in exchange for all of the issued and outstanding shares of Bank Biologics that were subsequently distributed by a dividend to our stockholders of record on June 9, 2015 on a pro rata basis. Under the spin-out arrangement, we transferred to Bank Biologics all of our existing, revenue-earning, non-exclusive license agreements that allow third parties to use our cell lines and intellectual property for non-clinical laboratory testing, and also transferred or licensed to Bank Biologics our other assets pertaining to testing and diagnostics products and services. We granted to Bank Biologics worldwide, exclusive licenses, for use only in the field of *in vitro* and *in vivo* testing and diagnostic products and services, under certain cell lines, trademarks, know-how and patents, including the intellectual property rights licensed to us under our license agreement with Fox Chase Cancer Center. Bank Biologics is restricted in its ability to modify the licensed cell lines, and we will have at least joint ownership of any such modifications and the ability to use those modifications outside Bank Biologics' field. We also have a non-exclusive license to any results and data arising from Bank Biologics' use of our cell lines and intellectual property for our use for internal research purposes and outside of Bank Biologics' field. In consideration for the license grants, Bank Biologics is obligated to pay us a low single-digit royalty on amounts received for the sale of licensed products and services, as well as a low single-digit percentage share of other revenue received by Bank Biologics from the grant of sublicenses under our rights. Bank Biologics has the right to terminate the license agreement for convenience. We have the right to terminate the license agreement if Bank Biologics challenges any of our patents or the patents licensed to us by Fox Chase Cancer Center. We and Bank Biologics each have the right to terminate the license agreement if the other party is dissolved or is declared bankrupt, or remains in breach of any material obligation following a sixty day cure period to remedy the breach. Also, as part of the spin-out arrangement, we have agreed to provide certain services to Bank Biologics for a transitional period on a fee-for-service basis. Had we consummated the spin out as of the beginning of the year, for the three months ended March 31, 2015, our revenue would have been $5,000 and royalty and cost of licensing expense would have been $33,000. Additionally, the balance sheet as of March 31, 2015 would have balances of accounts receivable of $15,000, accounts payable of $1,275,000, accrued expenses of $302,000, and deferred revenue of $244,000.

Spin-Out of Veterinary Oncology Rights

On June 9, 2015, our business relating to veterinary oncology was spun out to Coneksis, Inc. (Coneksis) in exchange for all of the issued and outstanding shares of Coneksis that were subsequently distributed by a dividend to our stockholders of record on June 9, 2015 a pro rata basis. In connection with the spin-out arrangement, we granted to Coneksis worldwide, exclusive licenses, for use only in the field of veterinary

medical research and therapeutics, under certain cell lines, trademarks, know-how and patents, including the intellectual property rights licensed to us under our license agreement with Fox Chase Cancer Center. Like Bank Biologics, Coneksis is restricted in its ability to modify the licensed cell lines, and we will have at least joint ownership of any such modifications and the ability to use those modifications outside Coneksis' field. We also have a non-exclusive license to any results and data arising from Coneksis' use of our cell lines and intellectual property for our use for internal research purposes and outside of Coneksis' field. In consideration for the license grants, Coneksis is obligated to pay us a low single-digit royalty on amounts received for the sale of licensed products and services, as well as a low single-digit percentage share of other revenue received by Coneksis from the grant of sublicenses under our rights. Coneksis has the right to terminate the license agreement for convenience. We have the right to terminate the license agreement if Coneksis challenges any of our patents or the patents licensed to us by Fox Chase Cancer Center. We and Coneksis each have the right to terminate the license agreement if the other party is dissolved or is declared bankrupt, or remains in breach of any material obligation following a sixty day cure period to remedy the breach. Finally, as part of the spin-out arrangement, we have agreed to provide certain services to Coneksis for a transitional period on a fee-for-service basis. Had we consummated the spin out as of the beginning of the year, there would have been no material impact to the consolidated statement of operations for the three months ended March 31, 2015 or the balance sheet as of March 31, 2015.

Inex Bio Acquisition

On March 31, 2015, we entered into a stock purchase agreement to acquire all of the outstanding shares of Inex Bio, Inc., or Inex Bio, that we did not previously own, including 220,000 shares from Inex Bio Holdings. As of March 2015 our majority shareholders, as a group, held more than 50% of the voting ownership interest in both us and in Inex Bio Holdings. As such, we and Inex Bio Holdings were considered entities under common control. We accounted for the purchase of the remaining shares of Inex Bio as a transaction between entities under common control. We recorded the assets and liabilities transferred at the historical cost of the parent, Inex Bio Holdings, at the date of the transfer. Our results of operations for the three months ended March 31, 2015 include the results of operations of Inex Bio as though the transfer had occurred at the beginning of the period. As a result of this transaction, Inex Bio is now our wholly-owned subsidiary.

Components of our Results of Operations

Revenue

To date, we have derived substantially all of our revenue from non-exclusive license agreements with numerous pharmaceutical and biotechnology companies granting them the right to use our cell lines and intellectual property for non-clinical use. These agreements generally include upfront fees and annual research license fees for such use, as well as commercial license fees for sales of our licensee's products developed or manufactured using our intellectual property and cell lines. Our license agreements may also include milestone payments, although to date, we have not generated any revenue from milestone payments. We recognize revenue when there is persuasive evidence of an arrangement, delivery has occurred or we have provided the service, the fees are fixed and determinable and collectability is reasonably assured. We expect our revenue from license agreements to decrease to a nominal amount in the future as we have transferred virtually all of our revenue generating license agreements to Bank Biologics in the spin-out transaction described above. To date, we have not generated any revenue from product sales. If we fail to complete the development of our product candidates in a timely manner or fail to obtain regulatory approval for them, we may never be able to generate substantial future revenue.

Operating Expenses

We classify our operating expenses into three categories: royalties and cost of licensing, research and development, and selling, general and administrative expenses. Personnel costs including salaries, benefits,

bonuses and stock-based compensation expense comprise a significant component of our research and development and selling, general and administrative expense categories. We allocate expenses associated with our facilities and information technology costs between these two categories based on the nature of each cost.

Royalties and Cost of Licensing

Royalties and cost of licensing primarily consists of our expenses related to the generation of revenue from our license agreements. These expenses primarily consist of royalty payments made pursuant to our in-licensing agreements and patent amortization expense. We have in-licensing agreements with various medical centers for the right to use their products and / or intellectual property. We expect our royalty payments pursuant to our in-licensing agreements to decrease to a nominal amount in the future as we are required to be reimbursed by Bank Biologics for any royalty payments due associated with the revenue generating license agreements for non-clinical use transferred to Bank Biologics.

Research and Development

Research and development expense consists of expenses incurred while performing research and development activities to discover and develop our product candidates. This includes conducting preclinical studies and clinical trials, manufacturing development efforts and activities related to regulatory filings for product candidates. We recognize research and development expenses as they are incurred. Our research and development expense primarily consists of:

- clinical trial and regulatory-related costs;
- expenses incurred under agreements with investigative sites and consultants that conduct our clinical trials;
- manufacturing and testing costs and related supplies and materials;
- employee-related expenses, including salaries, benefits, travel and stock-based compensation; and
- facility expenses dedicated to research and development.

We typically use our employee, consultant and infrastructure resources across our development programs. We track outsourced development costs by product candidate or development program, but we do not allocate personnel costs, other internal costs or external consultant costs to specific product candidates or development programs.

Substantially all of our research and development expenses to date have been incurred in connection with our product candidates. We expect our research and development expenses to increase significantly for the foreseeable future as we advance an increased number of our product candidates through clinical development, including the conduct of our planned clinical trials. The process of conducting clinical trials necessary to obtain regulatory approval is costly and time consuming. The successful development of product candidates is highly uncertain. At this time, we cannot reasonably estimate the nature, timing or costs required to complete the remaining development of any product candidates. This is due to the numerous risks and uncertainties associated with the development of product candidates.

The costs of clinical trials may vary significantly over the life of a project owing to, but not limited to, the following:

- per patient trial costs;
- the number of sites included in the clinical trials;
- the countries in which the clinical trials are conducted;
- the length of time required to enroll eligible patients;

- the number of patients that participate in the clinical trials;
- the number of doses that patients receive;
- the cost of comparative agents used in clinical trials;
- the drop-out or discontinuation rates of patients;
- potential additional safety monitoring or other studies requested by regulatory agencies;
- the duration of patient follow-up; and
- the efficacy and safety profile of the product candidate.

We do not expect any of our product candidates to be commercially available for at least the next several years, if ever.

Selling, General and Administrative

Selling, general and administrative expense consists primarily of salaries and personnel-related costs, including employee benefits and any stock-based compensation, for employees performing functions other than research and development. This includes personnel in executive, finance, human resources and administrative support functions. Other selling, general and administrative expenses include facility-related costs not otherwise allocated to research and development expense, professional fees for auditing, tax and legal services, advertising costs, noncapitalized expenses associated with obtaining and maintaining patents, consulting costs and costs of our information systems.

We expect that our selling, general and administrative expenses will increase for the foreseeable future as we expand operations, internalize the manufacturing of our product candidates (including costs related to building out a state-of-the-art manufacturing facility as well as hiring additional employees to support our manufacturing and processing department), and begin operating as a public reporting company (including increased fees for outside consultants, lawyers and accountants, as well as increased directors' and officers' liability insurance premiums). We also expect to incur increased costs to comply with stock exchange listing and SEC requirements, corporate governance, internal controls, investor relations, disclosure and similar requirements applicable to public companies. Additionally, if and when we believe that a regulatory approval of a product candidate appears likely, we expect to incur significant increases in our selling, general and administrative expenses relating to the sales and marketing of the approved product candidate.

Other Income (Expense)

Other income (expense) consists primarily of non-cash costs related to fair value adjustments to our derivative warrant liability and amortization of debt issuance costs and debt discount to interest expense. During the three months ended March 31, 2015, we were relieved of a portion of our note payable outstanding as of December 31, 2014. The relief of debt is recorded in other income (expense).

In 2010 we issued, in conjunction with a termination and release agreement, a warrant to purchase 62,016 shares of Class A common stock. The warrant was initially exercisable at $4.51 per share and is currently exercisable at $3.25 per share. The warrant expires in February 2020. The warrant includes a provision that for a period of two years after a reverse merger, the exercise price of the warrant is protected against down-round financing unless two-thirds of shareholders consent to the new transaction. We accounted for the warrant as a derivative liability, which is adjusted to fair value each reporting period.

Income Tax

Income tax expense consists of U.S. federal and state income taxes. To date, we have not been required to pay U.S. federal income taxes because of our current and accumulated net operating losses. Our only income tax expense to date relates to minimum state income taxes in the State of California.

Results of Operations

Comparison of the Three Months Ended March 31, 2014 and 2015

	Three Months Ended March 31,		Period-to-Period Change
	2014	2015	
	(unaudited)		
	(in thousands)		
Revenue	$ 286	$ 120	$ (166)
Operating expenses:			
Royalties and cost of licensing	122	60	(62)
Research and development	120	603	483
Selling, general and administrative	939	3,368	2,429
Total operating expenses	1,181	4,031	2,850
Loss from operations	(895)	(3,911)	(3,016)
Other income (expense):			
Other income (expense), net	—	133	133
Interest (expense) income, net	(239)	32	271
Fair value adjustment	(23)	(883)	(860)
Total other income (expense)	(262)	(718)	(456)
Loss before income taxes	(1,157)	(4,629)	(3,472)
Income tax expense	1	1	—
Net loss	$(1,158)	$(4,630)	$ (3,472)

Revenue

Revenue decreased $0.2 million during the three months ended March 31, 2015 as compared to the three months ended March 31, 2014. The decrease was primarily attributable to earning a $0.2 million commercial license fee associated with one of our licensees' first commercial sale of a product developed using our intellectual property and cell lines during the three months ended March 31, 2014 that did not repeat during the three months ended March 31, 2015.

Royalties and Cost of Licensing

Royalties and cost of licensing decreased $0.1 million during the three months ended March 31, 2015 as compared to the three months ended March 31, 2014. The decrease was primarily attributable to a $0.1 million decrease in royalty payments under our in-licensing agreements during the three months ended March 31, 2015.

Research and Development

Research and development expense increased by $0.5 million, from $0.1 million for the three months ended March 31, 2014 to $0.6 million for the three months ended March 31, 2015. This increase was primarily attributable to a $0.4 million increase in salaries and personnel-related costs due to an increase in headcount of our research and development personnel, and a $49,000 increase in laboratory and clinical trials expenses.

Selling, General and Administrative

Selling, general and administrative expense increased by $2.4 million, from $0.9 million for the three months ended March 31, 2014 to $3.3 million for the three months ended March 31, 2015. This increase was

primarily attributable to an increase of $2.1 million in salaries and personnel-related costs and an increase in legal expenses of $0.4 million as we continued to apply for patent protection for our product candidates.

Other Income (Expense)

Other income (expense) increased by $0.5 million during the three months ended March 31, 2015 compared to the three months ended March 31, 2014. This increase was primarily attributable to a $0.9 million increase in the fair value adjustment related to our derivative warrant liability. This increase was partially offset by a $0.3 million decrease in interest expense and a relief of a portion of a note payable of $0.1 million.

Comparison of Years Ended December 31, 2013 and 2014

	Year Ended December 31,		Period-to-Period Change
	2013	2014	
	(in thousands)		
Revenue	$ 600	$ 641	$ 41
Operating expenses:			
Royalties and cost of licensing	253	323	70
Research and development	446	1,595	1,149
Selling, general and administrative	1,982	4,326	2,344
Total operating expenses	2,681	6,244	3,563
Loss from operations	(2,081)	(5,603)	(3,522)
Other income (expense):			
Interest expense, net	(461)	(451)	10
Fair value adjustment	684	(158)	(842)
Total other income (expense)	223	(609)	(832)
Loss before income taxes	(1,858)	(6,212)	(4,354)
Income tax expense	1	1	—
Net loss	$(1,859)	$(6,213)	$ (4,354)

Revenue

Revenue increased $41,000 during the year ended December 31, 2014 as compared to the year ended December 31, 2013. The increase was primarily attributable to earning a $0.2 million commercial license fee associated with one of our licensees' first commercial sale of a product developed using our intellectual property and cell lines. This increase was partially offset by a $0.1 million decrease in upfront and annual research license fees during the year ended December 31, 2014, due primarily to the timing of revenue recognition and a net decrease in the number of license agreements.

Royalties and Cost of Licensing

Royalties and cost of licensing increased $0.1 million during the year ended December 31, 2014 as compared to the year ended December 31, 2013. The increase was primarily attributable to a $49,000 increase in royalty payments under our in-licensing agreements and a $20,000 increase in patent amortization expense during the year ended December 31, 2014.

Research and Development

Research and development expense increased by $1.1 million, from $0.5 million for the year ended December 31, 2013 to $1.6 million for the year ended December 31, 2014. This increase was primarily

attributable to a $0.6 million increase in salaries and personnel-related costs due to an increase in headcount of our research and development personnel, a $0.4 million increase in laboratory and clinical trials expenses, and a $0.1 million increase in rent expense for our research and development facilities.

Selling, General and Administrative

Selling, general and administrative expense increased by $2.3 million, from $2.0 million for the year ended December 31, 2013 to $4.3 million for the year ended December 31, 2014. This increase was primarily attributable to an increase of $2.0 million in salaries and personnel-related costs as we prepared to file our registration statement and operate as a public company. Patent filing expenses increased by $0.2 million as we continued to apply for patent protection for our product candidates.

Other Income (Expense)

Other income (expense) changed by $0.8 million, from other income of $0.2 million for the year ended December 31, 2013 to other expense of $0.6 million for the year ended December 31, 2014. This change was primarily attributable to a $0.8 million increase in the fair value adjustment related to our derivative warrant liability.

Liquidity and Capital Resources

Sources of Liquidity

Through March 31, 2015 we have funded our operations primarily through the issuance of $57.4 million of common stock, $7.7 million of convertible preferred stock, $2.3 million of debt and payables that were converted into common stock in 2013 and 2014 in connection with certain financings in those years, and $0.4 million of convertible promissory notes. As of March 31, 2015, we had cash and cash equivalents of $49.9 million, compared to $59.1 million as of December 31, 2014.

Recent Equity Transactions

In June 2015, we raised net proceeds of approximately $71.0 million from the sale of common stock in a series of private placement transactions to third parties and repurchased common stock from an employee for approximately $4.8 million, bringing our cash balance to $121.5 million as of June 19, 2015. The funds received from these recent issuances of our common stock are currently our primary source of capital for our research and development and operating expenditures.

Cash Flows

The following table sets forth our primary sources and uses of cash for periods indicated:

	Year Ended December 31,		Three Months Ended March 31,	
	2013	2014	2014	2015
Cash provided by (used in) in thousands:			(unaudited)	
Operating activities	$ (408)	$ (5,354)	$ (91)	$ (1,902)
Investing activities	(263)	(299)	(2)	(7,326)
Financing activities	905	64,407	(165)	(22)
Net increase (decrease) in cash and cash equivalents	$ 234	$58,754	$ (258)	$ (9,250)

Operating Activities

For the year ended December 31, 2013, our net cash used in operating activities of $0.4 million consisted of a net loss of $1.9 million, primarily attributable to our spending on research and development and selling, general

and administrative expenses, partially offset by $0.6 million in adjustments for non-cash items and $0.9 million of cash provided by changes in working capital. Adjustments for non-cash items primarily consisted of $0.9 million of stock-based compensation expense and $0.3 million of amortization of the debt discount, partially offset by the change in fair value of our derivative warrant liability of $0.7 million. Changes in working capital consisted primarily of an increase in accounts payable of $0.7 million.

For the year ended December 31, 2014, our net cash used in operating activities of $5.4 million consisted of a net loss of $6.2 million, primarily attributable to an increase in spending on research and development efforts and selling, general and administrative expenses, and $0.8 million of cash used to fund changes in working capital, partially offset by $1.7 million in adjustments for non-cash items. Changes in working capital consisted primarily of a decrease in accounts payable and accrued expenses of $0.6 million. Adjustments for non-cash items primarily consisted of $0.8 million of stock-based compensation expense, $0.4 million of amortization of the debt discount, $0.2 million of depreciation expense and a change in fair value of our derivative warrant liability of $0.2 million.

For the three months ended March 31, 2014, our net cash used in operating activities of $0.1 million consisted of a net loss of $1.2 million, primarily attributable to our spending on research and development and selling, general and administrative expenses, partially offset by $0.5 million in adjustments for non-cash items and $0.6 million of cash provided by changes in working capital. Adjustments for non-cash items primarily consisted of $0.2 million of amortization of the debt discount, $0.1 million of stock-based compensation expense and $0.1 million in forgiveness of note receivable from related party. Changes in working capital consisted primarily of an increase in accounts payable and accrued expenses of $0.5 million.

For the three months ended March 31, 2015, our net cash used in operating activities of $1.9 million consisted of a net loss of $4.6 million, primarily attributable to an increase in spending on research and development efforts and selling, general and administrative expenses, partially offset by $2.6 million in adjustments for non-cash items and $0.1 million of cash provided in changes of working capital. Adjustments for non-cash items primarily consisted of $1.8 million of stock-based compensation expense and a change in fair value of our derivative warrant liability of $0.9 million.

Investing Activities

For the year ended December 31, 2013, net cash used in investing activities was $0.3 million, which primarily consisted of investments in intangible assets as we invested in patent-related costs associated with our aNK cell line.

For the year ended December 31, 2014, net cash used in investing activities was $0.3 million, which was primarily attributable to the purchase of property and equipment.

For the three months ended March 31, 2014, net cash used in investing activities was $2,000, which was attributable to the purchase of property and equipment.

For the three months ended March 31, 2015, net cash used in investing activities was $7.3 million, which was primarily attributable to the purchase of the remaining equity interest in Inex Bio, Inc.

Financing Activities

For the year ended December 31, 2013, net cash provided by financing activities consisted of $0.7 million in net proceeds from our debt and equity offerings and $0.2 million in payments received for prior issuance of Class B common stock.

For the year ended December 31, 2014, net cash provided by financing activities consisted of $63.1 million net proceeds from our debt and equity offerings, $1.2 million in payments received for prior issuance of Class B common stock and $0.2 million from the exercise of stock options.

For the three months ended March 31, 2014, net cash used in financing activities consisted of $0.2 million in payments of finance issuance costs associated with the anticipated financing in April 2014.

For the three months ended March 31, 2015, net cash used in financing activities consisted of $0.1 million in payments on notes payable partially offset by $0.1 million in proceeds from the exercise of stock options.

Future Funding Requirements

To date, we have generated minimal revenue from non-exclusive license agreements with numerous pharmaceutical and biotechnology companies granting the right to use our cell lines and intellectual property for non-clinical use for laboratory testing that were spun out to Bank Biologics on June 9, 2015. We have not generated any revenue from product sales. We do not expect to generate significant revenue unless and until we obtain regulatory approval of and commercialize any of our product candidates and we do not know when, or if, this will occur. In addition, we expect our expenses to significantly increase in connection with our ongoing development activities, particularly as we continue the research, development and clinical trials of, and seek regulatory approval for, our product candidates. Moreover, following the closing of this offering, we expect to incur additional costs associated with operating as a public company. In addition, subject to obtaining regulatory approval of our product candidates, we expect to incur significant commercialization expenses for product sales, marketing, manufacturing and distribution. We anticipate that we will need substantial additional funding in connection with our continuing operations. We expect that our expenses will increase substantially if and as we:

- continue research and development, including preclinical and clinical development of our existing product candidates;
- potentially seek regulatory approval for our product candidates;
- seek to discover and develop additional product candidates;
- establish a commercialization infrastructure and scale up our manufacturing and distribution capabilities to commercialize any of our product candidates for which we may obtain regulatory approval;
- seek to comply with regulatory standards and laws;
- maintain, leverage and expand our intellectual property portfolio;
- hire clinical, manufacturing, scientific and other personnel to support our product candidates development and future commercialization efforts;
- add operational, financial and management information systems and personnel; and
- incur additional legal, accounting and other expenses in operating as a public company.

Based upon our current operating plan, we expect that the net proceeds from this offering, together with our existing cash and cash equivalents, will enable us to fund our operating expenses and capital expenditures requirements for at least the next twelve months. We have based this estimate on assumptions that may prove to be wrong, and we may use our available capital resources sooner than we currently expect. The successful development of any product candidate is highly uncertain. Due to the numerous risks and uncertainties associated with the development and commercialization of our product candidates, if approved, we are unable to estimate the amounts of increased capital outlays and operating expenses associated with completing the development of our product candidates.

Our future capital requirements will depend on many factors, including:

- the timing of, and the costs involved in, preclinical and clinical development and obtaining any regulatory approvals for our product candidates;
- the costs of manufacturing, distributing and processing our product candidates;

- the number and characteristics of any other product candidates we develop or acquire;
- our relative responsibility for developing and commercializing taNK product candidates covered by our joint development and license agreement with Sorrento Therapeutics;
- our ability to establish and maintain strategic collaborations, licensing or other commercialization arrangements and the terms and timing of such arrangements;
- the degree and rate of market acceptance of any approved products;
- the emergence, approval, availability, perceived advantages, relative cost, relative safety and relative efficacy of other products or treatments;
- the expenses needed to attract and retain skilled personnel;
- the costs associated with being a public company;
- the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing intellectual property claims, including litigation costs and the outcome of such litigation;
- the timing, receipt and amount of sales of, or royalties on, any approved products; and
- any product liability or other lawsuits related to our product candidates.

Because all of our product candidates are in the early stages of preclinical and clinical development and the outcome of these efforts is uncertain, we cannot estimate the actual amounts necessary to successfully complete the development and commercialization of any of our product candidates or whether, or when, we may achieve profitability. Until such time, if ever, as we can generate substantial product revenues, we expect to finance our cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances and/or licensing arrangements. We do not have any committed external source of funds. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a common stockholder. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional funds through collaborations, strategic alliances or licensing arrangements with pharmaceutical partners, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates, or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market our product candidates that we would otherwise prefer to develop and market ourselves.

Contractual Obligations, Commitments and Contingencies

Our principal commitments consist of obligations under our outstanding debt obligations, non-cancelable leases for our office space and certain equipment and vendor contracts to provide research services. The following table summarizes these contractual obligations as of December 31, 2014:

		Payments Due By Period			
Contractual Obligations	Total	Less Than 1 Year	1 to 3 Years	4 to 5 Years	More Than 5 Years
		(in thousands)			
Principal payment of debt	$265	$ 265			
Operating lease commitments	244	145	$ 99	$—	$ —
Minimum royalty fees	75	25	50	—	—
Total contractual obligations	$584	$ 435	$149	$—	$ —

We also have potential royalty payment obligations pursuant to our in-licensing agreements that are contingent upon the initiation and completion of future activities. As of March 31, 2015, we were unable to estimate the timing or likelihood of achieving milestones or making future product sales and, therefore, any related payments are not included in the table above.

During the three months ended March 31, 2015, there were no significant changes to our contractual obligations and commitments other than the debt of $0.3 million being settled.

Off-Balance Sheet Arrangements

During the periods presented, we did not have any off-balance sheet arrangements as defined under SEC rules.

Critical Accounting Policies and Significant Judgments and Estimates

This management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which we have prepared in accordance with accounting principles generally accepted in the United States. The preparation of our 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 our financial statements, as well as the reported revenues and expenses during the reported periods. We evaluate these estimates and judgments on an ongoing basis. We base our estimates on 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.

While our significant accounting policies are more fully described in Note 2 to our audited financial statements appearing elsewhere in this prospectus, we believe that the following accounting policies are critical to the process of making significant judgments and estimates in the preparation of our financial statements and understanding and evaluating our reported financial results.

Revenue Recognition and Deferred Revenue

We generate revenue primarily from our non-exclusive license agreements with pharmaceutical and biotechnology companies granting them the right to use our cell lines and intellectual property for non-clinical use. These agreements generally include upfront fees and annual research license fees for such use, as well as commercial license fees for sales of our licensee's products developed or manufactured using our intellectual property and cell lines. Our license agreements may also include milestone payments, although to date, we have not generated any revenue from milestone payments. We recognize revenue when there is persuasive evidence of an arrangement, delivery has occurred or we have provided the service, the fees are fixed and determinable and collectability is reasonably assured.

When entering into an agreement, we first determine whether the agreement includes multiple deliverables and is subject to accounting guidance in Accounting Standards Codification, or ASC, Subtopic 605-25, *Multiple-Element Arrangements*. If we determine that an agreement includes multiple elements, we determine whether the agreement should be divided into separate units of accounting and how the agreement consideration should be measured and allocated among the separate units of accounting.

An element qualifies as a separate unit of accounting when the delivered element has standalone value to the customer. Our agreements do not include a general right of return relative to delivered elements. Any delivered elements that do not qualify as separate units of accounting are combined with other undelivered elements within the agreement as a single unit of accounting. If the agreement constitutes a single combined unit of accounting,

we determine the revenue recognition method for the combined unit of accounting and recognize the revenue over the period from inception through the date the last deliverable within the single unit of accounting is delivered.

License rights and non-contingent deliverables, such as knowledge transfer, do not have standalone value as they are not sold separately and they cannot be resold and, consequently are considered a single unit of accounting. Therefore, license revenue in the form of upfront fees is deferred and recognized over the applicable relationship period, which historically has been the estimated period of the Company's substantive performance obligations or the period the rights granted are in effect.

We recognize a milestone payment when earned if it is substantive and we have no ongoing performance obligations related to the milestone. A milestone payment is considered substantive if it: (1) is commensurate with either the performance to achieve the milestone or the enhanced value of the delivered item as a result of a specific outcome resulting from the performance to achieve the milestone; (2) relates solely to past performance; and (3) is reasonable relative to all of the deliverables and payment terms, including other potential milestone consideration, within the agreement.

We record any amounts received prior to satisfying the revenue recognition criteria as deferred revenue in the accompanying balance sheets.

Intangible Assets

We capitalize costs incurred in connection with patent applications (principally legal fees), patent purchases, and trademarks related to our cell line currently generating our revenue from licensing agreements, as intangible assets. We amortize these assets using the straight-line method over the estimated useful lives of the patents, generally five to 15 years. Other intangibles, consisting of trademarks and copyrights, are considered to have indefinite lives and are not amortized but reviewed for impairment annually, or sooner under certain circumstances.

Fair Value of Financial Instruments

We have common stock warrants that meet the definition of derivative financial instruments and are accounted for as a derivative liability. The fair value of this warrant derivative liability is based on a Monte Carlo simulation model at each reporting period. Estimating the fair value of the underlying shares is highly complex and subjective because our stock is not publicly traded.

The derivative warrant liability for the common stock warrants was $0.2 million and $1.1 million at December 31, 2014 and March 31, 2015, respectively.

Stock-Based Compensation

We record the fair value of stock options issued to our employees as of the grant date as compensation expense. We recognize compensation expense, net of forfeitures, on a straight-line basis over the requisite service period, which is equal to the applicable vesting period.

We account for equity instruments issued to non-employees using a fair value approach under ASC Subtopic 505-50, *Equity-Based Payments to Non-Employees*. We value equity instruments and stock options granted using the Black-Scholes option-pricing model. The value of non-employee stock-based compensation is subject to periodic adjustments as the underlying equity instruments vest and is recognized as an expense over the term of the related financing or the period over which services are received.

Stock-based compensation expense has been reported in our statements of operations as follows:

	Year Ended December 31,		Three Months Ended March 31,	
	2013	2014	2014	2015
	(in thousands)		(unaudited)	
Research and development	$ 251	$ 222	$ —	$ 189
Selling, general and administrative	633	567	135	1,587
Total stock-based compensation expense	$ 884	$ 789	$ 135	$ 1,776

Determination of the Fair Value of Stock-Based Compensation Grants

We calculate the fair value of stock-based compensation arrangements using the Black-Scholes option-pricing model. The Black-Scholes option-pricing model requires the use of highly subjective assumptions, including the fair value of the underlying common stock on the date of grant, the risk-free interest rate for a period that approximates the expected term of our stock options, the expected term of our stock options, the expected volatility of the price of our common stock, and the expected dividend yield. These estimates involve inherent uncertainties and the application of management's judgment. If factors change and different assumptions are used, our stock-based compensation expense could be materially different in the future. These assumptions are estimated as follows:

- ***Fair value of our common stock*—**because our stock is not publicly traded, we estimated the fair value of our common stock, as discussed in "Common Stock Valuation Methodology—Third Party Valuations" below. Following the closing of this offering and the commencement of public trading of our common stock, the fair value per share of our common stock for purposes of determining stock-based compensation will be the closing price of our common stock as reported on the applicable grant date.
- ***Risk-free interest rate*—**we determine the risk-free interest rate by reference to implied yields available from U.S. Treasury securities with a remaining term equal to the expected life assumed at the date of grant.
- ***Expected term*—**we determine the average expected life of "plain vanilla" stock options based on the simplified method in accordance with SEC Staff Accounting Bulletin Nos. 107 and 110, as our common stock to date has not been publicly traded. We expect to use the simplified method until we have sufficient historical exercise data to provide a reasonable basis upon which to estimate expected term. For options that are not considered "plain vanilla," such as those with exercise prices in excess of the fair market value of the underlying stock, we use an expected life equal to the contractual term of the option.
- ***Expected volatility*—**we do not have sufficient history to estimate the volatility of our common stock. We calculate expected volatility based on reported data for selected similar publicly traded companies for which the historical information is available. For the purpose of identifying peer companies, we consider characteristics such as industry, length of trading history, similar vesting terms and in-the-money option status. We plan to continue to use the guideline peer group volatility information until the historical volatility of our common stock is sufficient to measure expected volatility for future option grants.
- ***Dividend yield*—**the expected dividend yield is based on our expectation of not paying dividends for the foreseeable future.

We account for stock-based compensation arrangements with non-employees which contain only service conditions for vesting 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. For non-employee options subject to vesting, the compensation costs of these arrangements are subject to re-measurement over the vesting period.

The following summarizes the assumptions used for estimating the fair value of stock options granted to employees for the period indicated:

	Year Ended December 31, 2014		Three Months Ended March 31, 2014		Three Months Ended March 31, 2015	
	Employee Grants	Non-Employee Grants	Employee Grants	Non-Employee Grants	Employee Grants	Non-Employee Grants
Assumptions:						
Risk-free interest rate	1.58%-1.89%	2.17%	1.58%-1.89%	2.17%	1.45%-1.79%	1.94%
Expected term (years)	5.00-5.64	9.22-9.71	5.00-5.52	10.00	5.52	10.00
Expected volatility	81%-91%	81%	91%	81%	80%	80%
Dividend yield	0%	0%	0%	0%	0%	0%

In addition to the assumptions used in the Black-Scholes option-pricing model, the amount of stock option expense we recognize in our statements of operations includes an estimate of stock option forfeitures. As we do not have a history upon which to base the calculation of a forfeiture rate, we used a 5% forfeiture rate for stock options granted with cliff vesting. Changes in the estimated forfeiture rate can have a significant impact on our stock-based compensation expense as the cumulative effect of adjusting the rate is recognized in the period the forfeiture estimate is changed. If a revised forfeiture rate is higher than the previously estimated forfeiture rate, an adjustment is made that will result in a decrease to the stock-based compensation expense recognized in the financial statements. If a revised forfeiture rate is lower than the previously estimated forfeiture rate, an adjustment is made that will result in an increase to the stock-based compensation expense recognized in our financial statements.

Based upon an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover of this prospectus, the aggregate intrinsic value of outstanding options to purchase shares of our common stock as of March 31, 2015 was $ million, of which $ million related to vested options and $ million to unvested options.

Determination of Exercise Price of Stock Options and the Fair Value of Common Stock on Grant Dates

The following table summarizes by grant date the number of shares of common stock subject to stock options granted between January 1, 2014 and the date of this prospectus, as well as the associated per-share exercise price and the estimated fair value per share of our common stock on the grant date for financial reporting purposes:

Grant Date	Number of Shares Underlying Options Granted	Exercise Price Per Share	Estimated Fair Value Per Share for Financial Reporting Purposes	Intrinsic Value Per Underlying Common Share
March 17, 2014	1,450,000	$ 0.40	$ 0.40	$ —
November 24, 2014	720,000	0.78	0.78	—
December 10, 2014	630,000	3.25	3.25	—
December 18, 2014	425,000	3.25	3.25	—
January 16, 2015	200,000	3.70	3.92	0.22
February 16, 2015	1,100,000	3.70	10.68	6.98
March 24, 2015	1,000,000	4.07	18.53	14.83

As further described below, during the second quarter of 2015 due to the price at which our common stock sold in a series of private placement transactions, we retroactively reassessed the estimated fair value per share of

common stock. As a result of our reassessment, we determined that, solely for financial reporting purposes, the fair value of our common stock was higher than the fair market values determined in good faith by our board of directors for each of the option grant dates from January 2015 through the date of this prospectus.

In estimating the fair value of our common stock at each grant date to set the exercise price of the stock options, given the absence of a public market for our common stock, management and our board of directors used either the price at which we recently sold shares of common stock to an investor in an arms-length transaction or recently obtained contemporaneous valuations performed by a third-party valuation specialist in accordance with the guidance outlined in the American Institute of Certified Public Accountants Practice Aid, *Valuation of Privately-Held Company Equity Securities Issued as Compensation*, also known as the Practice Aid. The estimated fair value per share of our common stock in the table above, as determined by either the third-party valuations or recent sale of our common stock, were used to measure the stock-based compensation expense for options granted during these periods.

The dates of our contemporaneous valuations have not always coincided with the dates of our stock-based compensation grants. In such instances, management and our board of directors' fair value estimates have been based on the most recent contemporaneous valuation of our shares of common stock and an assessment of additional objective and subjective factors they believed were relevant as of the grant date, including:

- our stage of development, including the progress of our research and development activities;
- our operating and financial performance, including our levels of available capital resources;
- the market performance of comparable publicly traded companies;
- the achievement of enterprise milestones, including our progress in clinical trials;
- the existence of recent sales of our stock in arm's length transactions;
- the lack of marketability of our securities by virtue of being a private company;
- current business conditions and risks; and
- management and board experience.

Common Stock Valuation Methodology

March 2014 Grants

In estimating the fair value of our common stock to set the exercise price of the stock options granted on March 17, 2014, management and our board of directors utilized a third-party valuation as of March 17, 2014. The valuation report reflected a fair value for our common stock of $0.40 per share.

Management and our valuation specialist used the market approach in determining the equity value of our business as of the March 17, 2014. The market approach estimates the fair value of a company by applying market multiples of comparable publicly traded companies, the guideline public company method, or publicly disclosed data from arm's-length strategic merger or sale transactions involving similar companies in the marketplace, the market transaction method. For the March 17, 2014 valuation, we used the guideline company method. We identified companies similar to our business and used these guideline companies to develop relevant market multiples and ratios. We then applied these market multiples and ratios to our applicable financial data to estimate our equity value. In selecting guideline public companies, we gave consideration to differences between us and the selected guideline public companies in terms of size, anticipated profitability, market size and other critical characteristics that generally reflect an investor's assessment of the business and financial risks inherent in our industry.

The following assumptions were used to complete the valuation using the guideline company method of the market approach:

- total equity value of $3.65 million;

- pro rata allocation of the equity value to common stock based on fully diluted as-converted common shares of 6,345,210; and
- a lack of marketability discount of 30%.

November 2014 Grants

In estimating the fair value of our common stock to set the exercise price of the stock options granted on November 24, 2014, management and our board of directors utilized a third-party valuation as of June 30, 2014. The valuation report reflected a fair value for our common stock of $0.78 per share. Management and our board of directors determined that there were no significant factors effecting the fair value of our common stock that had occurred between June 30, 2014 and November 24, 2014.

For the June 30, 2014 valuation, management, our board of directors and our valuation specialist used the pricing of our private placement of Series C convertible preferred stock that was established based on arms-length negotiations with sophisticated third parties as the baseline for determining our equity value due to the close proximity in time of the equity issuance in April 2014 to the valuation date. Our total equity value was implied using a backsolve technique within the Options Pricing Method, or OPM, to allocate equity. The backsolve method uses an iterative approach within the OPM to solve for our total equity value that is consistent with the Series C convertible preferred stock price of $2.40 per share, given the rights and preferences of the preferred and common stockholders with our capital structure. Management, our board of directors and our valuation specialist then utilized the OPM to allocate the equity value to our common stock. The OPM treats common stock and convertible preferred stock as call options on an equity value, with exercise prices based on the liquidation preference of the convertible preferred stock. Therefore, the common stock has value only if the funds available for distribution to the stockholders exceed the value of the liquidation preference at the time of a liquidity event such as a merger, sale or initial public offering, assuming the enterprise has funds available to make a liquidation preference meaningful and collectible by the stockholders. The common stock is modeled to be a call option with a claim on the enterprise at an exercise price equal to the remaining value immediately after the convertible preferred stock is liquidated. The OPM uses the Black-Scholes option-pricing model to price the call options. The OPM is appropriate to use when the range of possible future outcomes is so difficult to predict that forecasts would be highly speculative.

The following assumptions were used to complete the valuation using the backsolve technique within the OPM analysis:

- total equity value of $21.0 million, based on the pricing of our Series C convertible preferred stock issuance;
- $7.3 million of the total equity value allocated to common stock; and
- a lack of marketability discount of 20%.

The increase in valuation of our common stock from $0.40 per share in March 2014 to $0.78 per share in November 2014 was primarily driven by the successful closing of our private placement of Series C convertible preferred stock in April 2014.

December 2014 Grants

In estimating the fair value of our common stock to set the exercise price of the stock options granted on December 10, 2014 and December 18, 2014, management and our board of directors utilized the $3.25 per share price established in connection with the sale of our common stock in December 2014 to a sophisticated third party Sorrento Therapeutics, Inc., or Sorrento, in an arm’s length transaction, due to the close proximity in time of the equity issuance to the stock option grant dates. We issued to Sorrento an aggregate of 2,461,538 shares of our Class A common stock at a price of $3.25 per share in two separate tranches that closed on December 16, 2014 and December 18, 2014, in connection with our joint development and license agreement.

January, February and March 2015 Grants

In estimating the fair value of our common stock to set the exercise price of the stock options granted on January 16, 2015, February 16, 2015 and March 24, 2015, management and our board of directors utilized a third-party valuation as of January 15, 2015. The valuation report reflected a fair value for our common stock of $3.70 per share.

Management, our board of directors and our valuation specialist used the market transaction method in determining the equity value of our business as of the valuation date. We used publicly disclosed data from arm's-length transactions involving similar companies to develop relationships or value measures between the prices paid for the target companies and the underlying financial data of those companies. These value measures were then applied to our applicable financial data to estimate our equity value.

The following assumptions were used to complete the valuation using the market transaction method of the market approach:

- total equity value of $163.1 million;
- $149.4 million of the total equity value allocated to common stock; and
- a lack of marketability discount of 18.4%.

The increase in valuation of our common stock from $3.25 per share in December 2014 to $3.70 per share in January 2015 was primarily driven by the closing of an additional private placement of shares of our Class A common stock on December 23, 2014 to Cambridge Equities, LP, an entity controlled by Dr. Soon-Shiong, at a price of $3.4908 per share with gross proceeds of approximately $47.5 million.

Retroactive Reassessment of Estimated Fair Value of Common Stock

From June 10, 2015 through June 18, 2015, we entered into a series of subscription and investment agreements whereby we sold and issued shares of our common stock in arm's length transactions with sophisticated third parties at a price of $35.54 per share with aggregate net proceeds of approximately $71.0 million. Given the price at which we sold our common stock sold in our private placement on June 10, 2015, management and our board of directors determined in June 2015, coincident with the closing of this recent financing, to retrospectively reassess, solely for financial reporting purposes, the estimated fair value of our common stock related to the January 16, 2015, February 16, 2015 and March 24, 2015 stock option grants. In determining the retrospectively reassessed estimated fair values of these stock option grants, we used a linear extrapolation model from $35.54, the pricing of our private placement of common stock on June 10, 2015, to the January 15, 2015 fair value determination of $3.70 per share. Using this approach, we retrospectively determined that the estimated fair values at January 16, 2015, February 16, 2015 and March 24, 2015 were $3.92, $10.68 and $18.53 per share, respectively. As a result, the additional aggregate stock-based compensation expense relating to these reassessed fair values for the three months ended March 31, 2015 was $0.8 million. The remaining stock-based compensation expense relating to these reassessed fair values will be $24.7 million, which will be recognized over the next 24 to 48 months.

Utilization of Net Operating Loss Carryforwards and Research and Development Credits

As of December 31, 2014, we had federal and state income tax net operating loss, or NOL, carryforwards of approximately $10.0 million and $9.7 million, respectively, which will expire at various dates through 2033. As of December 31, 2014, we also had minimal federal and state research and development tax credit carryforwards to offset future income taxes.

Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, or the Code, if a corporation undergoes an "ownership change" (generally defined as a greater than 50% change (by value) in its equity ownership

over a three-year period), the corporation's ability to use its pre-change net operating loss carry forwards and other pre-change tax attributes to offset its post-change income may be limited. Although we have not completed a study to determine the impact of ownership changes on our NOL carryforwards, we believe that we have recently undergone one or more ownership changes and accordingly, our ability to use our NOLs will be limited.

Emerging Growth Company Status

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

Recent Accounting Pronouncements

Application of New or Revised Accounting Standards—Adopted

In July 2013, the Financial Accounting Standards Board, or FASB, issued Accounting Standards Update, or ASU, No. 2013-11, *Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exist*, or ASU 2013-11. ASU 2013-11 amends the presentation requirements of ASC Topic 740, *Income Taxes*, and requires an unrecognized tax benefit to be presented in the financial statements as a reduction to a deferred tax asset for a NOL carryforward, similar tax loss, or a tax credit carryforward. To the extent the tax benefit is not available at the reporting date under the governing tax law or if the entity does not intend to use the deferred tax asset for such purpose, the unrecognized tax benefit should be presented as a liability and not combined with deferred tax assets. ASU 2013-11 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. The amendments are to be applied to all unrecognized tax benefits that exist as of the effective date and may be applied retrospectively to each prior reporting period presented. The adoption of ASU 2013-11 did not have a material impact on our financial statements and disclosures as we had no uncertain tax positions at December 31, 2013 and 2014.

Application of New or Revised Accounting Standards—Not Yet Adopted

In May 2014, the FASB issued guidance codified in ASC Topic 606, *Revenue Recognition—Revenue from Contracts with Customers*, which amends the guidance in former ASC Topic 605, *Revenue Recognition*, and becomes effective beginning January 1, 2017. This guidance requires that entities recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. We are currently evaluating the impact of the provisions of ASC Topic 606 on its financial statements and disclosures. On April 29, 2015, the FASB proposed deferring the effective date of Topic 606 by one year.

In June 2014, the FASB issued ASU 2014-12, *Compensation-Stock Compensation (Topic 718): Accounting for Share-Based Payments when the Terms of an Award Provide that a Performance Target Could Be Achieved After the Requisite Service Period*, or ASU 2014-12. The ASU requires that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. ASU 2014-12 is effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted. We are currently evaluating the impact of the adoption of ASU 2014-12 on our financial statements and disclosures.

In August 2014, the FASB issued ASU No. 2014-15, *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, or ASU 2014-15, which amends ASC Subtopic 205-40 to provide guidance

about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related disclosures. Specifically, the amendments (1) provide a definition of the term "substantial doubt," (2) require an evaluation every reporting period, (3) provide principles for considering the mitigating effect of management's plans, (4) require certain disclosures when substantial doubt is alleviated as a result of consideration of management's plans, (5) require an express statement and other disclosures when substantial doubt is not alleviated and (6) require an assessment for a period of one year after the date that financial statements are issued. ASU 2014-15 is effective for fiscal years ending after December 15, 2016, and for annual periods and interim periods thereafter. We do not plan on early adopting this standard, but it will not have a material impact on our financial condition.

In January 2015, the FASB issued ASU No. 2015-01, Income Statement—*Extraordinary and Unusual Items (Subtopic 225-20); Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items*, which eliminates from GAAP the concept of extraordinary items, stating that the concept causes uncertainty because (1) it is unclear when an item should be considered both unusual and infrequent and (2) users do not find the classification and presentation necessary to identify those events and transactions. This standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015, with early adoption permitted provided the guidance is applied from the beginning of the fiscal year of adoption. We do not expect this standard to have an impact on its financial statements upon adoption.

In February 2015, the FASB issued ASU 2015-02, *Consolidation (Topic 810)—Amendments to the Consolidation Analysis*, or ASU 2015-02. ASU 2015-02 affects reporting entities that are required to evaluate whether they should consolidate certain legal entities. Specifically, the amendments (1) modify the evaluation of whether limited partnerships and similar legal entities are variable interest entities (VIEs) or voting interest entities, (2) eliminate the presumption that a general partner should consolidate a limited partnership, (3) affect the consolidated analysis of reporting entities that are involved with VIEs, and (4) provide a scope exception for certain entities. ASU 2015-02 is effective for interim and annual reporting periods beginning after December 15, 2015. We are currently evaluating the impact of the adoption of ASU 2015-02 on our financial statements and disclosures.

In April 2015, the FASB issued ASU 2015-03, *Interest—Imputation of Interest (Subtopic 835-30)*, or ASU 2015-03, which requires the debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with the presentation of debt discounts. This guidance is effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. We do not expect this standard to have a material impact on our financial statements upon adoption.

Quantitative and Qualitative Disclosures about Market Risk

As of March 31, 2015 and June 19, 2015, we had $49.9 million and $121.5 million, respectively in cash and cash equivalents maintained in FDIC insured operating accounts. Our primary exposure to market risk for our cash and cash equivalents is interest income sensitivity, which is affected by changes in the general level of U.S interest rates. However, we do not believe a sudden change in the interest rates would have a material impact on our financial condition or results of operations due to the short-term maturities on our cash equivalents. A hypothetical 100 basis point change in interest rates during any of the periods presented would not have had a material impact on our financial statements.

BUSINESS

Overview

We are a pioneering clinical-stage immunotherapy company focused on harnessing the power of the innate immune system by using the natural killer cell to treat cancer, infectious diseases and inflammatory diseases. Natural killer, or NK, cells are the body's first line of defense due to their innate ability to rapidly seek and destroy abnormal cells, such as cancer or virally-infected cells, without prior exposure or activation by other support molecules required to activate adaptive immune cells such as T-cells.

We believe that our proprietary NK cell line, coupled with our planned integrated discovery ecosystem, uniquely positions us to implement precision cancer medicine and potentially change the current paradigm of cancer care by leveraging the advances that have evolved during the past decade and addressing newly discovered challenges of cancer. We believe that many recent advances in cancer treatments have not adequately addressed the heterogeneity of tumor cells, the large mutation load per tumor cell identified by advanced genomics sequencing technologies, and the resistance of the cancer stem cell to chemotherapy. Cancer is only recently understood to be a complex of rare diseases, with hundreds of patient-specific, cancer-promoting mutated proteins, some known and many more unknown called neoepitopes. Identifying and targeting these mutated proteins is our strategy to overcome the challenges of cancer in the era of genomics, transcriptomics and immuno-oncology. We believe neoepitopes, which are newly discovered antigens selectively expressed on the cancer cells and not on the essential normal tissue, represent large untapped targeting opportunities for immune effector cells such as our activated NK cells.

Multiple Modes of Tumor Cell Killing. Our immuno-oncology NK platform has multiple modes to potentially induce cell death against the tumor or infected cell by: (1) direct killing by binding to stress ligands expressed by the diseased cell with the release of toxic granules directly into the tumor cell; (2) antibody mediated killing by binding to antibodies administered in combination and enhancing the cancer killing effect of the administered antibody, enabling targeted cell killing through antibody dependent cellular cytotoxicity, or ADCC; and (3) target activated killing by binding to known or newly discovered tumor-specific antigens expressed on the surface of tumor cells and inducing cell death by the release of toxic granules directly into the tumor cell, by the release of cytokines and chemokines which recruit additional innate and adaptive immune responses and by the recruitment of cytotoxic T-cells.

By implementing an integrated discovery ecosystem and leveraging these multiple modes of NK killing of abnormal cells, we believe we are uniquely positioned to potentially address a broad range of known and unknown cancer-promoting mutated proteins and to transform clinical cancer care. Our targeted therapeutic areas include: (1) cancer, focusing on bulky hematological cancers and solid tumors as well as cancer stem cells, (2) infectious diseases, including viral, fungal and bacterial infections, and (3) inflammatory diseases, ranging from rare inherited diseases to more prevalent autoimmune disorders.

Our Integrated Discovery Ecosystem for Precision Medicine. In order to effectively target newly discovered neoepitopes, we plan to integrate the following ecosystem to help drive the development of genetically modified NK cells anticipated to be directed against these cancer-promoting mutated proteins: (1) a high-speed supercomputing infrastructure to help identify both known antigens on the surface of tumor cells and neoepitopes in clinical patients suffering from cancer, in a timely manner and at large scale; (2) a next-generation genomic and transcriptomic sequencing infrastructure to identify the expression of the neoepitopes on the surface of the tumor cell; (3) a diverse library of human antibodies from which to interrogate and extract an antibody matching the neoepitope; and (4) an NK cell potentially capable of being produced as a scalable cell-based "off-the-shelf" therapy without the need for patient compatibility matching. We expect to regularly add newly discovered neoepitopes from our discovery engine, and we believe the thousands of newly discovered antigens selectively expressed on the cancer cells and not on the essential normal tissue will provide us with the ability to create new and targeted libraries of antibodies to be potentially delivered as living drugs for metastatic cancer cells and cancer stem cells.

Direct Killing: aNK Platform. We have developed a unique NK cell which we believe is capable of being produced as a cell-based "off-the-shelf" therapy, with killing potential for cancer and virally-infected cells. Unlike normal NK cells, our NK cells do not express inhibitory receptors, which diseased cells often utilize to turn off the killing function of NK cells. We have developed a unique activated NK, or aNK, cell which lacks these inhibitory receptors but retains activation receptors that enable selective targeting and killing of diseased cells. The killing mechanism of our aNK cells is increased compared to normal NK cells by virtue of delivering a larger payload of compounds involved responsible for the direct killing of diseased cells. We believe our aNK cells can be grown at commercial scale as an on demand, living drug using our proprietary manufacturing and distribution processes.

Safety studies of aNK cells in multiple Phase I clinical trials have been conducted in a variety of bulky hematological cancers and solid tumors, enrolling over 40 patients to date, with encouraging evidence of activity and durable remissions. Based on these clinical trials, we plan to develop the therapeutic applications of this aNK platform through molecular engineering of our aNK cells designed to leverage the multiple modes of killing available to aNKs, including antibody-mediated killing, our haNK platform, and antigen targeted killing, our taNK platform, described below.

Antibody-Mediated Killing: haNK Platform. We have genetically modified our aNK cells to incorporate high-affinity CD16 receptors, which bind to antibodies. These high-affinity NK, or haNK, cells are designed to directly bind to mAbs, such as Herceptin, Erbitux and Rituxan and may be able to enhance the cancer killing effect of the externally administered mAbs, enabling targeted cell killing through ADCC. mAbs are prevalently used to treat cancer and generate over $50.0 billion in reported annual sales. We believe, based on currently available information, that only approximately 10% to 20% of the addressable patient population for mAb therapies carry high-affinity CD16 receptors. This implies that our haNK product candidates may have significant market potential as a combination therapy to potentially address a large number of patients who have poor responses to mAbs.

Target Activated Killing: taNK Platform. We have genetically modified our aNKs to incorporate chimeric antigen receptors, or CARs, to target specific antigens on the surface of abnormal cells. These target activated Natural Killer, or taNK, cells are designed to directly bind to tumor-specific antigens in bulky hematological cancers and solid tumors and induce cell death by the release of toxic granules directly into the tumor cell, by the release of cytokines and chemokines which recruit additional innate and adaptive immune responses and by the recruitment of cytotoxic T-cells. These tumor-specific antigens can be divided into the following four classes, which can be targeted by our taNK platform: (1) checkpoint inhibitors expressed on the surface of tumor cells such as PDL1; (2) well-established tumor surface antigens such as HER-2, CD33 and ROR1; (3) newly discovered neoepitopes; and (4) novel surface receptors associated with cancer stem cells.

Potential Advantages of our aNK Platform over T-Cell and Other Current Immunotherapies. The immune system has two components: innate immune cells, such as NK cells, which are always switched on to attack diseased cells, and adaptive immune cells, such as T-cells, which are mobilized to mount a delayed response. Our proprietary aNK platform is specifically designed to potentially address many of the limitations associated with current adaptive autologous cellular immunotherapies. We believe key limitations of adaptive autologous immunotherapy are the need to retrieve non-compromised immune cells from a cancer patient and the requirement for a complex and costly manufacturing process to develop the therapy. As a consequence of this need to harvest active T-cells, current Phase I clinical trials for autologous CAR-T cell therapies in large part enroll patients from highly selected, earlier-stage disease in bulky hematological cancers. In contrast, our allogeneic, "off-the-shelf" NK cells do not rely on the patient's own immune system, which is often compromised, to achieve their therapeutic effect.

- *Innate immune response.* aNK cells are always activated and can naturally detect and rapidly destroy a wide variety of diseased cells without prior exposure to pathogens, antigens or activation by stimulatory molecules. In contrast, the adaptive immune system requires co-stimulation for activation, resulting in delayed killing.

- *Promotion of adaptive immune response.* aNK cells stimulate the adaptive component of the immune system by producing chemokines and other molecules that activate and recruit adaptive immune cells, including T-cells, to attack the diseased cells.
- *Capability of activating both innate and adaptive immune system with a single agent.* By combining a PDL1 antibody as a CAR in our NK cells, our PDL1.taNK product candidate, we believe that we have the ability to both activate T-cells and induce direct killing by NK cells simultaneously with the administration of a single therapy.
- *Wide therapeutic potential across multiple tumor types and even late-stage disease.* In preclinical studies and Phase I safety clinical trials to date, aNK cells have demonstrated activity in a spectrum of cancers, including bulky hematological cancers and solid tumors, even in late-stage cancer patients who have failed multiple rounds of chemotherapy, radiation and stem cell transplantation.
- *Ability to attack cancer stem cells.* aNK cells have been shown in preclinical studies to attack cancer stem cells, which are resistant to conventional chemotherapy.
- *Application in diseases beyond cancer.* We believe aNK cells have the potential to treat diseases beyond cancer such as infectious and inflammatory diseases because of the inherent ability of NK cells to kill virally infected and abnormal cells. Preclinical studies in Ebola virus demonstrate this capability.
- *Well tolerated.* aNK cells are hypo-immunogenic and have shown no dose limiting toxicities in over 40 patients who have received therapy to date, even when some patients received as many as 18 infusions of aNK cells over six cycles. In contrast, Phase I clinical trials of CAR-T cell therapy have experienced challenges, such as reports of severe adverse toxicities of cytokine release syndrome and neurotoxicity in a number of patients.
- *Ease of administration.* aNK cells may be administrable in outpatient facilities, offering physicians the flexibility to titrate and re-dose therapy based on patient tolerability and need. In contrast, CAR-T cell therapy is a complex and costly procedure, at times requiring hospitalization, pre-conditioning and intensive care unit admission following severe adverse toxicities associated with cytokine release syndrome.
- *Virtually universal patient compatibility.* aNK cells do not require patient-donor matching or a minimum level of patient immuno-competence.
- *Low-cost, efficient and scalable manufacturing.* aNK cells can be cryopreserved, stockpiled and readily accessed on demand from what we believe is the world's only current good manufacturing practices, or cGMP, compliant NK cell bank, a proprietary asset of our company.

Clinical Trials to Date. aNK cells have been evaluated as a monotherapy in over 40 patients to date in four Phase I clinical trials. Unlike many cell-based adaptive immunotherapy clinical trials, pre-conditioning agents such as IL-2 were not administered to enhance therapeutic effect and all patients in the aNK Phase I clinical trials had very advanced cancer having failed multiple rounds of standard chemotherapy, radiation and even stem cell transplantation and were not preselected. The safety profile showed minimal adverse effects, and no dose limiting toxicities even when some patients received as many as 18 infusions of our aNK cells over six cycles. Infusions of aNK cells up to $1x10^{10}$ cells/m^2 were well tolerated. Even in these late-stage patients refractory to standard therapy, encouraging evidence of activity in cancers, including bulky hematological cancers and solid tumors, was observed, including some patients with durable remission. One patient with Hodgkin's lymphoma has had a sustained complete response for five years post treatment. Activity was also noted in bulky hematological cancers with stable disease and partial responses in patients with diffuse large B cell lymphoma and with multiple myeloma, with durable stabilization of disease for over two years in a patient with diffuse large B cell lymphoma. In solid tumors, encouraging responses were seen in patients with advanced lung cancer who failed surgery, radiation and chemotherapy, with three out of four patients demonstrating partial response or stable disease. In patients with metastatic renal cell carcinoma, or RCC, who failed standard therapy, including surgery, radiation and chemotherapy, stable disease and partial responses were noted in five out of 11 patients who received doses ranging from $1x10^8$ to $1x10^9$ aNK cells.

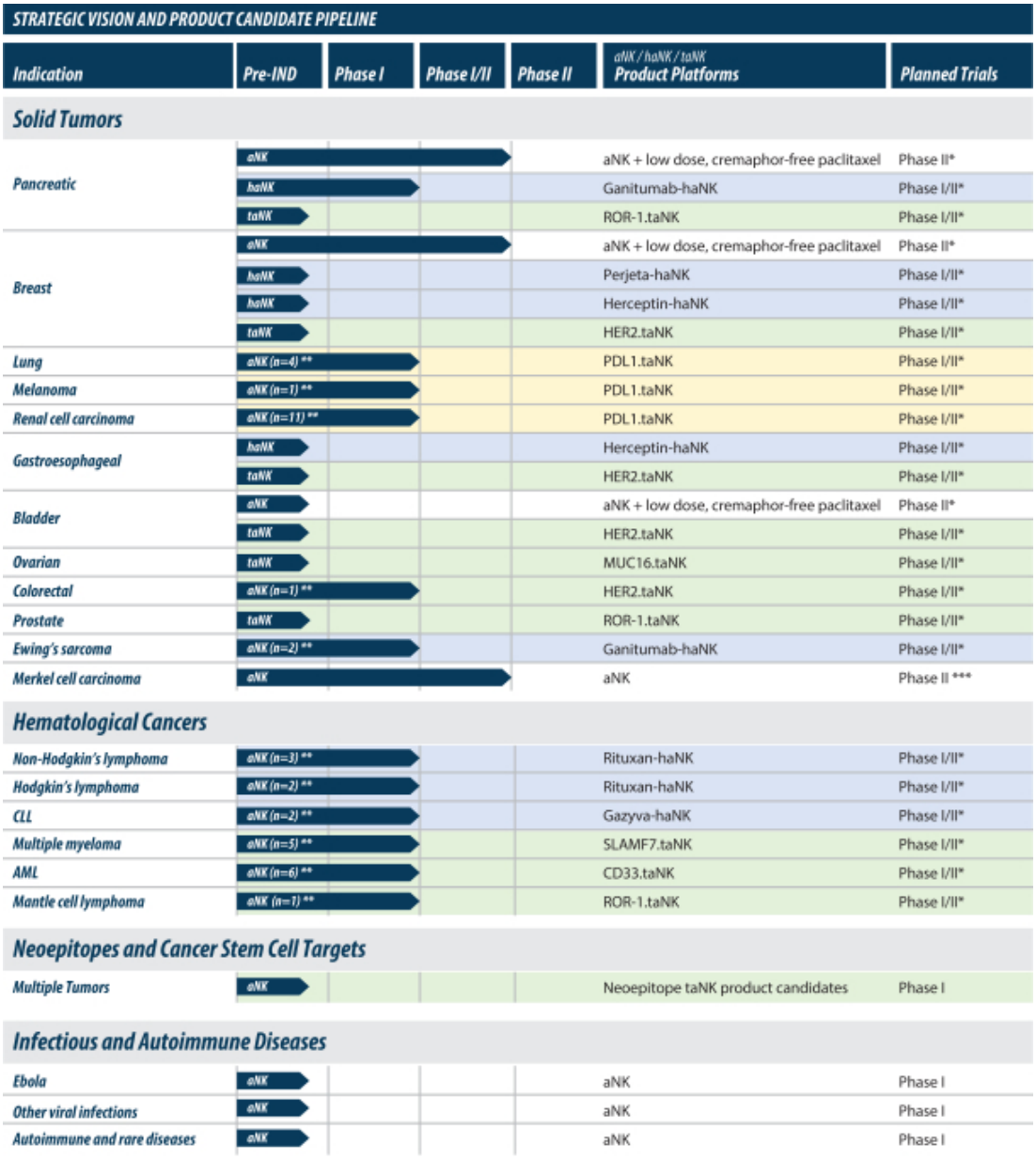
Product Candidate Pipeline. We plan to use these Phase I clinical trials of aNK cells conducted to date to serve as the foundation to our development strategy, along our three distinct modes of tumor cell killing, each with its own attributes, targeted therapeutic areas and pipeline.

Direct Killing. Our aNK cells have activation receptors that naturally bind to stress-induced proteins. They possess a unique property in that they lack viral binding CD16 receptors and therefore are resistant to viral counterattack. We are developing our aNK product candidates as monotherapies for the treatment of virally-induced cancers such as polyoma virus induced Merkel cell carcinoma, human Papillomavirus, or HPV, induced cervical cancer and head and neck cancer as well as infectious diseases such as Ebola and other viral, fungal and bacterial infections. We are currently initiating a Phase II clinical trial for our aNK product candidate in Merkel cell carcinoma. Additionally, we intend to pursue combination therapies with low-dose metronomic cytotoxic agents and radiation therapy that may augment the ability of our aNK cells to attack cancer cells through these multiple combined points of attack.

Antibody-Mediated Killing. Our haNK cells are genetically engineered to express high-affinity CD16 receptors, designed to enhance the therapeutic efficacy of antibodies through ADCC. We intend to develop our haNK product candidates as combination therapies with widely-used FDA-approved mAbs, such as Herceptin, Erbitux and Rituxan. We plan to initiate a Phase I/II clinical trial for our product candidate Herceptin-haNK in 2016. We believe that our haNK product candidates may allow us to potentially address larger markets and earlier lines of treatment. Some biopharmaceutical companies have used our haNK cells as a lot release quality control test for their therapeutic antibodies. If these companies develop and launch these antibodies, we intend to leverage the development performed by these biopharmaceutical companies who have licensed our haNK cells for non-therapeutic use by initiating studies of our haNK product candidates in combination with these antibodies, with the goal of the combination potentially enhancing the activity of these antibodies in patients with low affinity CD16 receptors. We believe this enhanced efficacy provides a rationale for studying haNK combinations with these new antibodies, whether during the development phase or after commercial launch by the biopharmaceutical company. We plan to accelerate clinical development of our aNK and haNK product candidates by entering into Phase II and Phase II/III clinical trials with our product candidates in combination with marketed drugs.

Target Activated Killing. Our taNK cells are genetically engineered to directly bind to tumor surface antigens by incorporating CARs to target specific antigens on the surface of abnormal cells. Our taNK cells are designed to directly bind to tumor-specific antigens in multiple bulky hematological cancers and solid tumors and induce cell death by the release of toxic granules directly into the tumor cell, by the release of cytokines and chemokines which recruit additional innate and adaptive immune responses and by the recruitment of cytotoxic T-cells. We intend to target the four classes of tumor specific antigens: (1) checkpoint inhibitors expressed on the surface of tumor cells such as PDL1; (2) well-established tumor surface antigens such as HER-2, CD33 and ROR1; (3) newly discovered neoepitopes; and (4) novel surface receptors associated with cancer stem cells. We believe our taNK product candidates may be able to treat patients with bulky hematological cancers and solid tumors, areas in which other cell-based immunotherapies, such as CAR-T cell therapies, have been challenged. We plan to initiate Phase I/II clinical trials for our CD33.taNK product candidate for acute myeloid leukemia, or AML, and our PDL1.taNK product candidate for bulky hematological cancers and solid tumors, in 2016.

We are planning to advance a broad pipeline of our aNK, haNK and taNK product candidates with the goal of addressing a wide spectrum of diseases ranging from orphan diseases to more prevalent indications. The following chart highlights some of our near-term opportunities:



* Planned trials based upon potential use of the aNK Phase 1 data package to accelerate start of planned aNK, haNK or taNK Phase I/II and Phase II clinical trials. Initiation of planned trials are contingent upon submission and allowance of an IND.

** Represents the number of subjects with the indicated disease who have received aNK cells in a Phase I clinical trial to date.

*** IND filed

Experienced Management Team

Since the founding of our company in 2002, we have assembled a team of proven, experienced and visionary leaders in biotechnology. Our team is led by Patrick Soon-Shiong, M.D., FRCS (C), FACS, our Chairman and Chief Executive Officer, who was first introduced to us in 2006 when our technology was at a very early stage of development and who joined us as our Chief Medical Officer in January 2015 and became our Chief Executive Officer in March 2015. Dr. Soon-Shiong, a renowned surgeon and scientist, has pioneered novel therapies for both diabetes and cancer, published over 100 scientific papers in the United States, and was issued over 95 patents on groundbreaking advancements spanning myriad fields. He performed the first encapsulated islet stem cell transplant in a diabetic patient in the United States. He invented, developed and launched the first nanoparticle delivery system of human albumin, Abraxane, now approved for metastatic breast, lung and pancreatic cancer and is expected to achieve sales of greater than $1.0 billion in 2015. Dr. Soon-Shiong was founder, Chairman and CEO of American Pharmaceutical Partners (sold to Fresenius SE for $5.7 billion in 2008), Abraxis BioScience (sold to Celgene Corporation for $3.7 billion in 2010) and NantWorks, an ecosystem of companies to create a transformative global health information and next generation pharmaceutical development network. During his time with Conkwest, Dr. Soon-Shiong has been instrumental in developing our strategic plan, including the development of our planned integrated discovery ecosystem. We also believe that Dr. Soon-Shiong's experience and expertise will be valuable to us through all of the phases of commercializing our product candidates. Barry Simon, M.D., our President and Chief Operating Officer, who was our Chief Executive Officer from 2007 until March 2015, brings decades of drug development and executive leadership experience from Hoffmann-La Roche, Connetics Corp. and Immunomedics.

Vision and Mission Statement

Our vision is to be the premier immunotherapy company harnessing the power of the innate immune system and the NK cell to pioneer precision medicine in the treatment of cancer, infectious diseases and inflammatory diseases. Our mission is to leverage an integrated and extensive genomics and transcriptomics discovery engine to identify antibodies targeted to newly discovered neoepitopes and to mobilize the human immune system of cancer patients to kill tumor cells and facilitate long-term remission. We expect to regularly add newly discovered neoepitopes from our discovery engine, and we believe the thousands of newly discovered antigens selectively expressed on the cancer cells and not on the essential normal tissue will provide us with the ability to continue to create new and targeted libraries of antibodies to be potentially delivered as living drugs for metastatic cancer cells and cancer stem cells.

Our Strategy

Our goal is to become the leader in the field of immunotherapy by changing the paradigm of care to precision medicine through harnessing the power of the innate immune system, the natural killer cell, to treat cancer, infectious diseases and inflammatory diseases. The key elements of our strategy include:

- ***Utilize the multiple modes of killing by innate immune therapy.*** We plan to pursue a comprehensive clinical development plan designed to maximize the commercial potential and clinical knowledge of our aNK cells and the role of innate and adaptive immunotherapy as the backbone in the treatment of cancer, as monotherapy and in combination with chemotherapy, radiation and surgical therapies. We intend to pursue accelerated regulatory approval pathways and seek indications to attempt to obtain orphan drug status and breakthrough therapy designation, where appropriate, as well as pursue large market opportunities in many solid tumors.
    - *aNK.* Our initial aNK product candidates will focus on diseases with viral etiologies given that aNK cells already possess multiple activating receptors that detect stress antigens associated with viral infections. We also intend to pursue combination opportunities with therapeutics having synergistic mechanisms of action, such as in combination with cytotoxic agents such as paclitaxel and 5FU administered at low-dose.

- *haNK.* Our haNK product candidates will aim to leverage the large addressable market of already approved monoclonal antibodies, such as Herceptin, Erbitux and Rituxan, in the treatment of multiple tumors. mAbs are prevalently used and generate over $50.0 billion in global annual sales. We believe, based on currently available information, that only approximately 10% to 20% of the addressable patient population for mAb therapies carry high-affinity CD16 receptors. We expect to address the approximately 80% to 90% of patients who are receiving these mAbs but have developed resistance and may benefit from our high-affinity CD16 aNK administered in combination. We plan to submit an IND and initiate a Phase I/II clinical trial for our product candidate Herceptin-haNK in 2016.
- *taNK.* Our taNK product candidates will aim to address well-established tumor surface antigens, such as HER-2, CD33 and ROR1. We plan to combine a PDL1 antibody as a CAR in our NK cells, our product candidate named PDL1.taNK, to both activate T-cells and induce direct killing by NK cells simultaneously with the administration of a single living drug. Our taNK program will focus on addressing the large opportunity of newly discovered neoepitopes in metastatic cancer cells as well as cancer stem cells. We plan to submit INDs and initiate Phase I/II clinical trials for our product candidate CD33.taNK for acute myeloid leukemia, or AML, and our product candidate PDL1.taNK for bulky hematological cancers and solid tumors, in 2016.

- ***Leverage our integrated discovery engine to discover neoepitopes.*** Through our strategic collaborations with affiliates of NantWorks and with Sorrento, we plan to identify both known antigens on the surface of tumor cells and neoepitopes in clinical patients, identify the expression of the neoepitopes on the surface of the tumor cell and interrogate a large diverse library of human antibodies and extract an antibody matching the neoepitope. Through this cohesive and expansive discovery engine, we plan to identify antibodies to target newly discovered neoepitopes, thereby driving the development of our product candidate pipeline and establishing just in time precision medicine. We expect to regularly add newly discovered neoepitopes from our discovery engine. We believe the thousands of newly discovered antigens selectively expressed on the cancer cells and not on the essential normal tissue will provide us with the ability to create new and targeted libraries of antibodies to be potentially delivered as living drugs for metastatic cancer cells and cancer stem cells.
- ***Pursue opportunities with pharmaceutical companies for commercially approved mAbs and select late-stage mAbs in development.*** Over 40 biopharmaceutical companies have licensed our haNK cells for non-therapeutic use in order to select and validate their mAbs for development. Certain biopharmaceutical companies have also used our haNK cells as a lot release quality control test for their therapeutic antibodies. As we pursue these opportunities, we plan to leverage the development performed by these biopharmaceutical companies by initiating studies of our haNK product candidates, with the combination potentially enhancing the activity of these antibodies in patients with low affinity CD16 receptors. We believe this potential for enhanced efficacy provides a rationale for studying haNK combinations with these new antibodies, whether during the development phase or after commercial launch by the biopharmaceutical company.
- ***Accelerate clinical development of aNK and haNK by entering into Phase II and Phase II/III clinical trials with our product candidates in combination with marketed drugs and select late-stage product candidates.*** A large number of monoclonal antibodies and chemotherapy drugs are being marketed for multiple indications. Published data show these mAbs generally have enhanced activity in patients with high-affinity NK cells. Published data also show that chemotherapy agents such as 5FU, cyclophosphamide and paclitaxel, when administered in low doses, generally enhance the immune system. We plan to accelerate clinical development of our haNK product candidates by entering into investigator-initiated and company-sponsored Phase II and Phase II/III clinical trials of our haNK product candidates administered in combination with commercially approved mAbs and select late-stage mAbs in development. We also plan to accelerate clinical development of our aNK product candidates by entering into investigator-initiated and company-sponsored Phase II and Phase II/III clinical trials of our aNK product candidates administered in combination with approved chemotherapy

agents. We believe this approach may accelerate the development and potential commercialization of our product pipeline.

- ***Establish low-cost, scalable manufacturing capabilities to support late-stage clinical trials and global commercialization.*** We believe our aNK cells offer a unique advantage of a simplified, on-demand manufacturing process that is relatively easy to scale. We are building a state-of-the-art, cell-based manufacturing facility with the capacity to support large-scale clinical trials and commercialization. We are developing novel manufacturing methods, both in equipment utilizing state-of-the-art optics and proprietary media, designed to maximize the attributes of our NK platform.
- ***Extend our NK platform to address diseases beyond cancer.*** We believe our aNK cells have the potential to treat diseases beyond cancer such as infectious and inflammatory diseases because of the inherent role of NK cells to kill virally infected and abnormal cells. Preclinical studies in Ebola virus demonstrate this capability. In addition to Ebola, we plan to investigate and develop our aNK cells for the treatment of HIV, tuberculosis and influenza, among others.

Overview of Immunotherapy

The immune system is divided into two categories, innate and adaptive. The innate immune system is the body's first line of defense against an infection, providing immediate, non-specific responses to eliminate harmful cells in the body. Components of the innate immune system include the following: cytokines, chemokines, macrophages, neutrophils and NK cells, among others.

The adaptive immune system is often initially triggered by the innate immune system, mounts a delayed response against diseased cells and plays a role protecting against re-infection. An adaptive immune response is highly specific to a particular pathogen or antigen and is developed or learned from prior exposure. Key components of the adaptive immune system include the following: antibodies which bind to antigens and mark them for destruction by other immune cells, B-cells which produce these antibodies upon exposure to antigens, and T-cells which attack and eliminate the diseased cells.

The biopharmaceutical industry has made significant advances in harnessing specific components of innate and adaptive immune systems for therapeutic use. Some of these approaches are summarized below.

Cytokines. One of the early applications of immunotherapy is the use of cytokines, including interferons and IL-2. Interferons are molecules that inhibit the growth and replication of diseased cells and stimulate innate immune cells to attack them. They have been used as standard of care for hepatitis B and C and multiple sclerosis, and to a lesser extent, as treatment for certain cancers, including chronic myeloid leukemia, cutaneous T-cell lymphoma, myeloma and non-Hodgkin's lymphoma. However, the use of interferons has generally decreased over the years due to serious adverse events (*e.g.*, flu-like symptoms and dramatic weight loss) and introduction of new therapies with higher efficacy, better safety profiles and more convenient administration. IL-2 activates T-cells and NK cells to attack diseased cells. It is used to treat select cancers, but due to its relatively poor safety profile, physicians often only resort to this therapy for the most advanced settings.

mAbs. mAbs represent an effective therapeutic modality and are important to the treatment paradigm of various diseases. Recent insights into the detailed mechanism of mAbs link their strong disease fighting potential to the immune system. Drug manufacturers have leveraged mAbs' ability to induce an ADCC effect to develop better treatments that prolong survival and quality of life of patients. In addition, mAbs designed to inhibit specific checkpoints in the immune system have demonstrated strong immune responses and therapeutic benefit in patients. However, the degree of efficacy of these therapies is heavily reliant on the immune system of patients, many of whom are severely immuno-compromised. For example, despite over $1.0 billion of sales generated by recently launched PD-1 and PDL1 checkpoint inhibitors, they are reported to be generally only effective in approximately 10% to 25% of the addressable patient population. In addition, mAbs are manufactured through a complex process that requires purification of cell products created from a cell line.

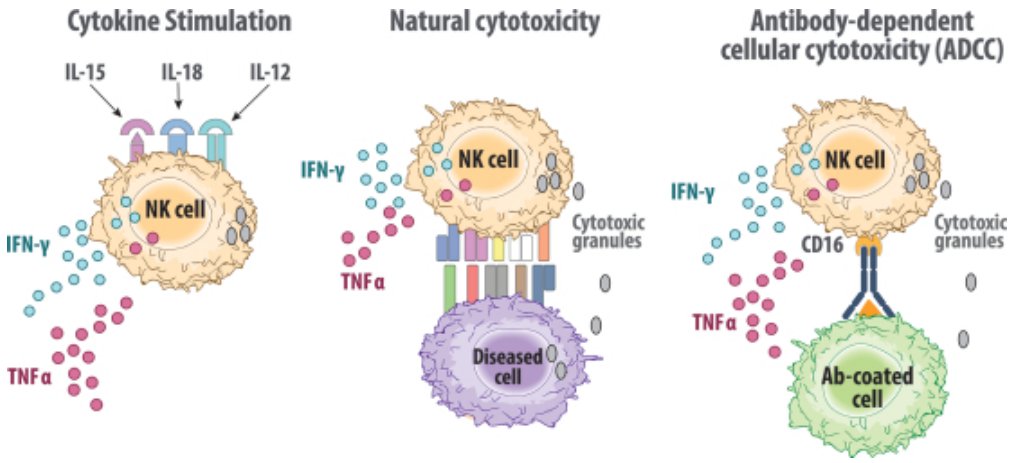
Dendritic Cell Therapies. This approach is designed to indirectly stimulate a patient's T-cells by leveraging the role of dendritic cells in presenting antigens to T-cells. Cancer vaccines are the most common application of dendritic cells. The only FDA-approved dendritic cell therapy is PROVENGE, which entails collecting monocytes from the patient, maturing them into dendritic cells, "loading" *ex vivo* with the patient's cancer antigens, and then re-infusing in the patient. Currently, this process is cumbersome and expensive, and again, relies on an intact and effective immune system of the patient. There are additional ongoing preclinical studies and clinical trials being conducted by our competitors aimed at addressing certain of the limitations associated with this approach. To date, current clinical results of dendritic cell therapies have been mixed.

CAR-T and TCR Therapies. T-cells recognize diseased cells by receptors engaging with antigens that are present on or inside the diseased cells. CAR-T therapy entails genetically engineering T-cells to express synthetic CARs that direct T-cells to antigens on the surface of cancer cells. TCR therapy modifies T-cells to express high-affinity tumor specific TCRs that recognize intra-cellular antigens that must be presented on the surface of target cells. In early clinical trials, CAR-T and TCR therapies have demonstrated impressive anti-tumor activity in a narrow spectrum of hematologic cancers and garnered significant attention by research institutions and biopharmaceutical companies. We believe a key limitation of adaptive autologous immunotherapy is the need to retrieve non-compromised immune cells from a cancer patient and require a complex and costly manufacturing process to develop the therapy. As a consequence of this need to harvest active T-cells, current Phase I clinical trials for autologous CAR-T cell therapy in large part enroll patients from highly selected, often relatively early-stage disease in a narrow spectrum of cancers, including bulky hematological cancers. In addition, Phase I clinical trials of CAR-T cell immunotherapy have reported severe adverse toxicities of cytokine release syndrome and neurotoxicity, requiring hospitalization, pre-conditioning and, in some instances, intensive care unit admission following side effects associated with cytokine release syndrome. As a result, though our competitors continue to develop their CAR-T and TCR product candidates with the goal of addressing certain of the limitations associated with these approaches, we believe these serious challenges may limit their potential and use in a variety of indications, including solid tumors.

NK Cells. NK cells typically represent approximately 10% to 15% of circulating lymphocytes and are a critical component of the immune system responsible for innate immunity. Unlike adaptive immune cells, they are ever present and ready to attack, having the inherent ability to detect and eliminate diseased cells without the need for co-stimulation, which is why they are called "natural killers."

NK cells bind to stress ligands expressed by the diseased cells and directly eliminate them. This binding induces NK cells to release cytokines, including IL-12, IL-15, IL-18, interferons and GM-CSF, which are integral in recruiting additional innate and adaptive immune responses by the host. NK cells also represent a critical effector cell for ADCC, whereby target cells bound with human antibodies, whether made by the patient's body or administered, are selectively destroyed by the NK cells.

Different Cytotoxic Mechanisms of NK Cells

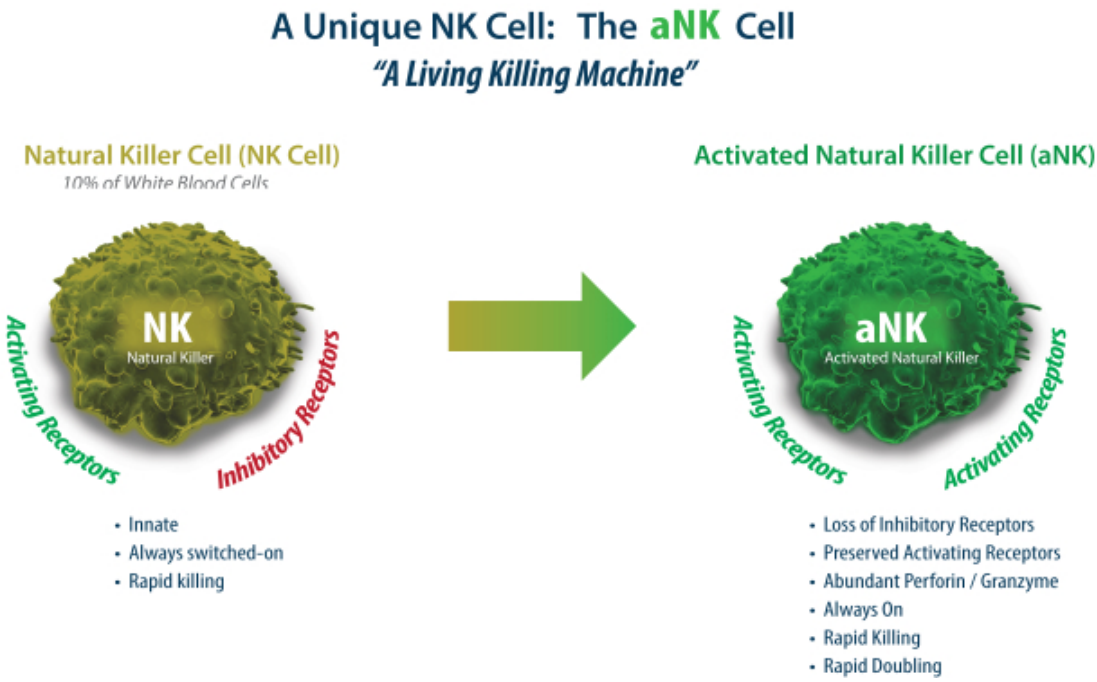


The figures above schematically illustrate the various mechanisms by which NK cells convey their therapeutic effects. Cytokines, such as IL-12, IL-15, IL-18, TNFa and INFb recruit and modulate other immune cells, such as T-cells, neutrophils, macrophages and others. NK cells also possess natural cytotoxicity via an array of activating receptors that detect a variety of stress antigens typically expressed on the surface of cancer or virally infected cells and signal for destruction of the target cell via cytokine granules. In addition, NK cells can also be activated and induce cell killing via ADCC, by binding its CD16 receptor to antibodies that are in turn targeted and bound to the diseased cells.

In clinical trials to date, NK cells have been well tolerated and are inherently hypo-immunogenic, or less immunogenic than most other cell types. As a result, clinical trials of allogeneic NK cells to date have not exhibited toxicities common with other immunotherapies, such as B-cell depletion, cardiovascular toxicities, cytokine release syndrome, neurotoxicity and graft-versus-host disease, or GvHD.

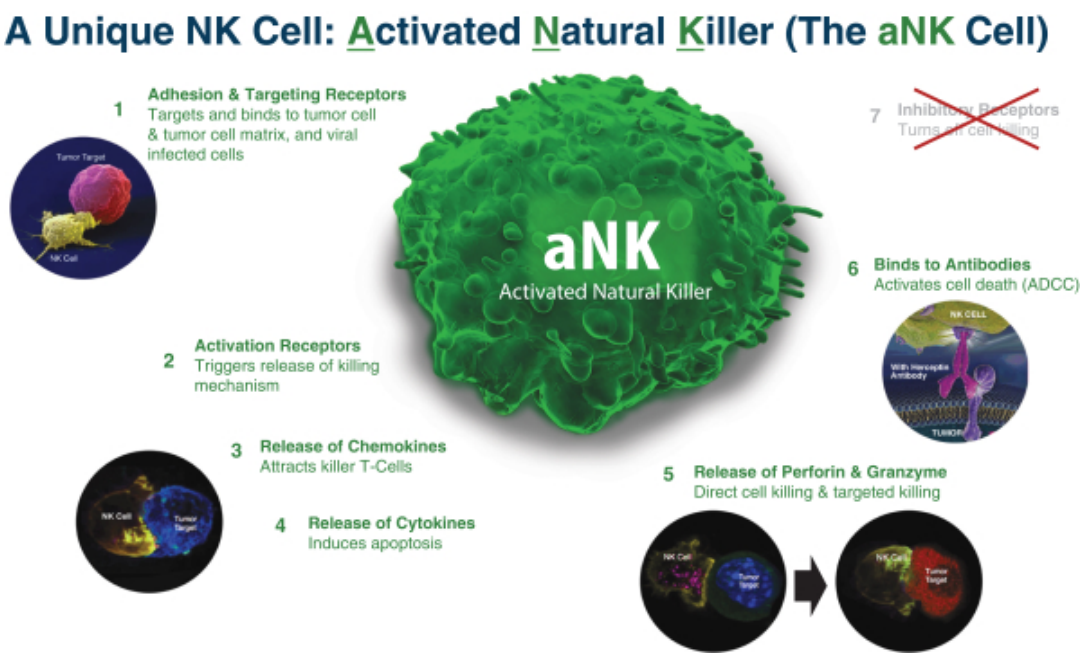
Unlocking the Innate Immunotherapeutic Potential of NK Cells

The image below compares a typical NK cell versus our unique aNK cell.

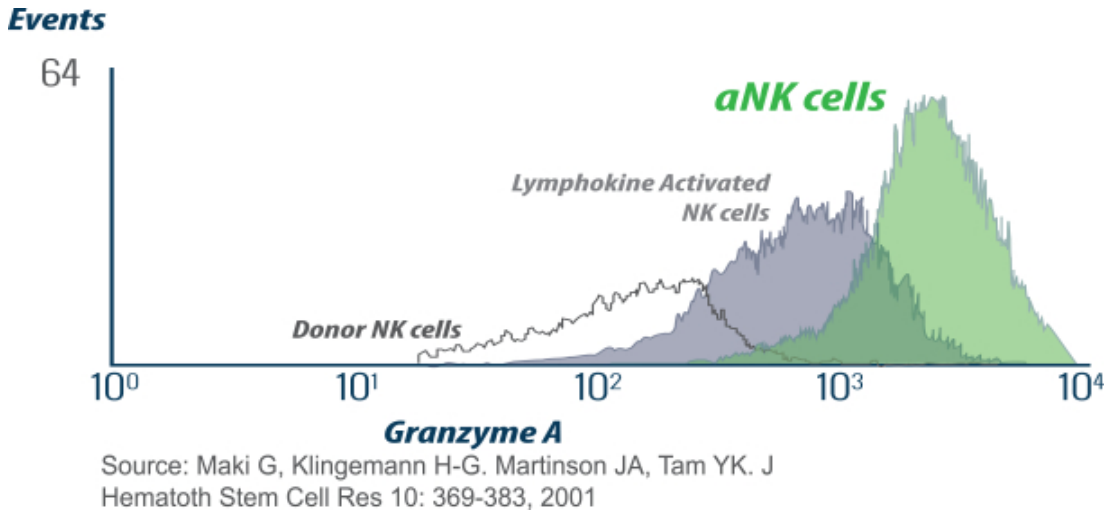


Absence of inhibitory receptors with preserved activating receptors. Our proprietary aNK cells differ from typical NK cells, as they have properties that we believe enhance potential therapeutic effects and make them capable of potentially being reproduced on a large scale for commercial use. For example, unlike typical NK cells, our aNK cells lack inhibitory receptors called killer cell immunoglobulin-like receptors, or KIRs, while highly expressing activating receptors, including NKG2D, NKp30, NKp44 and NKp46 receptors and natural cytotoxicity receptors, or NCRs, which recognize molecules and ligands on diseased cells. As a result, our aNK cells display superior *in vitro* potency against a broad spectrum of diseased cells compared to donor NK cells. Additionally, our aNK cells double approximately every 40 hours in culture, a property that we believe will facilitate manufacturing at a large scale.

General mechanisms of action. The general mechanisms of action for tumor killing activities of our unique aNK cells are highlighted in the images below.



Abundant toxic molecules. The graph below shows data from an *in vitro* study comparing immune activity of aNK cells versus donor NK cells. Our aNK cells produced substantially more Granzyme A, a key protein responsible for destroying diseased cells, implying greater killing ability of aNK cells compared to donor NK cells.



Cytotoxicity of aNK cells against a spectrum of different diseased cells. Our aNK cells have shown *in vitro* activity against a spectrum of different diseased cells in virally-infected and fungal cells.

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Effector : Target (E:T) Ratio

TARGET	Effector Cell	50 : 1	20 : 1	10 : 1	5 : 1	1 : 1
HL-60	aNK	97	90	77	46	40
	LAK	31	26	17	2	0
K562	aNK	68	68	64	59	50
	LAK	63	73	67	51	19
KG1a	aNK	90	91	80	67	39
	LAK	15	II	12	6	0
U937	aNK	99	98	96	91	85
	LAK	57	43	23	13	2
DHL-10	aNK	95	95	92	94	80
	LAK	60	40	24	19	5
Daudi	aNK	94	87	71	48	39
	LAK	65	57	29	16	6
Jurkat	aNK	100	100	98	93	80
	LAK	67	50	36	27	4
Ly3	aNK	63	59	53	42	28
	LAK	47	35	18	6	0
Ly8	aNK	67	65	62	59	44
	LAK	95	104	102	88	42
Ly13.2	aNK	104	105	100	97	67
	LAK	61	63	52	4	13
Raji	aNK	81	75	74	70	54
	LAK	32	67	57	35	13
NCIH929	aNK	94	89	89	86	51
	LAK	75	SS	39	24	5
RPMI8226	aNK	82	72	70	72	41
	LAK	95	83	81	67	25
U226	aNK	84	77	85	81	53
	LAK	84	74	73	56	21

Source: Biol Blood Bone Marrow Transplant, 1996

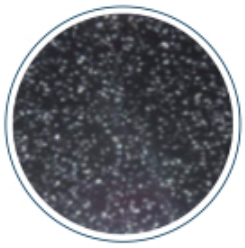
The above table shows data from a variety of hematopoietic cancer cell lines that were tested with aNK cells at various effector to target, or E:T, ratios. Results, measured as percentage cytotoxicity by chromium release assay, were compared with control peripheral blood mononuclear cells, or PBMC, which had been activated under optimal conditions with 500 U/ml of IL-2 for 4 days. These are called lymphokine-activated killer, or LAK, cells.

aNK cells generally lyse target cells more effectively than LAK cells, even at low E:T ratios. In most cases, cytotoxicity achieved with aNK cells was significantly higher than that observed with LAK cells.

Activity against cancer stem cells. Our *in vitro* studies demonstrated that our aNK cells may be able to deter the growth of cancer stem cells by eliminating early tumor progenitor cells.

Preclinical Data Demonstrating aNK Activity

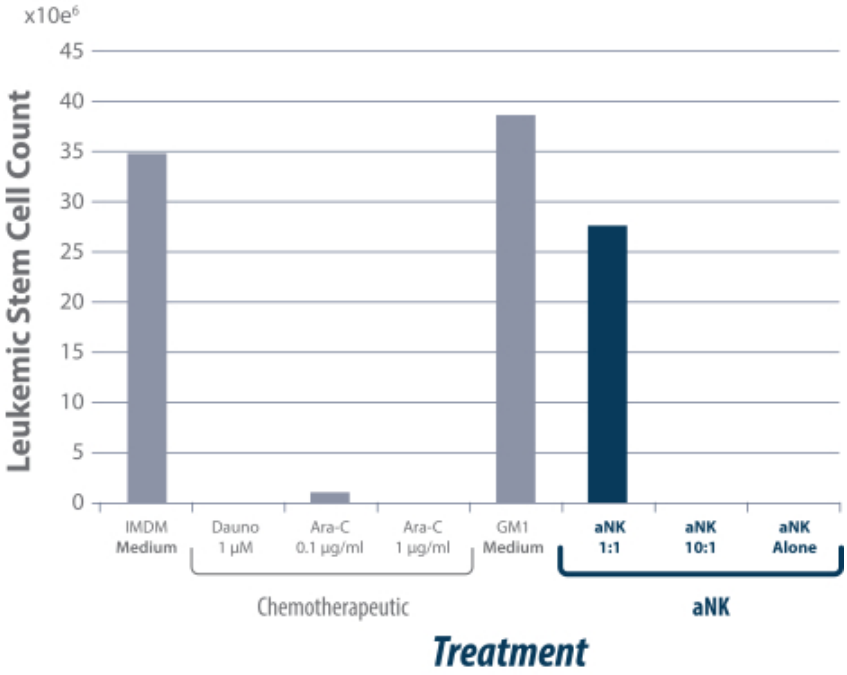
aNK eliminates leukemic stem cells: in the following in vitro study, KG1 cells were exposed to aNK cells overnight, and growth of surviving cells was determined using a methylcellulose-based assay. The control shows KG1 without the presence of aNK cells.



Control
KG1 alone

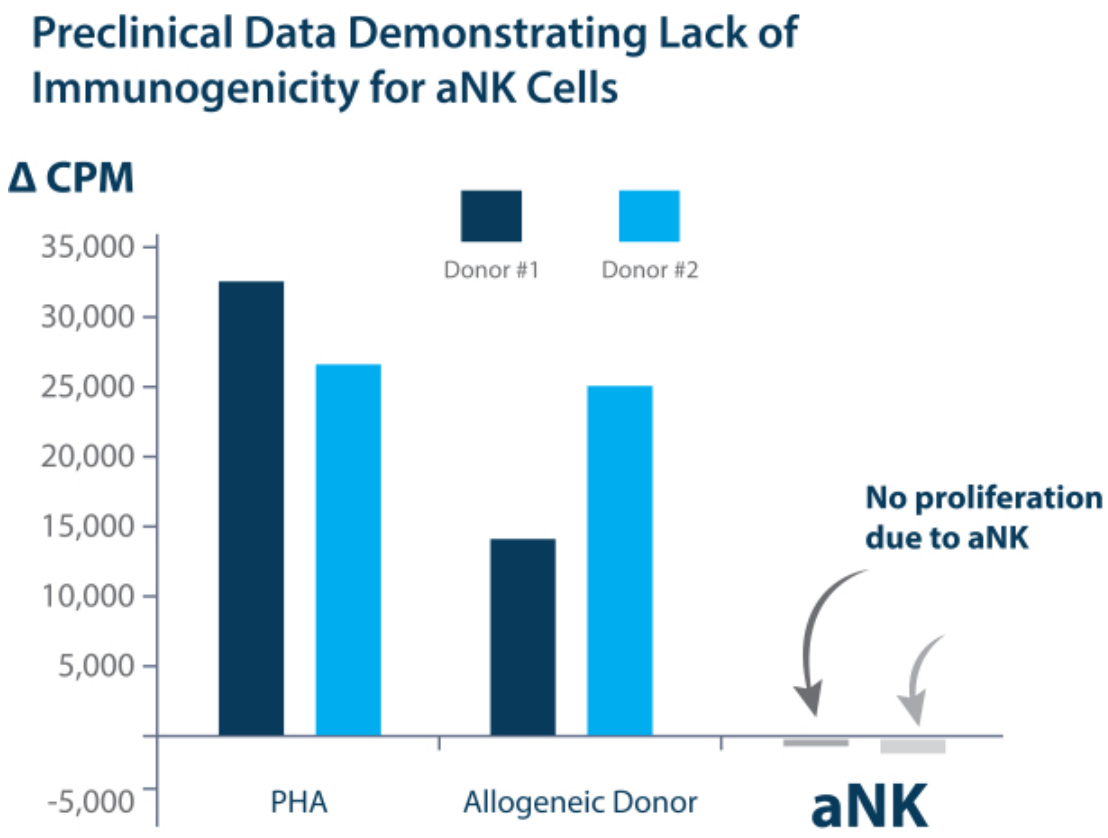
aNK:KG1 10:1

As with Ara-C, aNK inhibits clonal expansion of leukemic stem cells in a dose-dependent fashion.



Source: Keating A et al. Cytotherapy 2010, 12: 951

Hypo-immunogenecity and safety. Despite being allogeneic, our aNK cells do not stimulate a patient's immune response. The low immunogenicity of our aNK cells were supported in in vitro mixed lymphocyte cultures, or MLC, where our aNK cells were co-cultured for seven days with lymphocytes from normal donors. No proliferation of lymphocytes from aNK cell exposure was observed.

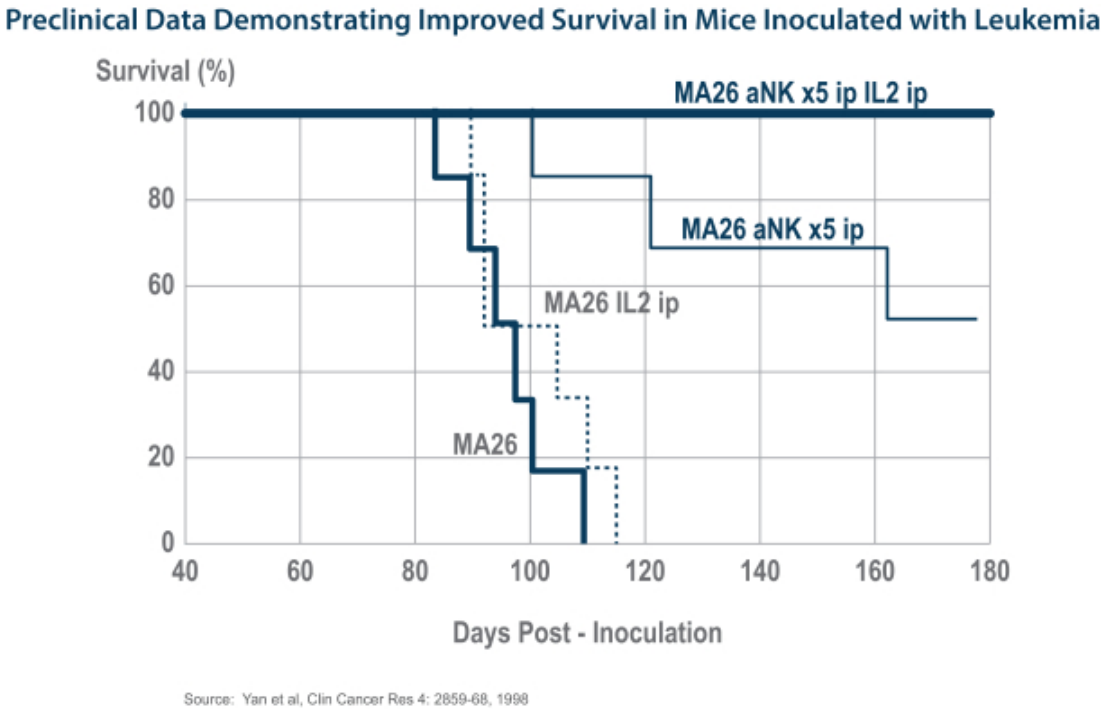


Source: Rush University, data on file

Mixed lymphocyte culture: no lymphocyte proliferation was detected when co-incubated with aNK cells.

Lymphocyte proliferation was detected in the presence of allogeneic donor cells.

Positive control with phytohemaglutin (PHA).



Source: Yan et al, Clin Cancer Res 4: 2859-68, 1998

SCID Mouse xenograft model: SCID mice implanted with IP introduction of 5 x 10^6 Human AML (MA26) and were evaluated in four arms- aNK + low-dose IL-2, aNK alone, low-dose IL-2 alone and untreated. aNK dosing consisted of 5 injections of 2 x 10^7 cells over days 3-11 and IL-2 was administered intraperitoneally every other day starting on day 3. aNK and aNK + IL-2 treatment improved survival out to 180 days. MA26 was 100% lethal in both the IL-2 and untreated arms by 115 days.

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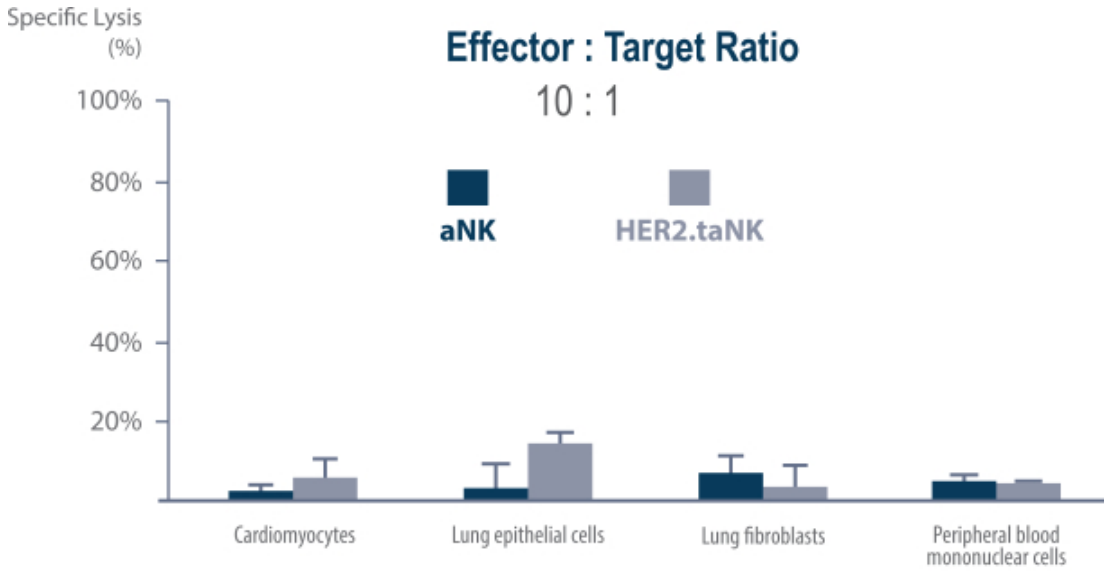
In vitro targeted killing of abnormal cells only. In an *in vitro* study, our aNK cells target diseased cells and did not appear to affect normal cells.

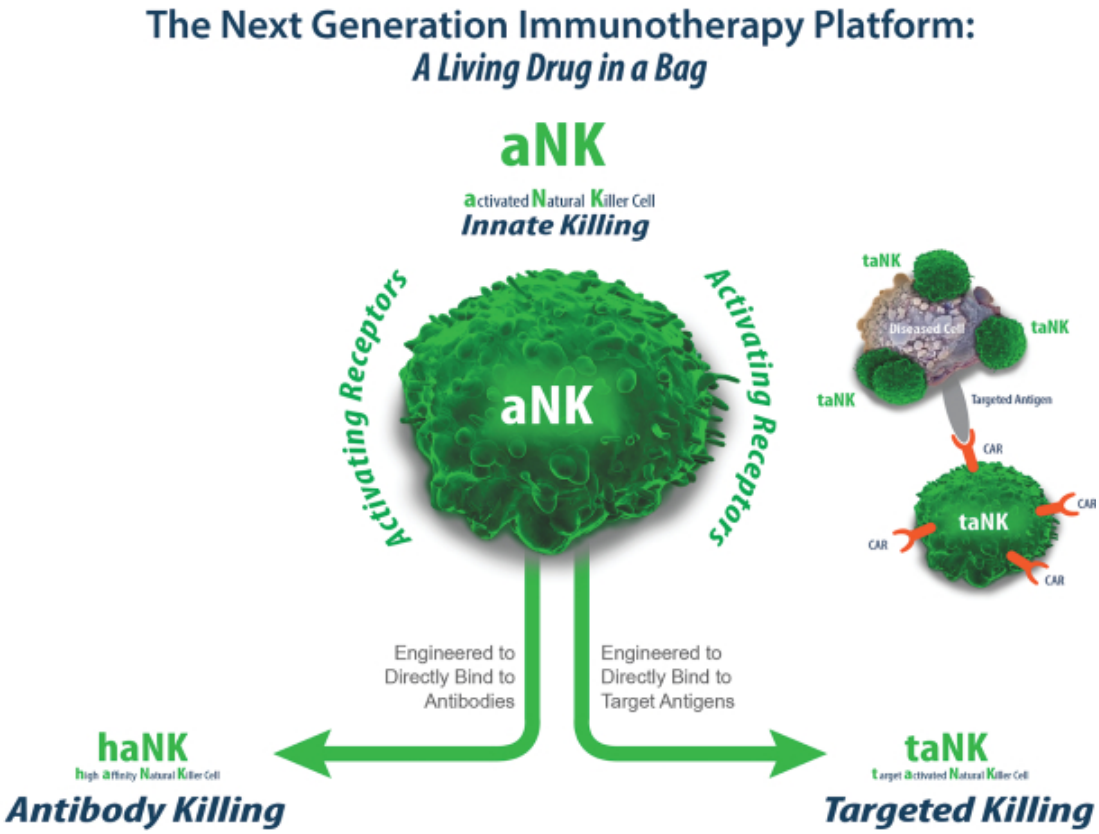


Primary cells from various healthy human tissues were used to test HER2.taNK's potential reactivity against normal tissues. There was only minimal HER2.taNK cytotoxicity towards lung epithelial cells, and no cytotoxicity above background values towards cardiomyocytes, lung fibroblasts, and peripheral blood mononuclear cells.

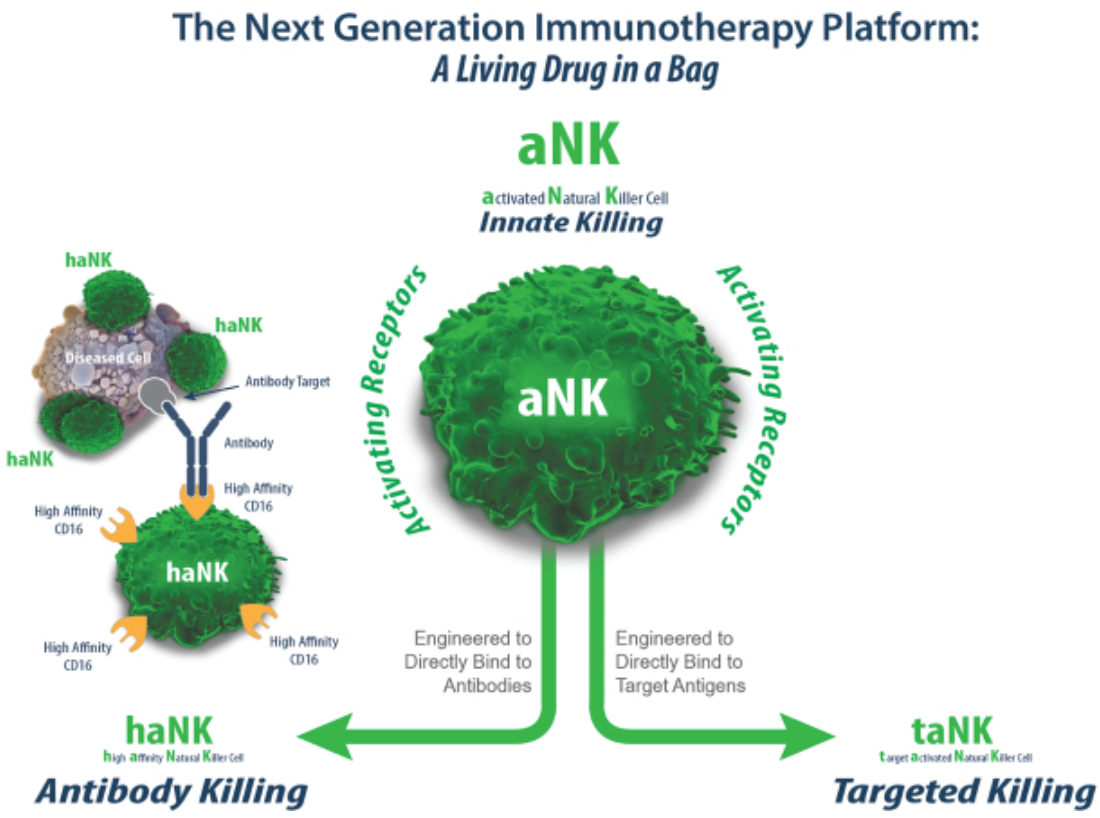
Source: Schönfeld et al., Mol Ther. 23(2):330-8, 2015

Our aNK Platform as the Foundation for our haNK and taNK Product Candidates

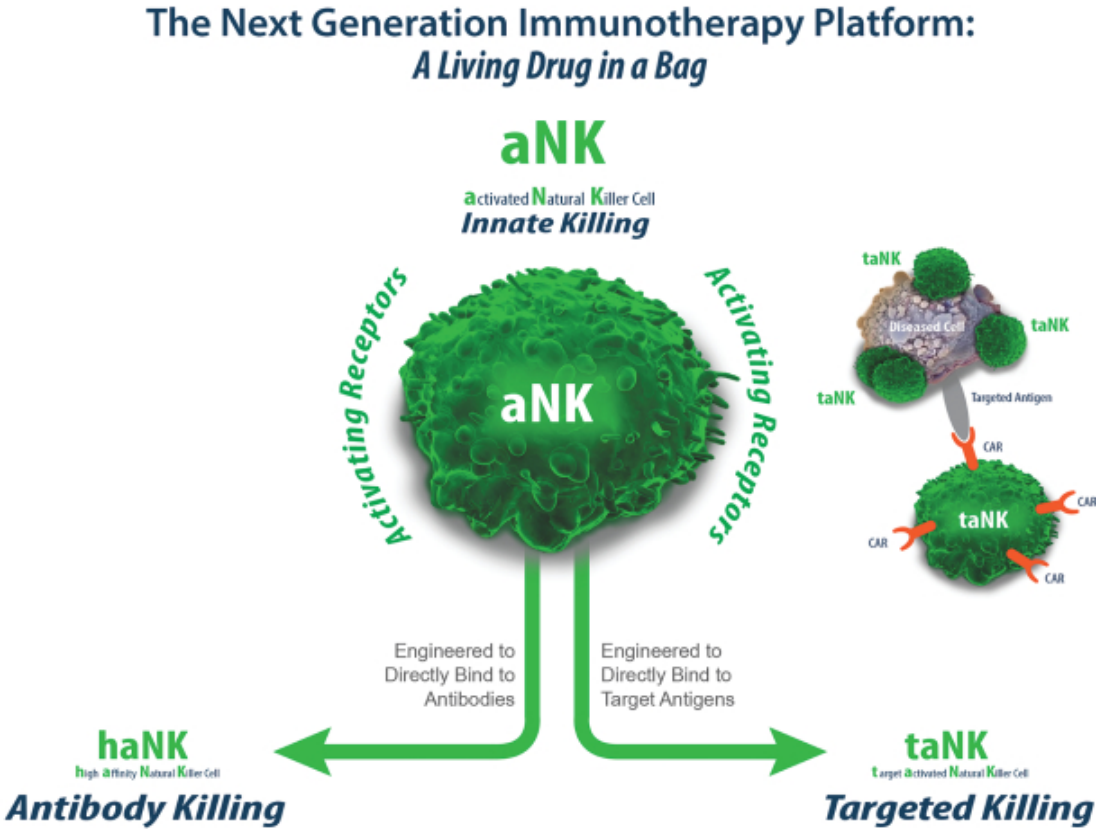
Based on the unique characteristics of NK cells described above, we are aiming to expand the potential therapeutic applications of our aNK platform through molecular engineering of our aNK cells designed to leverage the multiple modes of killing available to aNKs, including antibody-mediated killing, our haNK platform, and antigen targeted killing, our taNK platform, described below.



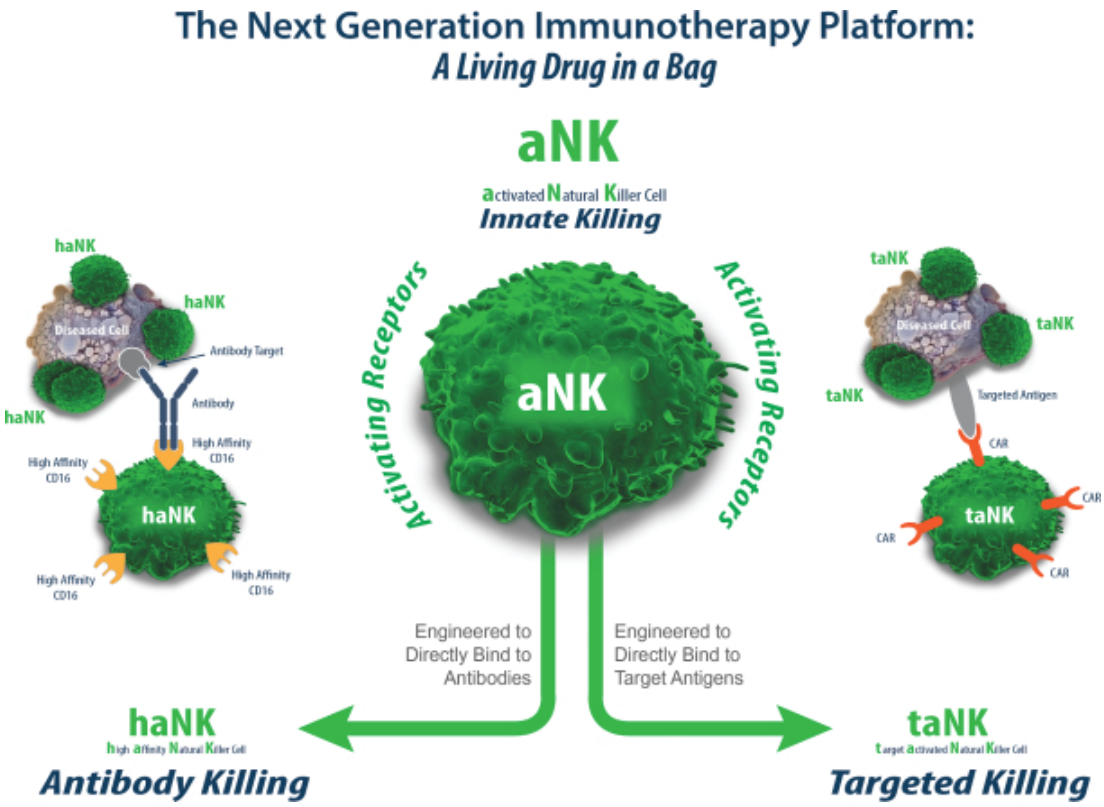
Antibody-Mediated Killing: haNK Platform. As shown below, we have genetically modified our aNKs cells to incorporate high-affinity CD16 receptors, which bind to antibodies. These haNK cells are designed to directly bind to co-administered antibodies such as Herceptin, Erbitux and Rituxan and potentially enhance the cancer killing effect of the co-administered antibody, enabling targeted cell killing through ADCC.



Target Activated Killing: taNK Platform. As shown below, we have genetically modified our aNK cells to incorporate chimeric antigen receptors, or CARs, to target specific antigens on the surface of abnormal cells. These taNK cells are designed to directly bind to tumor-specific antigens in multiple bulky hematological cancers and solid tumors and induce cell death by the release of toxic granules directly into the tumor cell, by the release of cytokines and chemokines which recruit additional innate and adaptive immune responses and by the recruitment of cytotoxic T-cells. These tumor-specific antigens can be divided into the following four classes, which can be targeted by our taNK platform: (1) checkpoint inhibitors expressed on the surface of tumor cells such as PDL1; (2) well-established tumor surface antigens such as HER2, CD33 and ROR-1; (3) neoepitopes; and (4) novel surface receptors associated with cancer stem cells.



Safety studies of our aNK cells in multiple Phase I clinical trials have been conducted in a variety of bulky hematological cancers and solid tumor types in over 40 patients to date, with encouraging evidence of activity and durable remissions. Based on these clinical trials, we plan to develop the therapeutic applications of this aNK platform through molecular engineering of our aNK cells designed to leverage the multiple modes of killing available to aNKs, including antibody-mediated killing, our haNK platform, and antigen targeted killing, our taNK platform, as shown in the image below.



Our aNK, haNK and taNK Development Strategy and Product Candidate Pipeline

Our aNK, haNK and taNK Development Strategy

We believe our innate immunotherapy platform is uniquely positioned to pioneer the field of immuno-oncology by focusing on harnessing innate immune therapy and adaptive immune therapy. Within each aNK, haNK and taNK family of product candidates, we are developing a product candidate pipeline strategy designed to utilize aNK as the platform and accelerate haNK and taNK development based on safety, dosing regimens and manufacturing capabilities established in Phase I clinical trials of aNK to date. We plan to advance a broad pipeline of aNK, haNK and taNK product candidates to potentially address a wide spectrum of diseases ranging from orphan diseases to more prevalent indications.

aNK and haNK Accelerated Development Strategy

- *mAb combinations.* We plan to accelerate our aNK and haNK programs by pursuing opportunities with pharmaceutical companies for commercially approved mAbs and select late-stage mAbs in development. Over 40 biopharmaceutical companies have licensed our haNK cells for non-therapeutic

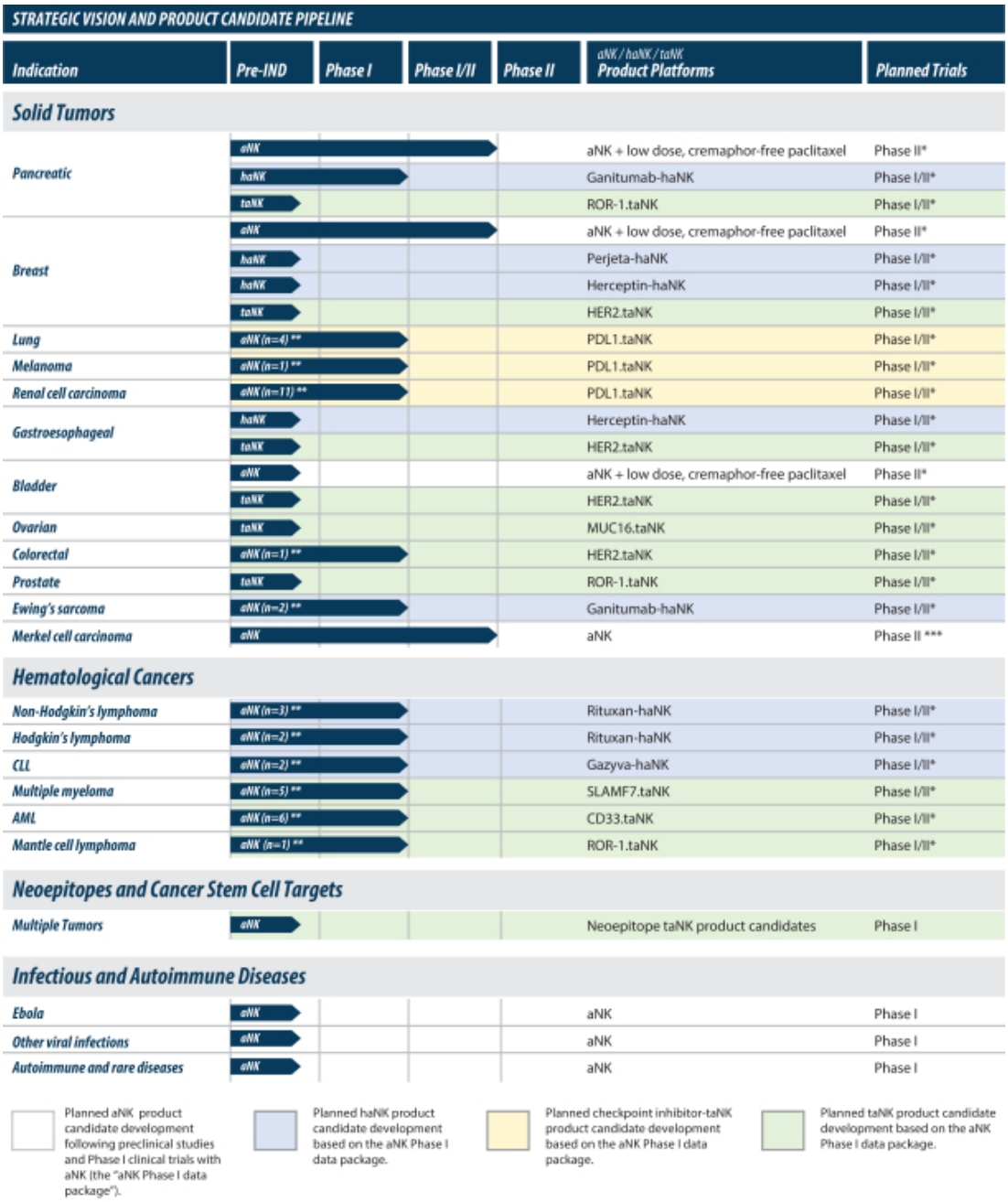
use in order to select and validate their monoclonal antibodies for development. Certain biopharmaceutical companies have also used our haNK cells as a lot release quality control test for their therapeutic antibodies, as well as a method to select antibodies to develop which elicit an enhanced ADCC effect. Consequently, we plan to leverage the development performed by these biopharmaceutical companies by initiating studies of our haNK product candidates in combination with these antibodies, which may potentially enhance the activity of these antibodies in patients with low affinity CD16 receptors. 89-92% of normal, healthy individuals have low affinity CD16 receptors. We believe this provides a rationale for studying haNK combinations with these new antibodies, whether during the development phase or after commercial launch, and upon receipt of regulatory approval, by the biopharmaceutical company.

- *Chemotherapy combinations*. We also intend to accelerate our aNK and haNK programs by entering into Phase II and Phase II/III clinical trials with our product candidates in combination with marketed drugs. A large number of mAbs and chemotherapy drugs are being marketed for multiple indications. Published data shows these mAbs have generally enhanced activity in patients with high-affinity NK cells. Published data also shows that chemotherapy agents such as 5FU, cyclophosphamide and paclitaxel, when administered in low doses, generally enhance the immune system. We plan to accelerate clinical development of our haNK product candidates by entering into investigator-initiated and company-sponsored Phase II and Phase II/III trials of the product candidates administered in combination with commercially marketed drugs and select late-stage product candidates in development. We also plan to accelerate clinical development of our aNK product candidates by entering into investigator-initiated and company-sponsored Phase II and Phase II/III trials of these product candidates administered in combination with approved chemotherapy agents. We believe this approach may accelerate the development and potential commercialization of our product candidate pipeline.

taNK/neoepitope Development Strategy

Through our strategic collaborations, we intend to identify both known antigens on the surface of tumor cells and neoepitopes in clinical patients, identify the expression of the neoepitopes on the surface of the tumor cell and interrogate a large diverse library of human antibodies and extract an antibody matching the neoepitope. Through this cohesive and expansive discovery engine, we plan to identify antibodies to target newly discovered neoepitopes, thereby driving the development of our product candidate pipeline and establishing just in time precision medicine. We expect to regularly add newly discovered neoepitopes from our discovery engine, and we believe the thousands of newly discovered antigens selectively expressed on the cancer cells and not on the essential normal tissue may provide us with the ability to create new and targeted libraries of antibodies to be potentially delivered as living drugs.

The following chart highlights some of our near-term opportunities.



* Planned trials based upon potential use of the aNK Phase 1 data package to accelerate start of planned aNK, haNK or taNK Phase I/II and Phase II clinical trials. Initiation of planned trials are contingent upon submission and allowance of an IND.

** Represents the number of subjects with the indicated disease who have received aNK cells in a Phase I clinical trial to date.

*** IND filed

The table below describes our accelerated clinical development plan for aNK and haNK by entering into Phase II and Phase II/III clinical trials with our product candidates in combination with commercially marketed drugs and select late-stage product candidates in development.

Strategic Vision for Combination Therapy Product Candidate Pipeline

Product Candidate	Indication	Combination Regimen	Planned Trials
aNK Combination	Pancreas	Low dose cremaphor-free paclitaxel cytotoxic combination*	Phase II/III**
	Ovarian	Intraperitoneal and systemic cytotoxic combination*	Phase II/III**
	Bladder	Intravesicular and systemic low dose cytotoxic combination*	Phase II/III**
	Gastric	Low dose cytotoxic combination*	Phase II/III**
haNK Combination	Ewing's sarcoma	Ganitumab combination	Phase II/III**

* Commercially available standard of care products.

** Planned Phase II/III clinical trial based upon potential use of (1) preclinical study and Phase I clinical trial data with aNK and (2) the fact that these are planned combination trials with commercially approved products, or in the case of haNK combination, a Phase III product candidate. Initiation of planned trials are contingent upon submission and allowance of an IND.

Our aNK, haNK and taNk Product Candidates

aNK

Our aNK product candidates are unmodified aNK cells with natural affinity to stress-induced ligands of diseased cells. Our aNK product candidates have shown preclinical activity in treating diverse potential indications including certain virally-induced cancers such as Merkel cell carcinoma as well as viral infections, such as Ebola and Epstein-Barr virus, or EBV. In addition, we intend to pursue combination therapies with low dose cytotoxic agents for which we believe there is rationale for synergistic effect.

aNK: Phase I Dose-ranging Safety Clinical Trials

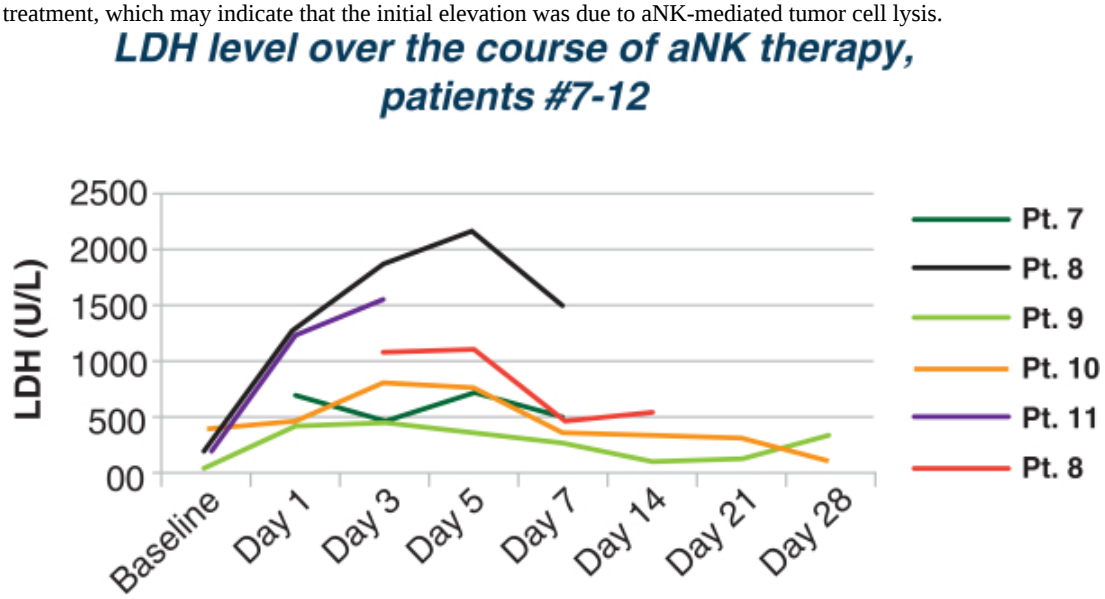
aNK cells have been evaluated in over 40 patients to date in four Phase I clinical safety trials. The aNK cells were administered as monotherapy. Unlike many other cell-based immunotherapy clinical trials, pre-conditioning agents such as IL-2 and cyclophosphamide were not administered to enhance therapeutic effect. All patients had very advanced cancer refractory to or having failed standard therapy, and were not preselected. Although the primary objective of the Phase I clinical trials were to evaluate safety and tolerability of aNK cells, promising activity was observed in a number of solid tumors as well as hematologic malignancies. The safety profile demonstrated no dose limiting toxicities even though certain patients received as many as 18 infusions of aNK cells over six cycles.

Rush University Clinical Trial

This Phase I safety trial was conducted at the Rush University Medical Center in Chicago, IL under an investigator-sponsored IND that originally became effective in June 2000 and was subsequently transferred in 2004 to ZelleRx, which was renamed Conkwest in 2010. 11 metastatic RCC patients and one refractory malignant melanoma patient, all of whom failed standard therapy, including surgery, radiation and chemotherapy, were treated with aNK cells in this single-center, open-label, dose-escalation clinical trial. Three patients were treated at each dose level: $1x10^8$ cells/m^2, $3x10^8$ cells/m^2, $1x10^9$ cells/m^2, and $3x10^9$ cells/m^2. Each patient received one course of treatment, which consisted of three cell infusions over 48 hours on days 1, 3, and 5.

Out of the 12 patients, we observed four incidences of stable disease and two partial responses. 83% (five out of six) of the RCC patients receiving higher cell doses ($1x10^9$ cells/m^2 or $3x10^9$ cells/m^2) had stable disease following an aNK infusion. In contrast, only 17% (1/6) of RCC patients receiving a lower cell dose ($1x10^8$ cells/m^2 or $3x10^8$ cells/m^2) had a response, suggesting a potential dose response effect. No significant adverse events were observed, except for one case of transient grade 4 hypoglycemia likely due to tumor lysis syndrome, which resolved with administration of IV D50. Self-resolving mild-to-moderate fevers were additionally seen in five out of six patients receiving the higher 10^9 cells/m^2 dose, suggesting that increased aNK dosing correlates with fever as well as overall activity.

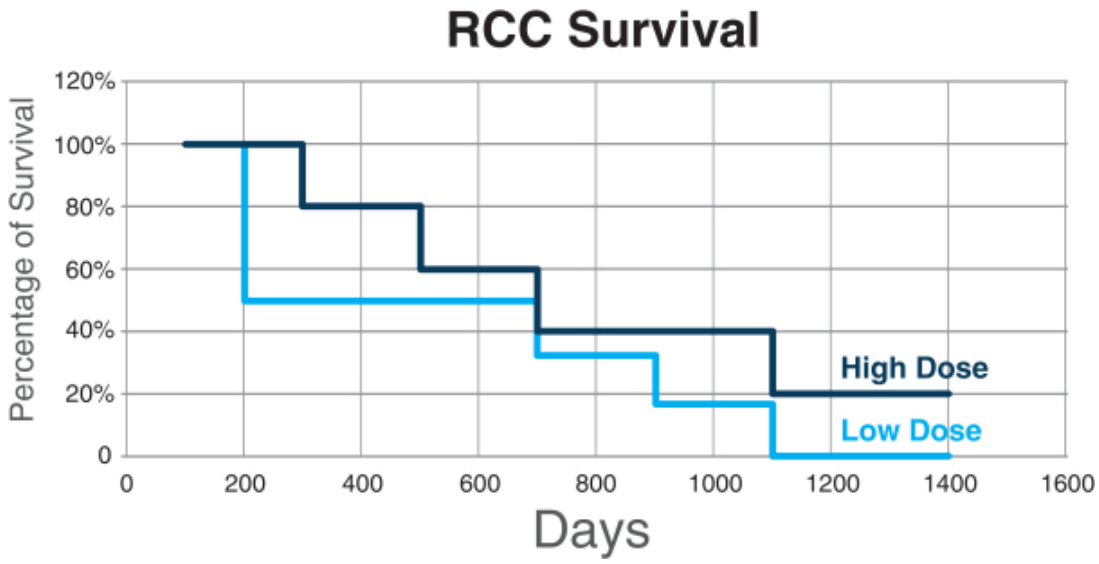
We also observed a trend of elevated LDH in patients receiving the higher aNK dose, coincidental with the administration of aNK. LDH levels returned to baseline following treatment, which may indicate that the initial elevation was due to aNK-mediated tumor cell lysis.



Source: Cytotherapy. 2008;10(6):625-32.

Trend of LDH elevation during aNK infusion starting at $1x10^9/m^2$ cell dose. After an initial increase during treatment, the LDH values return to baseline by day 14.

Of the 11 RCC patients evaluated in this clinical trial, six patients in the high dose group experienced an average survival of 776 days and the five patients in the low dose group experienced an average survival of 493 days. Comparatively, though not part of the same study, similar patients from National Cancer Institute's Surveillance Epidemiology End Results, or SEER, databases experienced an average survival of 390 days.



University of Frankfurt Clinical Trial

A Phase I clinical safety trial was conducted at the University of Frankfurt in Germany as an investigator-sponsored study not under our IND. A total of 15 patients with very late-stage disease and chemotherapy resistant cancer with no response to standard therapies and no further viable treatment options were evaluated. The pediatric study was comprised of pediatric sarcoma patients and the adult study enrolled adults with multiple cancers, and both were single arm, open-label dose escalation studies. These clinical trials utilized a two-dose regimen with infusions occurring on days 1 and 3, with the starting dose corresponding to the higher dose levels given in the Rush clinical trial. The pediatric patients were administered the following doses: $1x10^9$ cells/m^2, $3x10^9$ cells/m^2 and $5x10E^9$ cells/m^2. The adult patients received $1x10^9$ cells/m^2, $3x10^9$ cells/m^2 and $1x10^{10}$ cells/m^2.

No toxicities were reported in the seven pediatric patients aside from one report of mild fever and a report of sustained renal back pain. No toxicities were reported in the eight adult patients. Even at the highest dose, $1x10^{10}$ cells/m^2, our aNK treatment was well tolerated with the exception of the one pediatric patient with back pain. One adult patient with B-cell non-Hodgkin's lymphoma additionally received five additional aNK infusions over a period of six months, and reported no notable side effects.

Notably, three out of the four lung cancer patients who had failed chemotherapy, surgery and radiotherapy (two with small cell lung cancer, or SCLC, and two with non-small cell lung cancer, or NSCLC) experienced stabilization of disease (one) or partial response (two). Of particular note, two SCLC patients had metastases (one supra-clavicular lymph node and one lung) that notably diminished on imaging following the two aNK infusions. While we are currently planning to target SCLC with a taNK, not an aNK, we believe this data provides a rationale for this development, as we believe that the taNK will still retain many of the properties of an unmodified aNK.

University of Toronto Clinical Trial

This Phase I clinical safety trial is currently ongoing at the University of Toronto in Canada under an investigator-sponsored clinical trial authorization and not under our IND. 12 patients with late-stage hematological cancers that relapsed after standard chemotherapy and autologous stem cell transplant have been treated so far with aNK cells in this single-center, open-label, dose-escalation clinical trial. Patients were treated with aNK doses up to $5x10^9$ cells/m^2. This study was designed to demonstrate safety of multiple infusions of our aNK cells over a prolonged course of time. Patients in this study received as many as six cycles and 18 infusions (each cycle consisting of three infusions), for a total of as many as $1.5x10^{11}$ cells/m^2 in one diffuse large B cell lymphoma patient, or DLBCL, and $1.1x10^{11}$ cells/m^2 in a CLL with Richter's transformation patient.

No treatment-related SAEs have been reported in this study to date, even in the patients receiving extremely high aNK doses. Furthermore, all patients receiving five to six cycles of aNK infusions had either stable disease or a response, despite having failed standard therapy, and one Hodgkin's lymphoma patient who had a sustained complete response for more than five years since treatment. Activity was noted in Hodgkin's lymphoma, DLBCL, CLL with Richter's transformation and myeloma.

University of Pittsburgh Clinical Trial

This Phase I clinical safety trial is currently ongoing at the University of Pittsburgh under our IND. Five patients with AML who progressed or relapsed after two regimens of therapy have received aNK infusions to date, and up to nine will be treated. This is a single-arm, open-label clinical trial utilizing a two-dose regimen with infusions occurring on days 1 and 3. Similar to the Toronto clinical trial, patients receive $1x10^9$ cells/m^2, $3x10^9$ cells/m^2 or $1x10^{10}$ cells/m^2.

Five patients have been treated at the $1x10^9$ cells/m^2 dose and at the $3x10^9$ cells/m^2 dose, and no significant adverse events have been reported to date. The study is currently ongoing, and is expected to be completed in the second half of 2015.

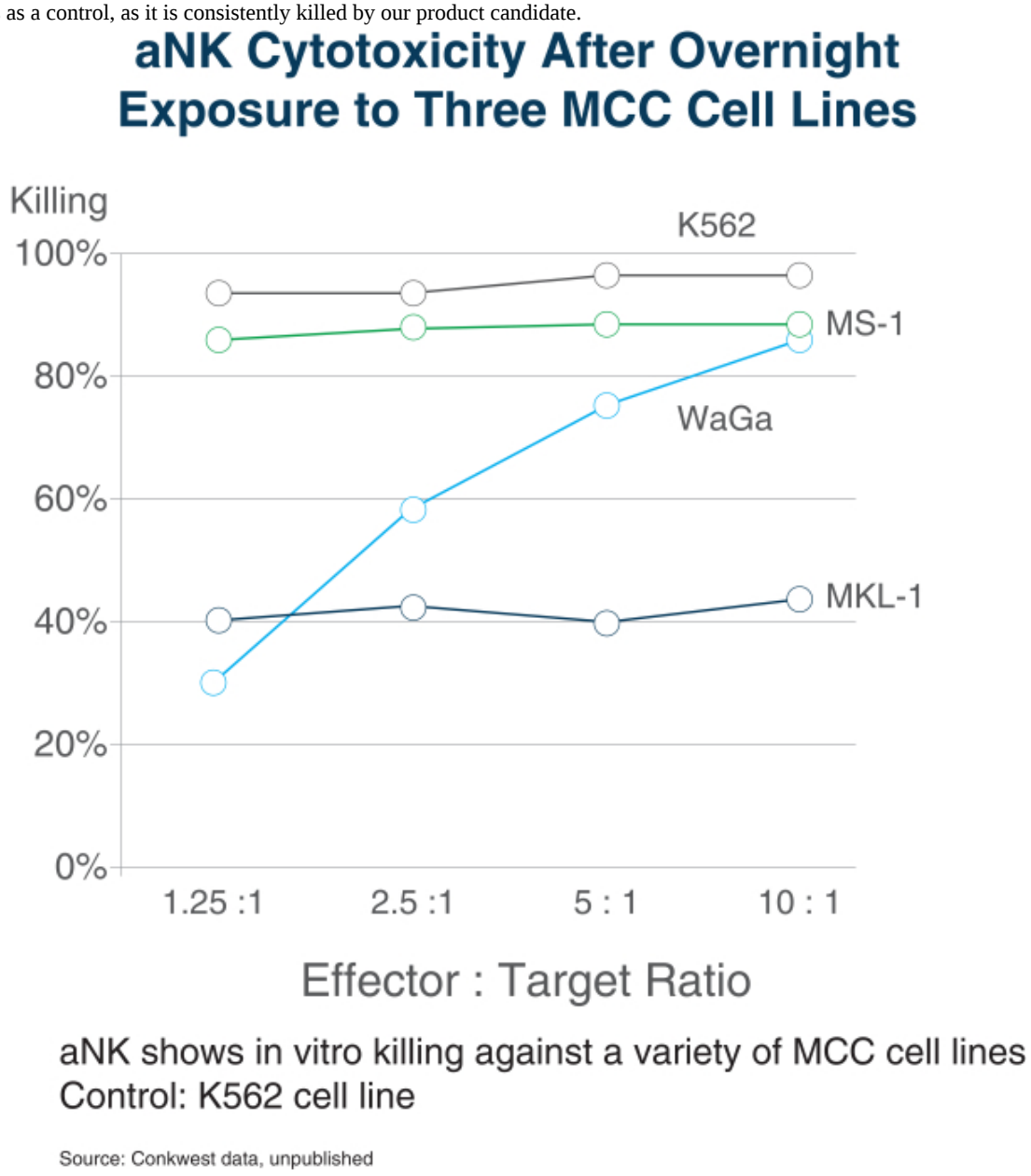
aNK: Viral Induced Cancers—Planned Phase II Clinical Trial for Merkel Cell Carcinoma, an Orphan Disease

Our initial aNK product candidate is for the treatment of Merkel cell carcinoma, or MCC. MCC is a rare, rapidly growing and aggressive skin cancer with approximately 1,500 new cases diagnosed in the United States in 2014. The five year survival rate is approximately 60%. MCC impacts predominantly the elderly as well as patients with acquired or medically-induced immune suppression for the treatment for autoimmune diseases, lymphohematopoietic malignancies or for the prevention of organ transplant rejection. In a study conducted at the University of Pittsburgh, Merkel cell polyomavirus, or MCV was discovered to be an etiopathogenic factor in approximately 80% of patients with MCC. Ultraviolet exposure is also considered an independent risk factor contributing to the rising incidence of MCC. Once metastatic to regional lymph nodes or distant organs, five-year overall survival, or OS, decreases significantly. In particular, distant metastatic stage IV MCC has reported OS rates of 18% or less. No systemic therapy has been shown to prolong OS in patients with distant metastatic MCC to date. In addition, there is currently no FDA-approved treatment for this disease.

We are planning to initiate a multi-center, open-label, Phase II clinical trial for our aNK product candidate for Merkel cell carcinoma under which we plan to enroll 24 patients. We plan to seek orphan drug designation for this product candidate.

Preclinical Data in Merkel Cell Carcinoma

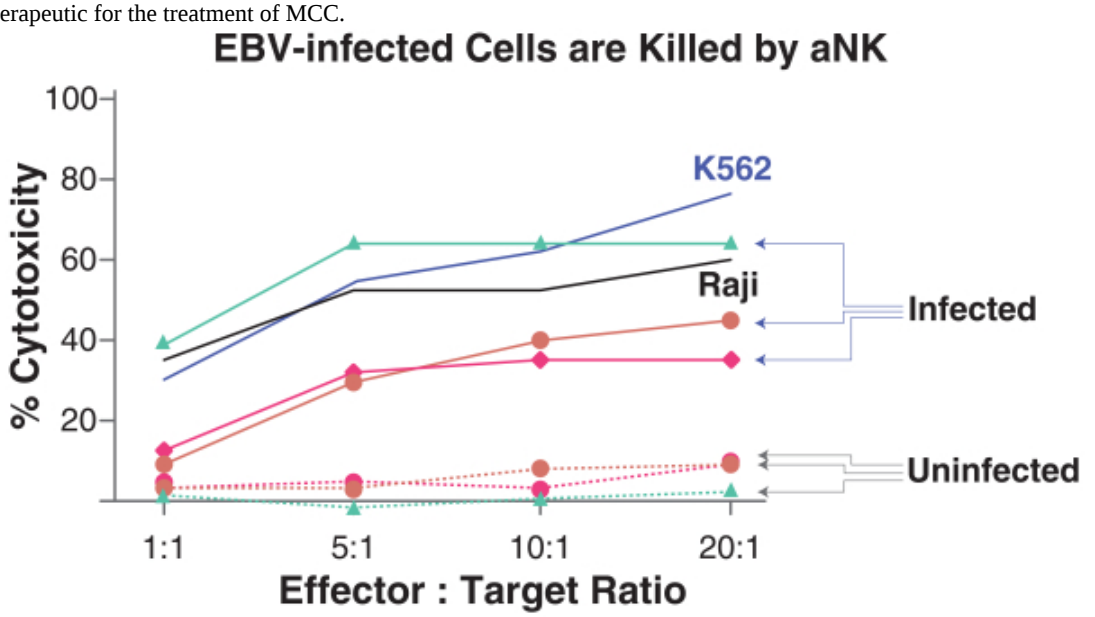
In an *in vitro* study, our aNK product candidate has demonstrated the ability to kill polyomavirus positive MCC cell lines. The following chart shows results of cytotoxicity after overnight exposure of aNK to three MCC cell lines: MKL-1, Waga and MS-1 at different effector to target ratios. K562, a human CML cell line, serves as a control, as it is consistently killed by our product candidate.



aNK shows in vitro killing against a variety of MCC cell lines
Control: K562 cell line

Source: Conkwest data, unpublished

An *in vivo* study found that our aNK product candidate was able to lyse polyomavirus-induced tumors through a natural killer group 2, member D (NKG2D)-dependent mechanism, and that Merkel cell tumor growth was enhanced in NK cell-deficient mice. Taken together, these findings provide important cumulative evidence for the protective role of NK cells against polyomavirus-induced tumors, and suggest NK cell-based therapy may have potential as a novel therapeutic for the treatment of MCC.



aNK kills EBV-infected cells while uninfected cells are relatively spared.

Source: Klingemann et al, unpublished

Planned Phase II Clinical Trial Design for Merkel Cell Carcinoma

We are planning to initiate a multi-center, open-label, Phase II clinical trial in a two stage design. Such a design detects efficacy, allows for early assessment and avoids enrolling too large a number of patients. Patients with unresectable stage III or distant MCC will receive aNK-001 intravenously.

The primary objectives of this clinical trial are the following:

- Determine the effect of aNK infusions on the four-month (» 16 weeks) progression-free survival, or PFS, rate in patients with unresectable stage IIIB or distant metastatic stage IV MCC; and
- Assess toxicity of aNK in patients with distant metastatic MCC in which immunosuppression and several comorbid factors coexist.

We also plan to assess the objective overall response rate, or ORR, of aNK, defined as complete response, or CR, plus partial response, or PR, plus stable disease, or SD, based on the RECIST criteria v1.1 for overall survival.

aNK: Infectious Disease—Preclinical Studies for Ebola Virus

aNK for Ebola

We are developing our product candidate aNK for the treatment of Ebola. Ebola typically infects macrophages and dendritic cells first. Infected dendritic cells are unable to mature and signal other immune cells, resulting in poor immune activity by NK cells, which are critical for early protection against Ebola. In an acute infection, the virus depletes host NK cell levels and prevents NK cell activation. In addition, the virus uses surface glycoprotein, or sGP, to bind CD16, allowing it to specifically target NK cells and neutrophils. However, aNK is intrinsically activated and does not express CD16, thus providing substantial rationale that aNK supplementation may bolster a patient's innate immune system and treat Ebola patients.

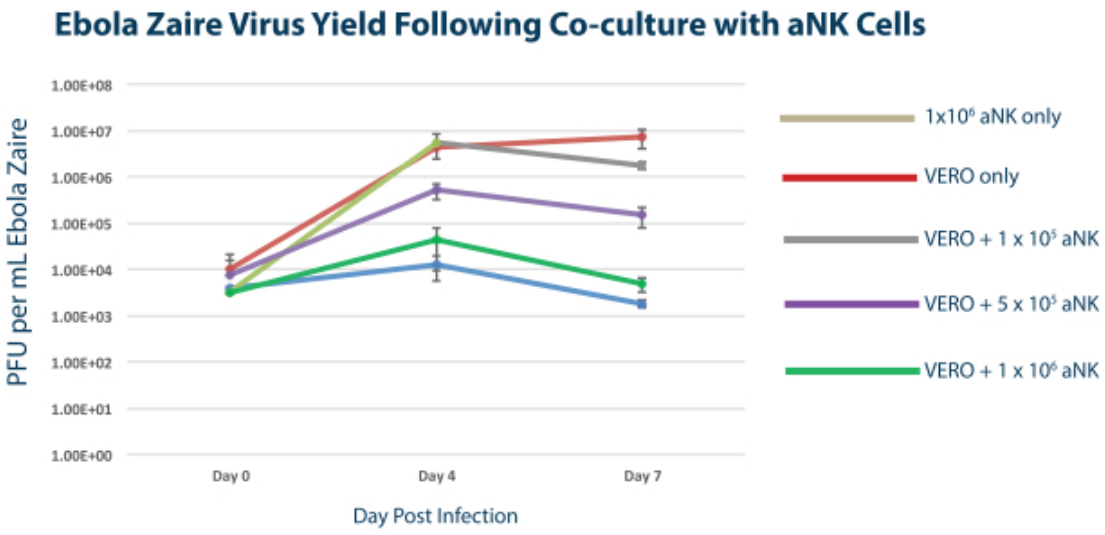
Ebola is a rare and deadly disease caused by infection with a strain of Ebola virus. Symptoms of the disease include devastating hemorrhagic fever, fatigue, impaired liver and renal function, and often internal and/or external bleeding. Ebola is spread through direct contact with blood and body fluids of a person already showing symptoms of Ebola. The 2014 Ebola epidemic is the largest outbreak in history and is still currently ongoing in multiple countries in West Africa. As of April 2015, the total number of Ebola cases related to this outbreak was over 26,000 with over 10,800 recorded deaths. While several therapeutics including vaccines and antibodies are in development, there are no FDA-approved treatments.

In addition to the significant impact Ebola has had, it also represents a source of concern in terms of national security. Ebola is listed as a Category A pathogen by the Centers for Disease Control and Prevention, or CDC, and the U.S. Department of Defense since the virus can be easily disseminated or transmitted, result in high mortality rates, have the potential for a major public health impact, and may cause public panic and social disruption.

Our aNK product candidate for the treatment of Ebola is currently in preclinical studies. We intend to complete IND-enabling studies in late 2015 and submit an IND and initiate a Phase I clinical trial in the second half of 2016. We are currently conducting further preclinical studies with additional viral strains with the goal of optimizing co-culture conditions, time of introduction of our aNK product candidate for the treatment of Ebola after infection, duration of exposure to our aNK product candidate for the treatment of Ebola, and optimal ratio of our aNK product candidate for the treatment of Ebola to realize antiviral effect as some of the objectives. Rodent and non-human primate studies may be conducted to further validate the approach and to facilitate clinical development.

Preclinical Studies to Date in Ebola

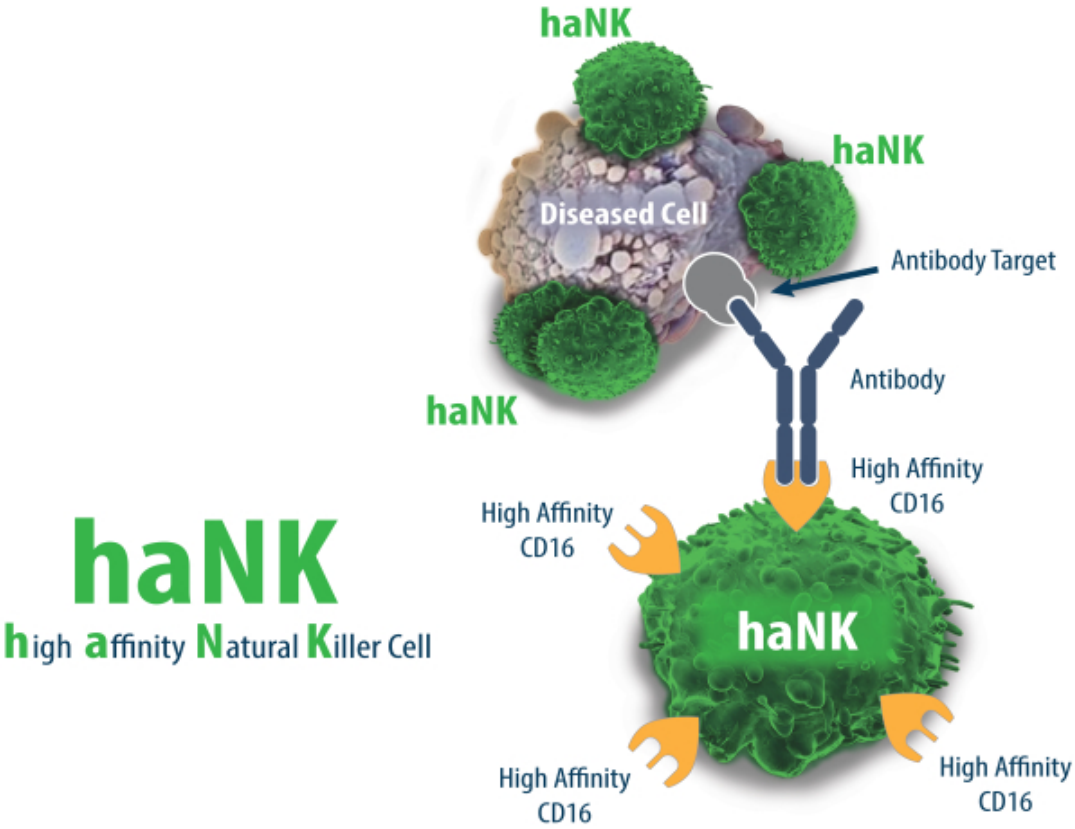
We have conducted initial *in vitro* studies at a biosafety level 4 (BSL-4) laboratory investigating co-culture conditions that would support our aNK product candidate for the treatment of Ebola's antiviral efficacy and further development. Ebola (Zaire strain) replicated to titers of approximately $3x10^6$/ml by day 7 under monoculture conditions in permissive Vero cells. In contrast, our aNK product candidate for the treatment of Ebola monocultures remain at input virus levels suggesting that our aNK product candidate for the treatment of Ebola may not support Ebola virus replication. When aNK-002 was co-cultured with the permissive Vero cells, there was a dose-dependent suppression of viral titers to a notable degree. At the high dose, there was an approximately 1,000 fold decrease of viral load compared to untreated Vero cells.



Source: Conkwest data (unpublished)

haNK

haNK product candidates are aNK cells genetically engineered to express high-affinity CD16, a receptor that allows direct binding of NK cells to antibodies, potentially enhancing their cancer killing effects through ADCC. We expect that our haNK product candidates will initially be used in combination with widely-used therapeutic mAbs such as Herceptin, Erbitux and Rituxan. Therapeutic mAbs represent an important pillar of immunotherapy and are integral to the treatment paradigm of a variety of diseases. However, the actual cancer cell-killing efficacy of many of these mAbs is largely dependent on ADCC, which involves mAbs' recruitment of NK and other immune cells to kill the antibody-bound cancer cells. If the patient's immune system is compromised, the efficacy of mAbs is limited. As such, there is strong rationale to administer additional immune cells via haNK in combination with mAbs to induce higher ADCC and therapeutic effect in these patients. We plan to develop haNK product candidates in combination with mAbs in order to potentially address larger markets and earlier lines of treatment.



Validating haNK through non-clinical applications and in vitro studies

Non-clinical applications

haNK cells have been widely utilized by over 40 biopharmaceutical companies to date for *in vitro* ADCC testing of their antibodies in development and in certain instances their commercially available antibody products. For example, our haNK cells have been adapted for use in commercial assays such as Biotek's automated Delfia ADCC assay system and Roche and Acea's xCELLigence system. haNK cells have also been deployed under unsolicited non-exclusive, non-clinical licenses for commercial ADCC assay testing applications by most of the large pharmaceutical developers of mAbs.

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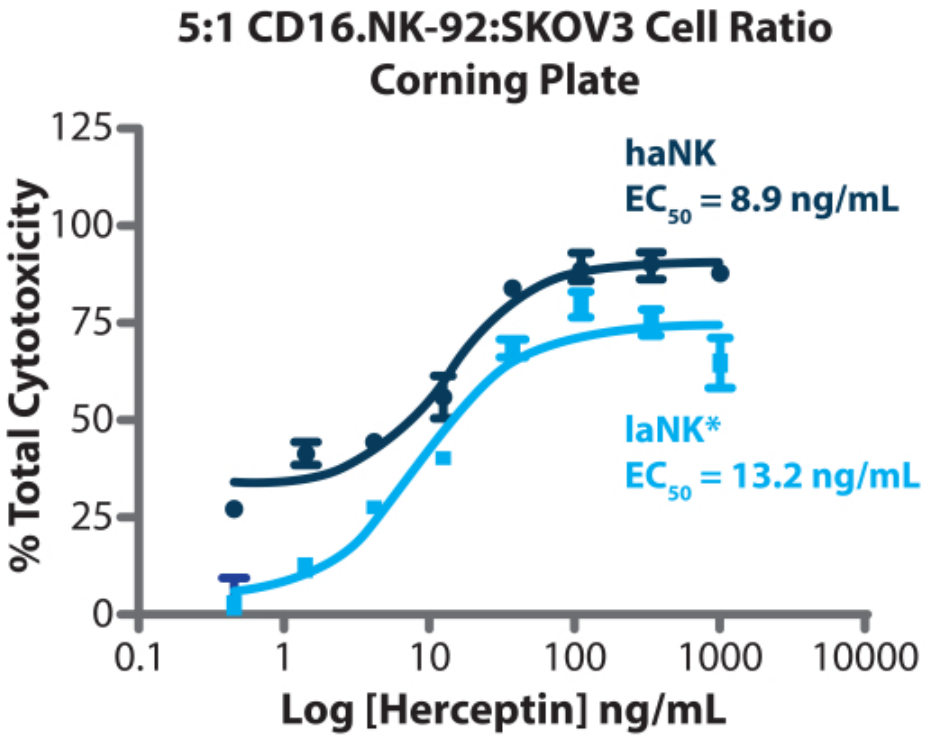

48% increase in Herceptin requirement when haNK not present

*laNK: low affinity Natural Killer cell

Source: Larson, BioTek DELFIA 2013

In vitro studies

The graphs below depict the increasing ADCC killing activity of our haNK cells in the presence of increasing concentrations of either Herceptin or Rituxan observed in *in vitro* studies. The comparative killing activity of low-affinity 176F expressing aNK, or laNK, cells and aNK alone observed are also depicted below.

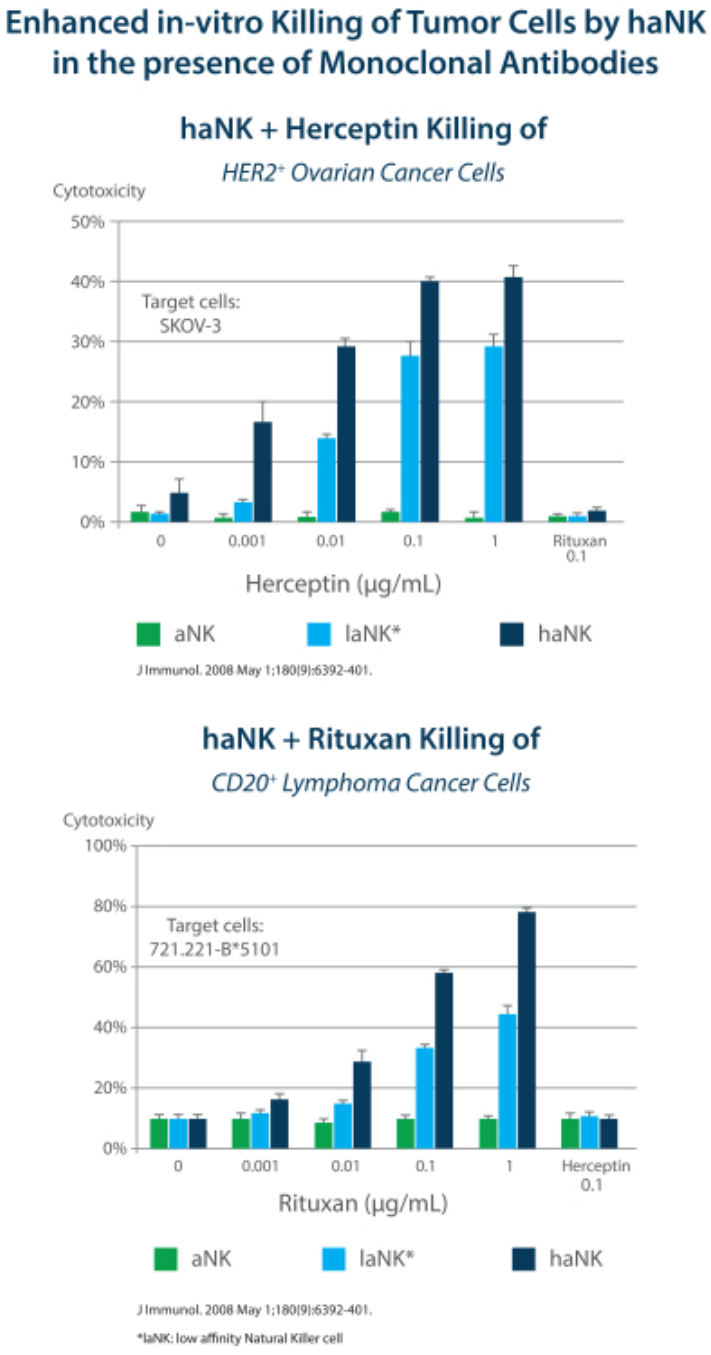

Figure 1. aNK, laNK and haNK cells were tested separately in killing of SK-OV-3 ovarian cancer cells in the presence of varying concentrations of Herceptin. The assay was performed by loading the tumor cells with radioactive chromium-51 and measuring the release by cytotoxicity in a 4 hour assay.

aNK cells expressing the high-affinity 176V variant responded to lower dose of Herceptin (0.001 ug/mL) and exhibited stronger maximal killing response, as compared to cells expressing the low-affinity 176F variant. Parental aNK cells, lacking CD16 expression, did not exhibit any ADCC response toward the SK-OV-3 cells and Rituxan did not trigger any ADCC response since this antibody was not designed to target SKOV3 cells.

Figure 2. aNK cells expressing the high-affinity 176V variant responded to a lower dose of Rituxan (0.001 ug/mL) and exhibited stronger maximal killing response, as compared to cells expressing the low-affinity 176F variant. Parental aNK cells, lacking CD16 expression, did not exhibit any ADCC response toward the 721.221 B-cell lymphoma cells and Herceptin did not trigger any ADCC response since this antibody was not designed to target 721.221 cells.

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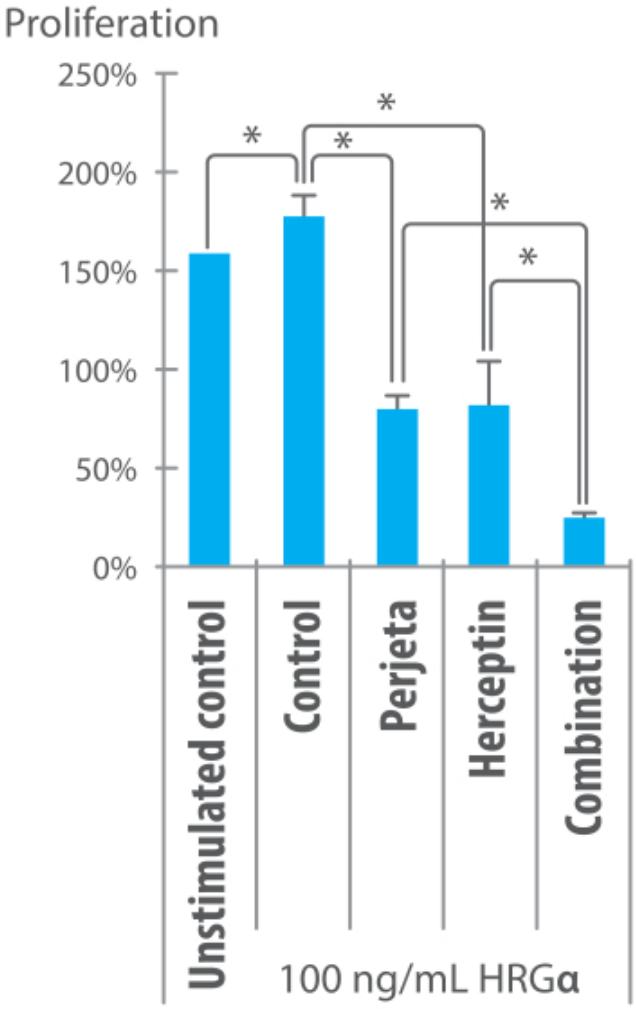
In addition, the graphs below depict the synergistic activity of the combination of Herceptin and Perjeta (Her2/Her3) to mediate ADCC killing observed in *in vitro* studies. Through the application of haNK cells to kill Her2+ gastric carcinoma cells, the activity observed in the combination of Herceptin and Perjeta was significantly greater than either agent alone.

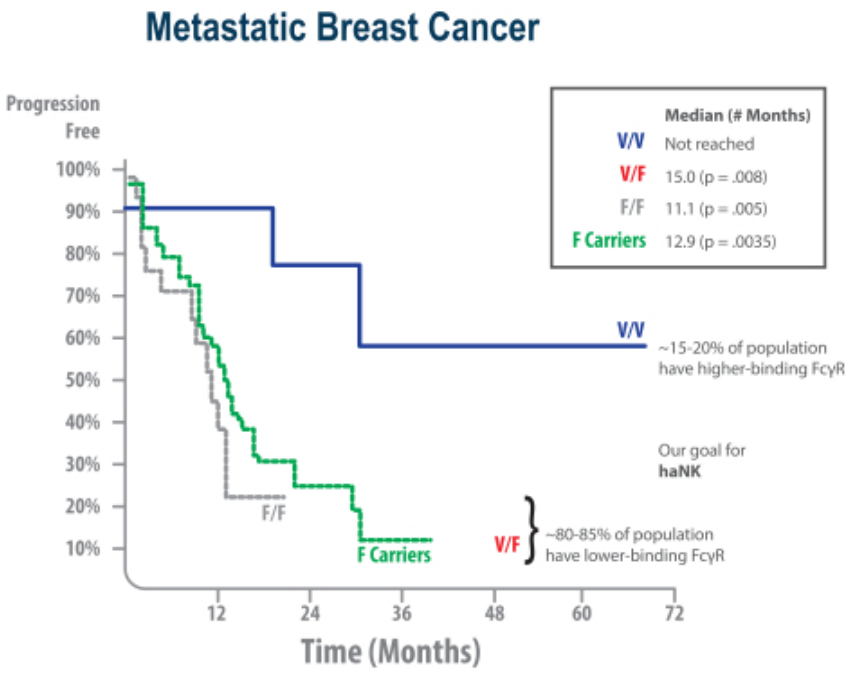
Proliferation Inhibition of HER2+ Gastric Carcinoma Cells in the Presence of haNK + mAbs



Source: Clin Cancer Res, 2011 August 1;17(15) 5060-5070

Rationale for developing high-affinity NK cells (haNK) in combination with approved mAbs and potentially any therapeutic antibody that utilizes the ADCC killing pathway

In multiple clinical trials conducted by third parties, patients who were homozygous for high-affinity CD16 (V/V) generally experienced better responses to exogenous mAb therapy than patients who were carriers of a low affinity CD16 allele (F carriers or F/F or V/F). The illustration from one study below shows the difference in progression-free survival between HER2+ breast cancer patients treated with Herceptin who have the homozygous high-affinity form of CD16 and those who have the low affinity form to be as much as 20% at 48 months.



54 patients / HERCEPTIN

PFS (progression-free survival) was >72 months for V/V group – PFS only 11-15 months for other patients. At 12.9 months, P = 0.0035 for V/V vs F carriers.*

V/V: homozygous high-affinity CD16

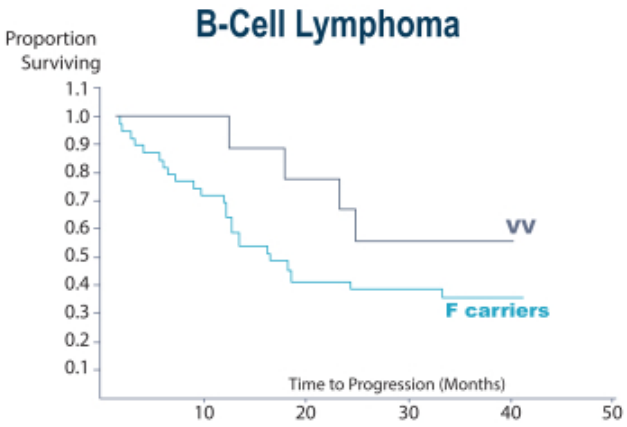
V/F: heterozygous low-affinity CD16

F/F: homozygous low-affinity CD16

Source: Musolino et al, J. Clin Oncol, 26, 1789, 2008

* A p-value is the probability that the reported result was achieved purely by chance, such that a p-value of less than or equal to 0.05 or 0.01 means that there is a 5.0% or 1.0% or less probability, respectively, that the difference between the control group and the treatment group is purely due to chance. A p-value of 0.05 or less typically represents a statistically significant result.

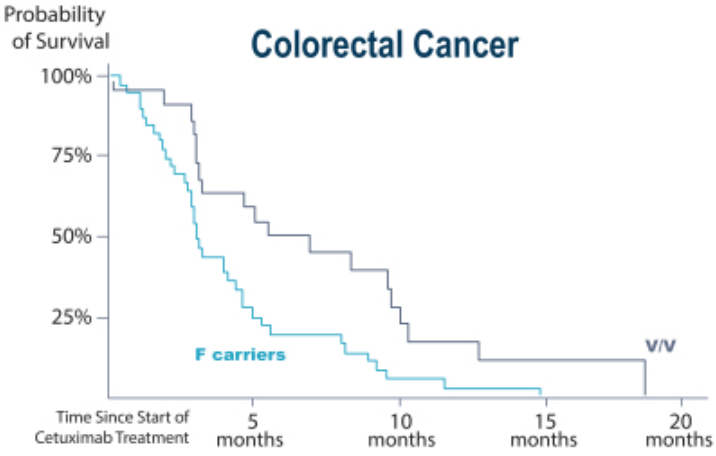
Data from three clinical trials demonstrating this point are shown below. The rationale therefore for combining high-affinity CD16 NKs (haNKs) with Rituxan and Herceptin in patients with low affinity CD16 alleles (F carriers or F/F or V/F), should enhance the killing effect of these mAbs and achieve the results for patients with V/V alleles.



49 patients / RITUXAN

Response rates at months 2 and 12 were 100% and 90% respectively for V/V patients.

Source: Cartron et al, Blood, 99, 754-758, 2002



69 patients / ERBITUX

Patients with V/V had longer PFS (5.5 v 3.0 months; P = 0.005).*

Source: Bibeau et al, J. Clin Oncol, 27, 1122, 2009

mAbs are prevalently used and generate over $50.0 billion in reported global annual sales. It has been reported that perhaps only approximately 10% to 20% of the addressable patient population for mAb therapies carry high-affinity CD16 receptors. This implies that our haNK product candidates may have significant market potential for these and potentially all mAb products that kill via the ADCC pathway as a combination therapy to address a large number of patients who have poor responses with mAbs.

Advance clinical development of aNK and haNK by entering into Phase II and Phase II/III clinical trials with our product candidates in combination with commercially approved mAbs and select late-stage mAbs in development.

mAb combinations. We plan to pursue opportunities for our aNK and haNK programs with pharmaceutical companies for approved and select late-stage mAbs. Over 40 biopharmaceutical companies have licensed our haNK cells for non-therapeutic use in order to select and validate their monoclonal antibodies for development. Certain biopharmaceutical companies have also used our haNK cells as a lot release quality control test for their therapeutic antibodies.

ADCC contributes to clinical efficacy of a broad range of antibody therapeutics. In 2011, F. Hoffmann-LaRoche Ltd. reported the development of an *in vitro* ADCC method based on our natural killer cell line as effectors to measure the ADCC activity of a humanized IgG1 antibody directed against the human CD20 antigen. Their data show that this assay is capable of measuring small changes in ADCC and can therefore be used to test therapeutic antibodies against cell-surface targets for their depleting activity. We believe this report supports our approach and the therapeutic potential of our haNK platform. As a result, our accelerated strategy is to leverage the development performed by these biopharmaceutical companies who have licensed our haNK cells for non-therapeutic use by initiating Phase II and Phase II/III clinical trials of our haNK product candidates in combination with commercially approved mAbs and select late-stage mAbs in development, the combination potentially enhancing the activity of these antibodies in patients with low affinity CD16 receptors. The following table lists many of the commercial mAb products that can potentially be paired up with haNK therapy.

mAbs Approved for Cancer Treatment

Generic Name	Type	Target and Location	Indications	Year of FDA/ EMA Approval	Mode of Action	Patient Selection
Rituximab	Chimeric IgG1	CD20 (B cells)	CLL, NHL (first line)	1997/1998	CDC and ADCC	Based on disease stage and type CD20 positive
Ofatumumab	Human IgG1k	CD20 (B cells)	CLL	2009/2010	CDC and ADCC	Not available
Obinutuzumab	Humanized IgG1	CD20 (B cells)	CLL	2013/2012	ADCC	Not available
Alemtuzumab	Humanized IgG1	CD52 (lymphoid cells)	CLL	2001/2001	CDC and ADCC	Not available; evidence suggesting patients with 17p deletion or p53 mutation benefit more
Trastuzumab	Humanized IgG1	HER2 (tumor cell membrane)	BC, adjuvant and metastatic advanced gastric cancer (first line)	1998/2000	Downregulation of HER2 signal transduction; ADCC	Based on HER2 expression (positive by IHC and/or FISH)
Pertuzumab	Humanized IgG1	HER2 (tumor cell membrane)	BC	2012/2013	Inhibition of HER2 dimerization	Based on HER2 expression (positive by IHC and/or FISH)
Bevacizumab	Humanized IgG1	VEGF (microenvironment)	CRC, RCC, NSCLC (nonsquamous), GBM	2004/2005	Inhibition of VEGF signaling	Not available
Ramucirumab	Fully human IgG1	VEGFR2 (microenvironment)	Gastric cancer	2014/—*	Inhibition of VEGF signaling	Not available
Cetuximab	Chimeric IgG1	EGFR (tumor cell membrane)	CRC, HNSCC	2004/2004	Downregulation of EGFR signaling; ADCC	CRC: based on EGFR expression (positive) and *KRAS* mutation status (wild type); HNSCC (high EGFR expression): no selection
Panitumumab	Human IgG2	EGFR (tumor cell membrane)	CRC	2006/2007	Downregulation of EGFR signaling; ADCC	EGFR expression (positive) and *KRAS* mutation status (wild type)
Ipilimumab	Human IgG1k	CTLA-4 (T cells)	Melanoma	2011/2011	Induces immune response by CTLA-4	Not available
MPDL2380A	Human IgG1	PD-L1 (tumor cell membrane)	Bladder cancer	2014/—†	Induces immune response by blocking PDL1 and PD-1 interaction	Based on PDL1 expression
Catumaxomab	Mouse and rat IgG	EpCAM (tumor cell); CD3 and FcyRs (immune effector cells)	Malignant ascites	—/2009§	Inducing immune response	Not available

* Ramucirumab was granted orphan status by EMA in 2012 for hepatocellular carcinoma and gastric cancer.

† MDPL3280A was granted breakthrough therapy designation by FDA in May 2014 for metastatic urothelial bladder cancer.

§ Catumaxornab was granted orphan status by FDA in 2006 for ovarian cancer and in 2009 for gastric cancer.

Abbreviations: ADCC, antibody-dependent cellular cytotoxicity; BC, breast cancer, CDC, complement-dependent cytotoxicity; CLL, chronic lymphocytic leukemia; CRC, colorectal cancer; CTLA-4, cytotoxic T-lymphocyte–associated antigen 4; EGFR, epidermal growth factor receptor; EMA, European Medicines Agency; EpCAM, epithelial cell adhesion molecule; FcyRs, Fc receptor for immunoglobulin G; FDA, US Food and Drug Administration; FISH, fluorescent in situ hybridization; GBM, glioblastoma; HER2, human epidermal growth factor receptor 2; HL, Hodgkin's lymphoma; HNSCC, head and neck squamous cell carcinoma; IgG, immunoglobulin G; IHC, immunohistochemistry; NHL, non-Hodgkin's lymphoma; NSCLC, non–small-cell lung cancer; PD-1, programmed death receptor 1; PDL1, programmed death receptor 1 ligand; RCC, renal cell cancer; VEGF, vascular endothelial growth factor; VEGFR2, vascular endothelial growth factor receptor 2.

Source: J Clin Oncol. 2015 May 1;33(13):1491-504. doi: 10.1200/JCO.2014.57.8278. Epub 2015 Mar 16.

Phase I/II haNK Product Candidates

Solid Tumors—Herceptin-haNK. Our product candidate Herceptin-haNK is our aNK cell genetically engineered to express high-affinity CD16 and dosed in combination with Herceptin which we intend to develop for the treatment of HER2 expressing tumors. HER2 is expressed in a variety of solid tumors including breast, ovarian, gastric, and brain cancers. It is reported that approximately 20% of breast cancers are HER2 positive and Herceptin is part of the standard of care for these tumors, but about 70% of patients receiving Herceptin for the treatment of breast cancer demonstrate or develop resistance to the drug. We believe there is strong rationale for combining haNK with Herceptin to potentially augment efficacy via enhanced ADCC against tumors cells. We plan to initially target breast cancer and gastroesophogeal cancer with our Herceptin-haNK product candidate and expect to submit an IND and initiate Phase I/II clinical trials in these two indications in 2016.

Solid Tumors—Perjeta-haNK. Our product candidate Perjeta-haNK is our aNK cell genetically engineered to express high-affinity CD16 and dosed in combination with Perjeta which we intend to develop for the treatment of HER3 expressing tumors. We plan to initially target breast cancer with our Herceptin-haNK product candidate and expect to submit an IND and initiate a Phase I/II clinical trials for this indication in 2016.

Solid Tumors—Ganitumab-haNK. We plan to develop haNK in combination with Ganitumab, which we intend to develop for the treatment of solid tumors known to overexpress IGF-1R. We plan to initially target pancreatic cancer and Ewing's sarcoma, a pediatric bone cancer, with our Ganitumab-haNK product candidate and expect to initiate a Phase I/II clinical trial for this indication in 2016.

Bulky Hematological Cancers—Rituxan-haNK. We plan to initially target Hodgkin's lymphoma and CLL with Richter's transformation with our Rituxan.haNK product candidate and expect to submit an IND and initiate Phase I/II clinical trials for these indications in 2017.

Bulky Hematological Cancers—Adcetris-haNK. We plan to initially target non-Hodgkin's lymphoma with our Adcetris-haNK product candidate and expect to submit an IND and initiate a Phase I/II clinical trial for this indication in 2017.

Chemotherapy combinations. We plan to advance our aNK and haNK programs by entering into Phase II and Phase II/III clinical trials with our product candidates in combination with marketed drugs and select late-stage product candidates. A large number of monoclonal antibodies and chemotherapy drugs are being marketed for multiple indications. Published data show these mAbs have generally enhanced activity in patients with high-affinity NK cells. Published data also show that chemotherapy agents such as 5FU, cyclophosphamide and paclitaxel, when administered in low doses, generally enhance the immune system. We plan to accelerate clinical development of our haNK product candidates by entering into investigator-initiated and company-sponsored Phase II and Phase II/III clinical trials of our haNK product candidates administered in combination with approved mAbs and select late-stage product candidates. We also plan to accelerate clinical development of our aNK product candidates by entering into investigator-initiated and company-sponsored Phase II and Phase II/III

clinical trials of these product candidates administered in combination with approved chemotherapy agents. We believe this approach may accelerate the development and potential commercialization of our product candidate pipeline. The table below describes our accelerated clinical development plan for aNK and haNK by entering into Phase II and Phase II/III clinical trials with our product candidates in combination with marketed drugs and select late-stage product candidates in late-stage development.

Strategic Vision for Combination Therapy Product Candidate Pipeline

Product Candidate	Indication	Combination Regimen	Planned Trials
aNK Combination	Pancreas	Low dose cremaphor-free paclitaxel cytotoxic combination*	Phase II/III**
	Ovarian	Intraperitoneal and systemic cytotoxic combination*	Phase II/III**
	Bladder	Intravesicular and systemic low dose cytotoxic combination*	Phase II/III**
	Gastric	Low dose cytotoxic combination*	Phase II/III**
haNK Combination	Ewing's sarcoma	Ganitumab combination	Phase II/III**

* Commercially available standard of care products.

** Planned Phase II/III clinical trial based upon potential use of (1) preclinical study and Phase I clinical trial data with aNK and (2) the fact that these are planned combination trials with commercially approved products, or in the case of haNK combination, a Phase III product candidate. Initiation of planned trials are contingent upon submission and allowance of an IND.

haNK Pharmaceutical Opportunities

Over 40 biopharmaceutical companies have licensed our haNK cells for non-therapeutic use in order to select and validate their monoclonal antibodies for development. Certain biopharmaceutical companies have also used our haNK cells as a lot release quality control test for their therapeutic antibodies. We plan to leverage the development performed by these biopharmaceutical companies by initiating studies of our haNKs in combination with these antibodies, the combination potentially enhancing the activity of these antibodies in patients with low affinity CD16 receptors. We believe this enhanced efficacy provides a rationale for studying haNK combinations with these new antibodies, whether during the development phase or after commercial launch by the biopharmaceutical company.

taNK

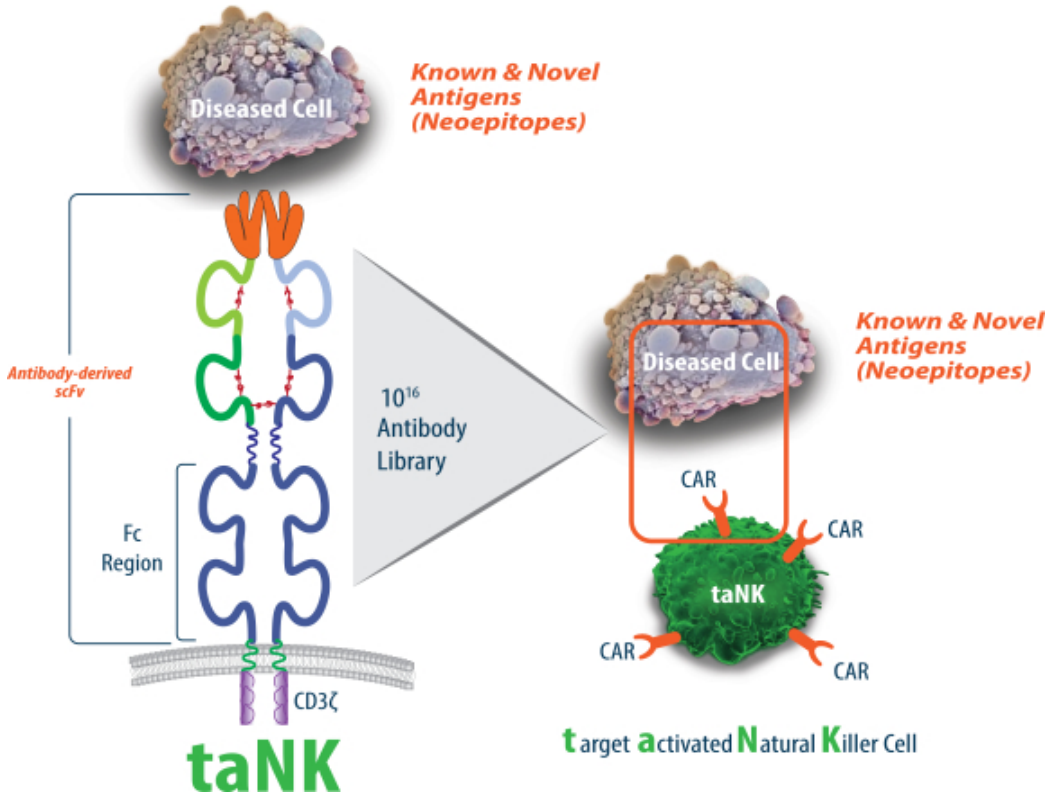
We have genetically modified our aNKs to incorporate chimeric antigen receptors, or CARs, to target specific antigens on the surface of abnormal cells, including CD33, EGFR, HER2/neu, PDL1 and PSMA, among others. These taNK cells are designed to directly bind to tumor-specific antigens in multiple bulky hematological cancers and solid tumors and induce cell death by the release of toxic granules directly into the tumor cell, by the release of cytokines and chemokines which recruit additional innate and adaptive immune responses and by the recruitment of cytotoxic T-cells. These tumor-specific antigens can be divided into the following four classes, which can be targeted by our taNK platform: (1) checkpoint inhibitors expressed on the surface of tumor cells such as PDL1, (2) well-established tumor surface antigens such as HER-2, CD33 and ROR1, (3) newly discovered neoepitopes and (4) novel surface receptors associated with cancer stem cells.

A typical CAR construct includes the following components:

- A single-chain Fv fragment, or scFv, which is derived from a human antibody and recognizes the target antigen on the surface of a diseased cell; and
- CD3z chain which provides the initial signal to the taNK cell and activates its mechanisms when the receptor binds to an antigen.

The construct of our taNK product candidates is depicted schematically below. As illustrated below, we believe access to the antibody library from Sorrento will allow for the selection of antibodies that can in turn be

converted into CARs that selectively target and bind to known or novel tumor surface antigens. The antibody-derived scFv region (which includes the Fc region) is expected to bind the targeted antigen, while a CD3z segment inside the taNK cell induces the taNK to release cytotoxic compounds to destroy the targeted diseased cell.



Unlike CAR-T and TCR therapies, our taNK cells can incorporate but do not require a co-stimulatory domain, such as CD28 or 4-1BB, which is another signaling component for immune cell activation and survival.

Phase I/II taNK Product Candidates

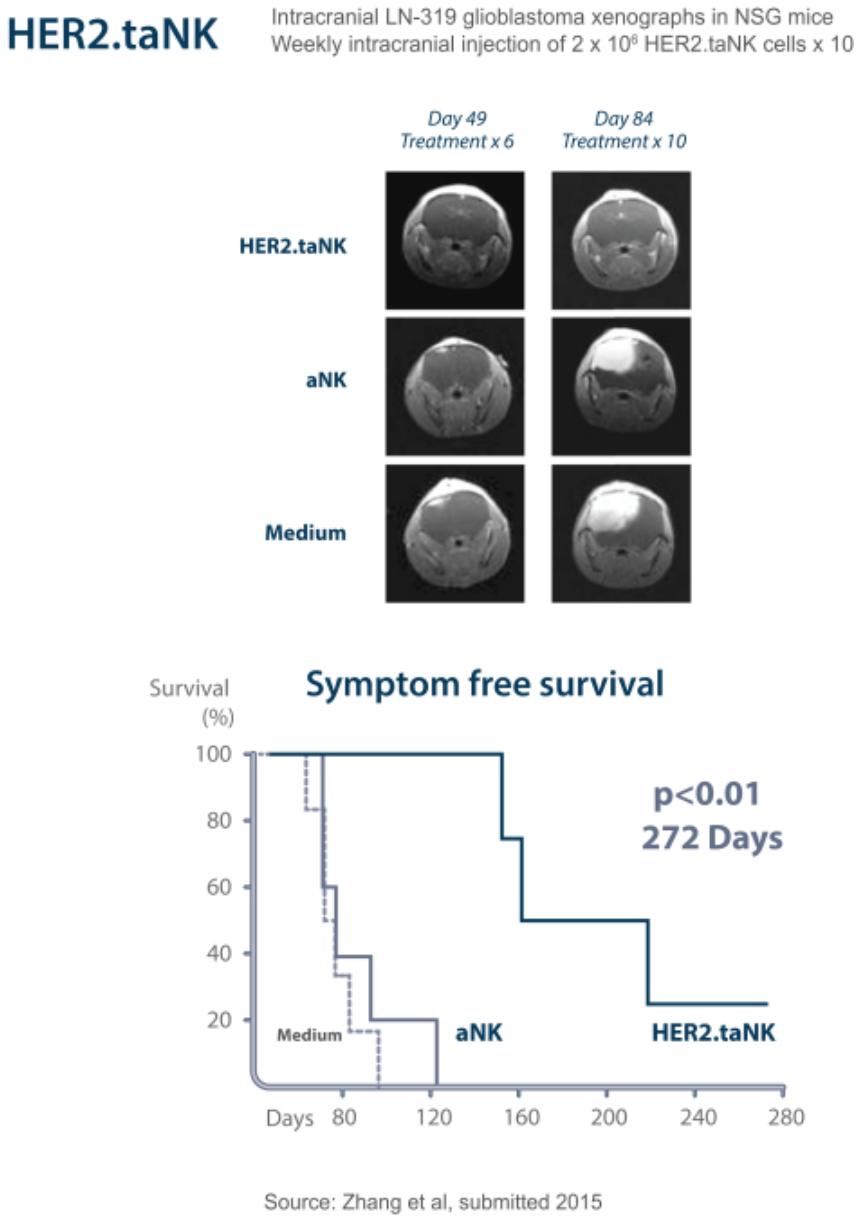
Solid Tumors

PDL1.taNK for Triple Negative Breast, NSCLC, Renal and Melanoma. PDL1 (Programmed death-ligand 1) is a transmembrane protein that has been associated with suppressing the immune system. PDL1 binds to its receptor, PD-1, found on activated T-cells, B cells, and myeloid cells, to modulate activation or inhibition. Many tumors upregulate PDL1 expression in order to evade the host immune system and the high expression of PDL1 on various cancers has been linked to poorer prognosis and risk of death. By combining a PDL1 antibody as a CAR in our NK cells, a PDL1.taNK, we have the unique ability to both activate T-cells and induce direct killing by NK cells simultaneously with the administration of a single living drug. We plan to submit an IND and initiate a Phase I/II clinical trial for PDL1.taNK for solid tumors in late 2016.

HER2.taNK for HER2-expressing Solid Tumors. We are developing HER2.taNK for the treatment of solid tumors expressing the HER2 antigen, including breast and bladder cancers. Amplification or overexpression of HER2 has been shown to play an important role in the development and progression of certain aggressive types of cancer including breast, bladder, head and neck, stomach, and uterine cancers. This antigen is expressed in up

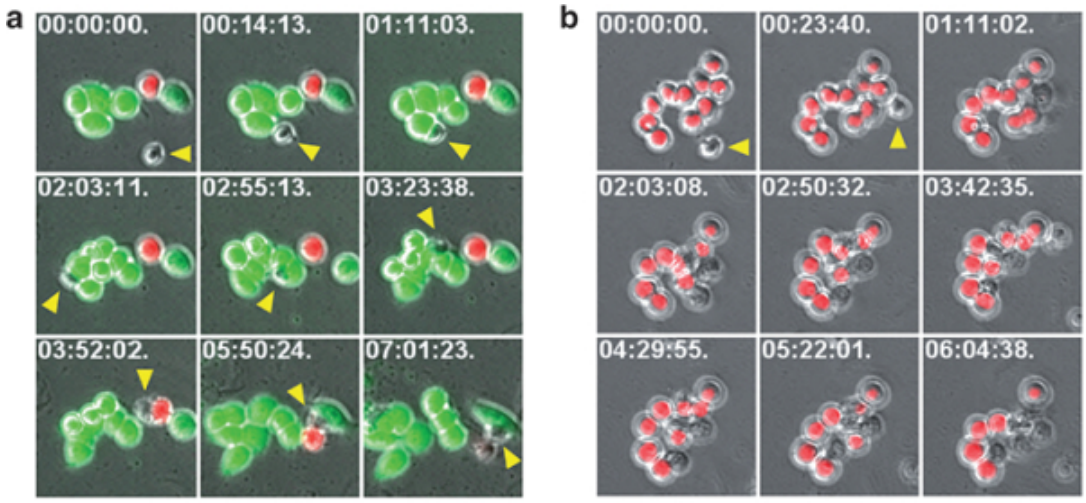
to 20% of breast and up to 30% of bladder cancer patients. The overall HER2 cancer market was over $7.0 billion in 2014 based on annual sales of Herceptin reported by PDL Biopharma, Inc. We have generated compelling proof-of-principle *in vivo* pre-clinical data below for HER2.taNK, and we plan to complete IND-enabling studies and submit an IND and initiate a Phase I/II clinical trial in 2016.

The data below demonstrate *in vivo* results for HER2.taNK in glioblastoma xenograft immune-compromised mice model. The images on the bottom left show reduction in tumor burden from day 49 to day 84. The symptom-free survival curve on the bottom right shows statistically significant greater effect in the HER2.taNK treated arm compared to treatment with unmodified aNK cells and placebo.



Source: Zhang et al, submitted 2015

The images below show targeted killing of HER2+ breast cancer cells (red cells) by our HER2.taNK (gray cell).



Kinetics of target cell killing by HER2.taNK cells.

(a) To investigate selectivity and kinetics of target cell killing, live cell imaging experiments were performed with cocultures of clonal HER2.taNK (yellow arrowhead) cells and mixtures of tdTOMATO-expressing HER2+ MDA-MB453 (red fluorescence) and EGFP-expressing HER2- MDA-MB468 (green fluorescence) breast carcinoma cells. MDA-MB468 cells were not affected in their growth despite multiple contacts with the HER2.taNK cell and continued to divide during the observation time.

(b) Serial images of a microscopic field with a single HER2.taNK cell (yellow arrowhead) and 10 MDA-MB453 cells (red fluorescence). Serial killing of five MDA-MB453 target cells by the single HER2.taNK cell was completed ~5 hours and 40 minutes after initial contact (last image of the series).

Source: Mol Ther. 2015 Feb;23(2):330-8.

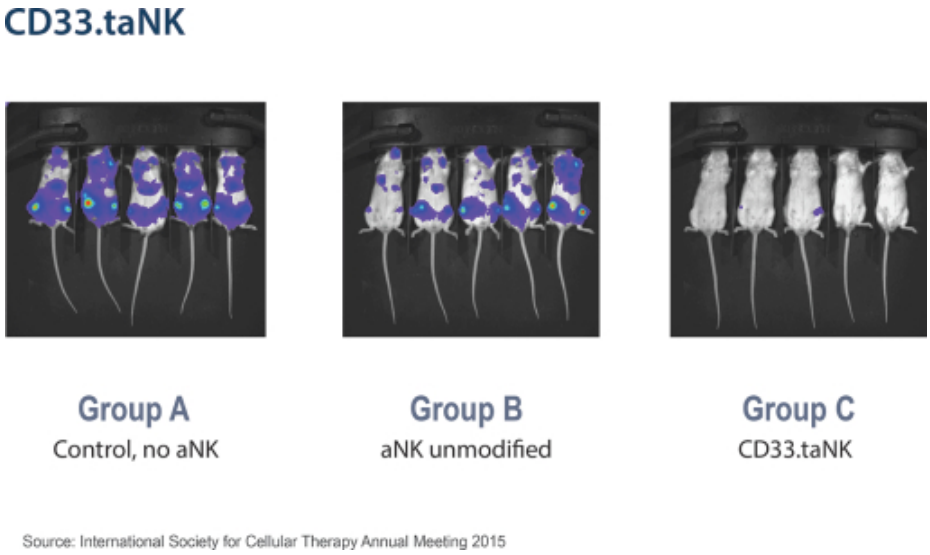
MUC16.taNK for Ovarian Cancer. MUC-16 is overexpressed in the majority of ovarian cancers, but is not found on the surface of normal ovary cells. CA-125 is a protein found in the blood of ovarian cancer patients that results from the cleavage of MUC-16. CA-125 levels in the blood are a common test for ovarian cancer progression because they correlate with cancer progression. We plan to submit an IND and initiate Phase I/II clinical trials for our product candidate *MUC16.taNK* for ovarian cancer in 2017.

ROR-1.taNK for Various Solid Tumors. ROR-1 is overexpressed on the cell surface of a wide variety of cancers, including a subset of non-small-cell lung cancer, triple negative breast cancer, pancreatic cancer, and prostate cancer. It is expressed on B-cell chronic lymphocytic leukemia and mantle cell lymphoma. In non-cancerous tissues, it is predominantly found at low levels on adipocytes, or fat cells, and briefly on precursors to B-cells, or pre-B-cells, during normal B-cell maturation. We plan to initiate Phase I/II clinical trials for our product candidate *ROR-1.taNK* for various solid tumors in 2017.

Bulky Hematological Cancers

CD33.taNK for AML. Our product candidate CD33.taNK is our aNK cell modified to express the CD33 CAR for the treatment of AML. CD33 is cell surface antigen that is typically expressed on myeloid cells, and is highly expressed in approximately 85% to 90% of patients with AML. It is estimated that in 2015 there will be 21,000 new cases of AML in the United States, occurring mostly in adults, and over 10,000 deaths. Prognosis is poor with five year survival rate of approximately 10% in patients over 60 years of age, and continues to represent an unmet medical need. We believe CD33.taNK has demonstrated promising proof-of-principle *in vivo* data, and we expect to complete IND-enabling studies and submit an IND and initiate Phase I/II clinical trials for AML in late 2016.

Promising CD33.taNK preclinical data were noted. Fifteen immuno-compromised mice were intravenously injected with human leukemia cells. Three days after the introduction of leukemia cells, each group of five mice was given no treatment, unmodified aNK cells or CD33.taNK cells. The treated mice were given four weekly infusions. The xenogen scans shown below were taken on day 25 after leukemia cell introduction to measure remaining cancer cell load, represented in blue. The group treated with unmodified aNK cells demonstrated reduced cancer cell load compared to the untreated group. The group treated with CD33.taNK cells demonstrated markedly greater cancer cell reduction compared to the untreated and the unmodified aNK treatment groups.



Neoepitopes and Cancer Stem Cells

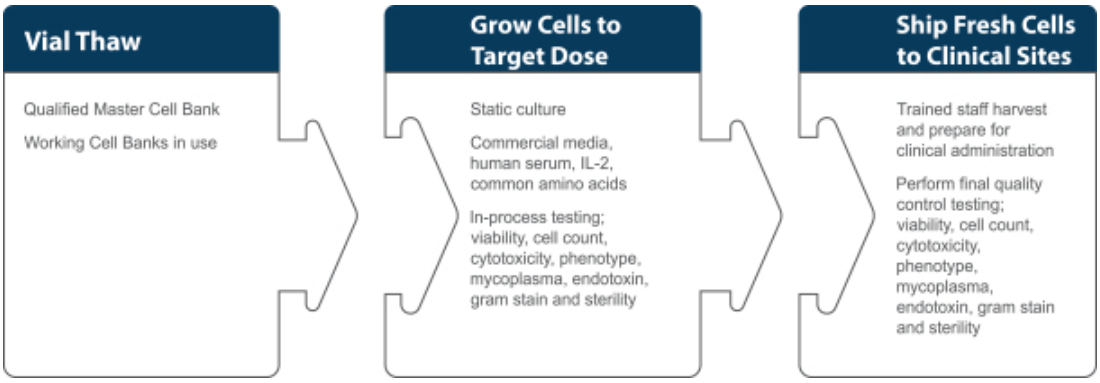
We are integrating the following ecosystem to help drive the development of genetically modified NK cells targeting neoepitopes and cancer stem cells: (1) a high-speed supercomputing infrastructure to help identify both known antigens on the surface of tumor cells and neoepitopes in clinical patients suffering from cancer, in a timely manner and at large scale; (2) a next-generation genomic and transcriptomic sequencing infrastructure to help identify the expression of the neoepitopes on the surface of the tumor cell; (3) a diverse library of human antibodies from which to interrogate and extract an antibody matching the neoepitope; and (4) an NK cell potentially capable of being produced as a scalable cell-based “off-the-shelf” therapy. We expect to regularly add newly discovered neoepitopes from our discovery engine, and we believe the thousands of newly discovered antigens selectively expressed on the cancer cells and not on the essential normal tissue may provide us with the ability to create new and targeted libraries of antibodies to be potentially delivered as living drugs for metastatic cancer cells and cancer stem cells.

Manufacturing

Our manufacturing strategy is being designed to meet the demand needs of clinical supply and commercial launch. We are establishing our own manufacturing facility and we currently use facilities operated by one or more third party clinical manufacturing organizations, or CMOs. We are building out a state-of-the-art, cell-based manufacturing facility with the capacity to support large-scale clinical trials and commercialization. We are developing novel manufacturing methods, both in equipment utilizing state-of–the-art optics and proprietary media to maximize the attributes of our NK platform. We believe that this automated, closed platform manufacturing process will give us the ability to conduct manufacturing in a non-classified, lower cost manufacturing environment.

Unlike the manufacturing process involved in autologous adaptive immunotherapy of CAR-T cells, which can have high unit manufacturing costs and complex processes, including harvesting T-cells from patients, genetically engineering the T-cells *ex vivo*, multiplying the T-cells to obtain the desired dose, and ultimately infusing the T-cells back into a patient's body, manufacturing our allogeneic "off-the-shelf" aNK cells involves a rapid, scalable and cost efficient process. The cells are stored and maintained in qualified master cell banks in cryopreserved form. The cells are thawed into small scale cell culture and repeatedly doubled in number until the desired dose is achieved. The process is accomplished using all disposables. The cells are grown in a commercially available media, supplemented with IL-2, human AB serum and other amino acids. In-process testing for cleanliness and identity are performed.

Clinical product final formulation occurs at each clinical site where the local site laboratory prepares the final formulation for administration to the patient. The laboratory tests for cleanliness, identity and potency. A single manufacturing run can sufficiently produce multiple patient cycles.



Clinical manufacturing currently occurs at Baylor University and Center for Cell and Gene Therapy, or CAGT. We are in the process of building our own aNK cell production facility in 2015 with the goal of meeting our anticipated product candidate needs for the foreseeable future. Additionally, we are in the process of potentially further increasing capacity by engaging a commercial, international contract manufacturing organization to provide more product candidate production capacity as well as potentially provide us with process development capabilities for scale up into large scale production and cryopreservation final form. We plan to develop this commercial relationship with a CMO for their manufacturing expertise and global reach.

Competition

The biopharmaceutical industry is characterized by intense and dynamic competition to develop new technologies and proprietary therapies. Any product candidates that we successfully develop and commercialize will have to compete with existing therapies and new therapies that may become available in the future. We believe that our proprietary aNK platform, differentiated aNK, haNK and taNK product candidates, strategic collaborations and cell-based immunotherapy expertise may provide us with competitive advantages. However,

we face potential competition from various sources, including larger and better-funded pharmaceutical, specialty pharmaceutical and biotechnology companies, as well as from academic institutions, governmental agencies and public and private research institutions. The key competitive factors affecting the success of any approved product will include the efficacy, safety profile, pricing, method of administration and level of promotional activity.

Our aNK, haNK and taNK product candidates will compete with other cell-based immunotherapy approaches using T- and dendritic cells. We are aware of companies developing product candidates focused on NK cells. These companies include Bristol-Myers Squibb and Innate Pharma. Companies that are currently focused on T-cell based treatments include Adaptimmune Limited, Amgen Inc., Bellicum Pharmaceuticals, Inc., bluebird bio, Inc., Celgene Corporation, Cellectis SA, GlaxoSmithKline plc, Intrexon Corporation, Juno Therapeutics, Inc., Kite Pharma, Inc., Novartis AG, Pfizer Inc. and Ziopharm Oncology, Inc. There is currently one approved dendritic cell-based cancer vaccine, PROVENGE, which is marketed by Valeant Pharmaceuticals for the treatment of metastatic castrate-resistant prostate cancer. Other companies focused on developing dendritic cell-based product candidates include Argos Therapeutics, Inc., Biovest International, Inc., ImmunoCellular Therapeutics, Ltd., Immune Design, Inc., Inovio Pharmaceuticals, Inc., Intrexon Corporation and Northwest Biotherapeutics, Inc.

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 they may render our treatments obsolete or non-competitive before we can recover the expenses of developing and commercializing any of our treatments.

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 anticipate that we will face intense and increasing competition as new therapies enter the market and advanced technologies become available. We expect any treatments that we develop and commercialize to compete on the basis of, among other things, efficacy, safety, convenience of administration and delivery, price, the level of generic competition and the availability of reimbursement from government and other third-party payers.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have a better safety profile, 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. In addition, we expect that our therapeutic products, if approved, will be priced at a significant premium over competitive generic products and our ability to compete may be affected in many cases by insurers or other third-party payers seeking to encourage the use of generic products.

Intellectual Property

We strive to protect and enhance the proprietary technology, inventions, and improvements that are commercially important to our business, including seeking, maintaining, and defending patent rights, whether developed internally or licensed from third parties. Our policy is to seek to protect our proprietary position by,

among other methods, filing patent applications in the United States and in jurisdictions outside of the United States related to our proprietary technology, inventions, improvements, and product candidates that are important to the development and implementation of our business. We also rely on trade secrets and know-how relating to our proprietary technology and product candidates, continuing innovation, and in-licensing opportunities to develop, strengthen, and maintain our proprietary position in the field of NK cell-based immunotherapy. We expect to rely on data exclusivity, market exclusivity, patent term adjustment and patent term extensions when available, as well as on regulatory protection afforded through orphan drug designations. Our commercial success may depend in part on our ability to obtain and maintain patent and other proprietary protection for our technology, inventions, and improvements; to preserve the confidentiality of our trade secrets; to maintain our licenses to use intellectual property owned by third parties; to defend and enforce our proprietary rights, including our patents; and to operate without infringing on the valid and enforceable patents and other proprietary rights of third parties.

We have developed and in-licensed numerous patents and patent applications and we possess substantial know-how and trade secrets relating to the development and commercialization of NK cell-based immunotherapy product candidates, including related manufacturing processes and technology. As of the date of this prospectus, our owned and licensed patent portfolio consists of two licensed U.S. issued patents, two licensed U.S. pending patent applications, one owned U.S. issued patent, and approximately 28 owned U.S. pending patent applications covering certain of our proprietary technology, inventions, and improvements and our most advanced product candidates, as well as approximately 16 licensed patents and eight owned patents issued in jurisdictions outside of the United States, five licensed patent applications and three owned patent applications pending in jurisdictions outside of the United States that, in many cases, are counterparts to the foregoing U.S. patents and patent applications, as well as an additional three pending Patent Cooperation Treaty, or PCT, patent applications. For example, these patents and patent applications include claims directed to:

- Natural Killer Cell Lines and Methods of Use;
- Genetically Modified Human Natural Killer Cell Lines;
- Treatment of Viral and Bacterial Diseases using Natural Killer Cell Lines;
- Treatment of Specific Diseases using Natural Killer Cell Lines;
- Treatment of Cancer using Natural Killer Cell Lines;
- Protocol and Media for Storage and Transport of NK-92 Cell Line; and
- Combination Therapy using Natural Killer Cell Lines.

As for the NK cell-based immunotherapy products and processes we develop and commercialize, in the normal course of business, we intend to pursue, when possible, composition, method of use, dosing and formulation patent protection. We may also pursue patent protection with respect to manufacturing and drug development processes and technology. The patents and patent applications outside of the United States in our portfolio are held primarily in Europe, Canada and Australia.

Individual patents extend for varying periods of time, depending upon the date of filing of the patent application, the date of patent issuance, and the legal term of patents in the countries in which they are obtained. Generally, patents issued for applications filed in the United States are effective for 20 years from the earliest effective filing date. The patent term may be adjusted to compensate for delayed patent issuance, when such delays are caused by the patent office or successful appeals against patent office actions. There is no limit on this patent term adjustment. In addition, in certain instances, a patent term can be extended to recapture a portion of the term effectively lost as a result of the FDA regulatory review period. The restoration period cannot be longer than five years and the total patent term, including the restoration period, must not exceed 14 years following FDA approval. The duration of patents outside of the United States varies in accordance with provisions of applicable local law, but typically is also 20 years from the earliest effective filing date. Our issued patents will expire on dates ranging from 2018 to 2026. If patents are issued on our pending patent applications, the resulting patents are projected to expire on dates ranging from 2018 to 2036. However, the actual protection afforded by a

patent varies on a product-by-product basis, from country-to-country, and depends upon many factors, including the type of patent, the scope of its coverage, the availability of regulatory-related extensions, the availability of legal remedies in a particular country, and the validity and enforceability of the patent.

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

Our registered trademark portfolio currently contains four registered trademarks, 16 pending trademark applications in the United States, and two pending trademark applications in foreign jurisdictions. We may also rely, in some circumstances, on trade secrets to protect our technology. 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, contractors, consultants, collaborators, and advisors. We also seek to preserve the integrity and confidentiality of our proprietary technology and processes by maintaining physical security of our premises and physical and electronic security of our information technology systems. Although we have confidence in these individuals, organizations, and systems, agreements or security measures may be breached and we may not have adequate remedies for any breach. In addition, our trade secrets may otherwise become known or may be independently discovered by competitors. To the extent that our employees, contractors, consultants, collaborators, and advisors use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions. For this and more comprehensive risks related to our proprietary technology, inventions, improvements and products, please see the section on “Risk Factors—Risks Related to Intellectual Property.”

Licenses. We hold the worldwide rights, title and interest to the NK-92 cell line and we believe that we control commercial use of our NK-92 cells in key territories. We also maintain and exclusively control the only clinical grade master cell bank for NK-92. The original NK-92 cell line was isolated by Hans G. Klingemann, M.D., Ph.D., our founder and Vice President of Research and Development, and all patents and patent applications pertaining to this cell line are now in the name of Conkwest, Inc. or ZelleRx Corporation, our former name. In February 2003, we obtained an exclusive, worldwide license from Dr. Klingemann to the NK-92 cell line, and related NK-92 patents and know-how, including the NK-92 cell line, that had been assigned to him by

the British Columbia Cancer Agency, to manufacture, use and sell products covered by the scope of any valid claim in any of the licensed patents. Dr. Klingemann subsequently assigned the cell line and those patents to us, but we are still obligated to pay a single-digit royalty on sales of licensed products to Dr. Klingemann, as well as to pay the British Columbia Cancer Agency a small percentage of our profits from the sale of the NK-92 cell line that Dr. Klingemann obtained from them.

In July 2004, we entered into an exclusive license agreement with Fox Chase Cancer Center or Fox Chase, pursuant to which we were granted an exclusive, worldwide, sublicensable license under certain patents and know-how pertaining to CD16 receptors-bearing NK-92 cell lines. We agreed to pay Fox Chase low single-digit royalties on sales of licensed products. We are also obligated to pay Fox Chase a percentage of the royalties and other compensation we receive from sublicensees of our rights from Fox Chase. Fox Chase is obligated to assign the licensed patents to us if we commence a Phase III clinical trial of a licensed product and, if this does not occur, our license expires when the last of the licensed patents expires.

In March 2004, we entered into a license agreement with Rush University Medical Center pursuant to which Rush granted us an exclusive, worldwide, sublicensable license to certain intellectual property related to clinical use of NK-92 to develop and commercialize products and processes for the treatment of melanoma renal cancer, or for the diagnosis or treatment of non-melanoma and non-renal cancer. In consideration for the license, we are obligated to pay to Rush single-digit royalties on sales of licensed products with a minimum royalty payment of $25,000 per year, as well as non-material milestone payments upon completion of certain clinical, regulatory and commercialization milestones. We also agreed to pay to Rush a portion of certain payments that we receive under sublicensing arrangements. The license has a term of 12 years from the year in which royalty payments are first made, and includes customary termination rights for us and Rush.

In May 2005, we entered into a license agreement with University Health Network pursuant to which we obtained from University Health Network an exclusive, worldwide, sublicensable license to certain intellectual property relating to NK-92 clinical trials data from University Health Network to develop and commercialize products and processes for the diagnosis and treatment of certain hematological malignancies. Our license from University Health Network will automatically expire if we have not filed for regulatory approval or launched a licensed product within specified periods of time, and also includes other customary termination rights for both us and University Health Network.

In December 2014, we entered into a joint development and license agreement with Sorrento Therapeutics to exclusively collaborate on the development and commercialization of therapeutic applications of certain effector cell lines as may be agreed between the parties, which exclusively extends to certain rights of each party included in each agreed collaboration. Pursuant to this agreement, the parties have agreed to use certain of our NK-92 cells exclusively with Sorrento's CARs and certain other CARs not excluded under the agreement to develop and commercialize joint products as may be agreed between the parties. To fund our joint research and development efforts, Sorrento has agreed to make research credit payments that are not material in each of December 2015 and 2016, which amounts would be reduced by certain expenses for which we are responsible under the agreement. The research credit payments will be paid in the form of full-time employee expense credits by Sorrento, for our portion of any development costs, and a laboratory credit for maintaining a laboratory on Sorrento's premises. Each joint product developed by the parties will be driven by one party, as mutually agreed upon by a designated steering committee comprised of three representatives from each party. That designated party, in each circumstance, will initiate and control development, testing, regulatory approval, commercialization, and, subject to certain conditions, out-licensing of the applicable joint product, and will bear all costs associated with the development of the joint cell line or joint product, including any costs associated with obtaining any necessary rights to third party intellectual property, unless the other party shares in such costs. Revenues generated from each joint cell line or joint product will be apportioned between Sorrento and us, depending upon the stage of development and each party's contribution towards the development costs. Each of the parties will own an undivided interest in and to all rights, title and interest in and to the joint product rights. The agreement expires upon the later of the completion of the series of our collaborative research and development efforts or

three years. We and Sorrento each have the right to terminate the agreement and the licenses granted thereunder if the other party is dissolved or is declared bankrupt or insolvent or remains in default of any material obligations following a sixty day cure period to remedy the default.

In February 2010, we entered into a 17-year agreement with Intrexon Corporation pursuant to which we granted to Intrexon a worldwide, sublicensable license which may be exclusive with respect to certain indications designated by Intrexon, under certain patents relating to NK-92 cells to develop and commercialize modified NK-92 cells that express Intrexon's proprietary gene sequences for use as therapeutic and prophylactic agents in humans in specified therapeutic areas. Intrexon paid us a one-time license fee and is also obligated to pay non-material milestone payments with respect to specific indications, a royalty on net sales of the licensed products and a portion of the revenue Intrexon receives from third party sublicensees of its rights from us. Intrexon has the right to terminate the agreement upon 180 days' notice and both Intrexon and we have the right to terminate the agreement for the other's uncured breach of the agreement.

We have licensed or sub-licensed our cell lines and intellectual property to numerous other pharmaceutical and biotechnology companies for non-clinical uses such as laboratory testing. Such licenses generally require the licensee to pay an upfront fee and annual research and commercial fees for products sold using our intellectual property and cell lines.

Government Regulation

The FDA and other regulatory authorities at federal, state, and local levels, as well as in foreign countries, extensively regulate, among other things, the research, development, testing, manufacture, quality control, import, export, safety, effectiveness, labeling, packaging, storage, distribution, record keeping, approval, advertising, promotion, marketing, post-approval monitoring, and post-approval reporting of biologics such as those we are developing. We, along with third-party contractors, will be required to navigate the various preclinical, clinical and commercial approval requirements of the governing regulatory agencies of the countries in which we wish to conduct studies or seek approval or licensure of our product candidates. The process of obtaining regulatory approvals and the subsequent compliance with appropriate federal, state, local, and foreign statutes and regulations require the expenditure of substantial time and financial resources.

The process required by the FDA before biologic product candidates may be marketed in the United States generally involves the following:

- completion of preclinical laboratory tests and animal studies performed in accordance with the FDA's current Good Laboratory Practices, or GLP, regulation;
- submission to the FDA of an IND, which must become effective before clinical trials may begin and must be updated annually or when significant changes are made;
- approval by an independent Institutional Review Board, or IRB, or ethics committee for each clinical site before the clinical trial is begun;
- performance of adequate and well-controlled human clinical trials to establish the safety, purity and potency of the proposed biologic product candidate for its intended purpose;
- preparation of and submission to the FDA of a Biologics License Application, or BLA, after completion of all required clinical trials;
- a determination by the FDA within 60 days of its receipt of a BLA to file the application for review;
- satisfactory completion of an FDA Advisory Committee review, if applicable;
- satisfactory completion of an FDA pre-approval inspection of the manufacturing facility or facilities at which the proposed product is produced to assess compliance with current Good Manufacturing Practices, or cGMP, and to assure that the facilities, methods and controls are adequate to preserve the biological

product's continued safety, purity and potency, and of selected clinical investigational sites to assess compliance with current Good Clinical Practices, or cGCPs; and

- FDA review and approval of the BLA to permit commercial marketing of the product for particular indications for use in the United States, which must be updated annually and when significant changes are made.

The testing and approval process requires substantial time, effort and financial resources, and we cannot be certain that any approvals for our product candidates will be granted on a timely basis, if at all. Prior to beginning the first clinical trial with a product candidate, we must submit an IND to the FDA. An IND is a request for authorization from the FDA to administer an investigational new drug product to humans. The central focus of an IND submission is on the general investigational plan and the protocol(s) for clinical studies. The IND also includes results of animal and in vitro studies assessing the toxicology, pharmacokinetics, pharmacology, and pharmacodynamic characteristics of the product; chemistry, manufacturing, and controls information; and any available human data or literature to support the use of the investigational product. An IND must become effective before human clinical trials may begin. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA, within the 30-day time period, raises safety concerns or questions about the proposed clinical trial. In such a case, the IND may be placed on clinical hold and the IND sponsor and the FDA must resolve any outstanding concerns or questions before the clinical trial can begin. Submission of an IND therefore may or may not result in FDA authorization to begin a clinical trial.

When a clinical trial using genetically engineered cells is conducted at, or sponsored by, institutions receiving NIH funding for recombinant DNA research, prior to the submission of an IND to the FDA, a protocol and related documentation is submitted to and the study is registered with the NIH Office of Biotechnology Activities, or OBA, pursuant to the NIH Guidelines for Research Involving Recombinant DNA Molecules, or NIH Guidelines. Compliance with the NIH Guidelines is mandatory for investigators at institutions receiving NIH funds for research involving recombinant DNA, and many companies and other institutions not otherwise subject to the NIH Guidelines voluntarily follow them. The NIH is responsible for convening the Recombinant DNA Advisory Committee, or RAC, a federal advisory committee, that discusses protocols that raise novel or particularly important scientific, safety, or ethical considerations at one of its quarterly public meetings. The OBA will notify the FDA of the RAC's decision regarding the necessity for full public review of a protocol. RAC proceedings and reports are posted to the OBA web site and may be accessed by the public. If the FDA allows the IND to proceed, but the RAC decides that full public review of the protocol is warranted, the FDA will request at the completion of its IND review that sponsors delay initiation of the protocol until after completion of the RAC review process.

Clinical trials involve the administration of the investigational product to human subjects under the supervision of qualified investigators in accordance with cGCPs, which include the requirement that all research subjects provide their informed consent for their participation in any clinical study. Clinical trials are conducted under protocols detailing, among other things, the objectives of the study, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated. A separate submission to the existing IND must be made for each successive clinical trial conducted during product development and for any subsequent protocol amendments. Furthermore, an independent Institutional Review Board, or IRB, for each site proposing to conduct the clinical trial must review and approve the plan for any clinical trial and its informed consent form before the clinical trial begins at that site, and must monitor the study until completed. Regulatory authorities, the IRB or the sponsor may suspend a clinical trial at any time on various grounds, including a finding that the subjects are being exposed to an unacceptable health risk or that the trial is unlikely to meet its stated objectives. Some studies also include oversight by an independent group of qualified experts organized by the clinical study sponsor, known as a data safety monitoring board, which provides authorization for whether or not a study may move forward at designated check points based on access to certain data from the study and may halt the clinical trial if it determines that there is an unacceptable safety risk for subjects or other grounds, such as no demonstration of efficacy. There are also requirements governing the reporting of ongoing clinical studies and clinical study results to public registries.

For purposes of BLA approval, human clinical trials are typically conducted in three sequential phases that may overlap.

- *Phase I.* The biological product is initially introduced into healthy human subjects and tested for safety. In the case of some products for severe or life-threatening diseases, the initial human testing is often conducted in patients.
- *Phase II.* The biological product is evaluated in a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases and to determine dosage tolerance, optimal dosage and dosing schedule.
- *Phase III*. Clinical trials are undertaken to further evaluate dosage, clinical efficacy, potency, and safety in an expanded patient population at geographically dispersed clinical trial sites. These clinical trials are intended to establish the overall risk to benefit ratio of the product and provide an adequate basis for product labeling.
- *Phase IV*. In some cases, the FDA may require, or companies may voluntarily pursue, additional clinical trials after a product is approved to gain more information about the product. These so-called Phase IV studies may be made a condition to approval of the BLA.

Phase I, Phase II and Phase III testing 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. Concurrent with clinical trials, companies may complete additional animal studies and develop additional information about the biological characteristics of the product candidate, and must finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. To help reduce the risk of the introduction of adventitious agents with use of biological products, the Public Health Service Act, or PHSA, emphasizes the importance of manufacturing control for products whose attributes cannot be precisely defined. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other things, must develop methods for testing the identity, strength, quality and purity of the final product, or for biologics, the safety, purity and potency. Additionally, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that the product candidate does not undergo unacceptable deterioration over its shelf life.

BLA Submission and Review by the FDA

Assuming successful completion of all required testing in accordance with all applicable regulatory requirements, the results of product development, nonclinical studies and clinical trials are submitted to the FDA as part of a BLA requesting approval to market the product for one or more indications. The BLA must include all relevant data available from pertinent preclinical and clinical studies, including negative or ambiguous results as well as positive findings, together with detailed information relating to the product's chemistry, manufacturing, controls, and proposed labeling, among other things. Data can come from company-sponsored clinical studies intended to test the safety and effectiveness of a use of the product, or from a number of alternative sources, including studies initiated by investigators. The submission of a BLA requires payment of a substantial User Fee to FDA, and the sponsor of an approved BLA is also subject to annual product and establishment user fees. These fees are typically increased annually. A waiver of user fees may be obtained under certain limited circumstances.

Within 60 days following submission of the application, the FDA reviews a BLA to determine if it is substantially complete before the agency accepts it for filing. The FDA may refuse to file any BLA that it deems incomplete or not properly reviewable at the time of submission and may request additional information. In this event, the BLA must be resubmitted with the additional information. Once a BLA has been filed, the FDA's goal is to review the application within ten months after it accepts the application for filing, or, if the application relates to an unmet medical need in a serious or life-threatening indication, six months after the FDA accepts the application for filing. The review process is often significantly extended by FDA requests for additional information or clarification. 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 may convene an advisory committee to provide clinical insight on application review questions. Before approving a BLA, the FDA will typically inspect the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. For human cells, tissues, and cellular and tissue based products, or HCT/Ps, the FDA also will not approve the product if the manufacturer is not in compliance with the Good Tissue Practices, or GTPs, to the extent applicable. These are FDA regulations and guidance documents that govern the methods used in, and the facilities and controls used for, the manufacture of HCT/Ps intended for implantation, transplant, infusion, or transfer into a human recipient. The primary intent of the GTP requirements is to ensure that cell and tissue based products are manufactured in a manner designed to prevent the introduction, transmission and spread of communicable disease. FDA regulations also require tissue establishments to register and list their HCT/Ps with the FDA and, when applicable, to evaluate donors through screening and testing. Additionally, before approving a BLA, the FDA will typically inspect one or more clinical sites to assure compliance with cGCP. If the FDA determines that the application, manufacturing process or manufacturing facilities are not acceptable, it will outline the deficiencies in the submission and often will request additional testing or information. Notwithstanding the submission of any requested additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval.

The testing and approval process requires substantial time, effort and financial resources, and each may take several years to complete. The FDA may not grant approval on a timely basis, or at all, and we may encounter difficulties or unanticipated costs in our efforts to secure necessary governmental approvals, which could delay or preclude us from marketing our products. After the FDA evaluates a BLA and conducts inspections of manufacturing facilities where the investigational product and/or its drug substance will be produced, the FDA may issue an approval letter or a Complete Response Letter. An approval letter authorizes commercial marketing of the product with specific prescribing information for specific indications. A Complete Response Letter indicates that the review cycle of the application is complete and the application is not ready for approval. A Complete Response Letter may request additional information or clarification. The FDA may delay or refuse approval of a BLA if applicable regulatory criteria are not satisfied, require additional testing or information and/or require post-marketing testing and surveillance to monitor safety or efficacy of a product.

If regulatory approval of a product is granted, such approval may entail limitations on the indicated uses for which such product may be marketed. For example, the FDA may approve the BLA with a Risk Evaluation and Mitigation Strategy, or REMS, plan to mitigate risks, which could include medication guides, physician communication plans, or elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. The FDA also may condition approval on, among other things, changes to proposed labeling or the development of adequate controls and specifications. Once approved, the FDA may withdraw the product approval if compliance with pre- and post-marketing regulatory standards is not maintained or if problems occur after the product reaches the marketplace. The FDA may require one or more Phase IV post-market studies and surveillance to further assess and monitor the product's safety and effectiveness after commercialization, and may limit further marketing of the product based on the results of these post-marketing studies. In addition, new government requirements, including those resulting from new legislation, may be established, or the FDA's policies may change, which could delay or prevent regulatory approval of our products under development.

A sponsor may seek approval of its product candidate under programs designed to accelerate FDA's review and approval of new drugs and biological products that meet certain criteria. Specifically, new drugs and biological products are eligible for fast track designation if they are intended to treat a serious or life-threatening condition and demonstrate the potential to address unmet medical needs for the condition. For a fast track product, the FDA may consider sections of the BLA for review on a rolling basis before the complete application is submitted if relevant criteria are met. A fast track designated product candidate may also qualify for priority

review, under which the FDA sets the target date for FDA action on the BLA at six months after the FDA accepts the application for filing. Priority review is granted when there is evidence that the proposed product would be a significant improvement in the safety or effectiveness of the treatment, diagnosis, or prevention of a serious condition. If criteria are not met for priority review, the application is subject to the standard FDA review period of 10 months after FDA accepts the application for filing. Priority review designation does not change the scientific/medical standard for approval or the quality of evidence necessary to support approval.

Under the accelerated approval program, the FDA may approve a BLA on the basis of either a surrogate endpoint that is reasonably likely to predict clinical benefit, or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments. Post-marketing studies or completion of ongoing studies after marketing approval are generally required to verify the biologic's clinical benefit in relationship to the surrogate endpoint or ultimate outcome in relationship to the clinical benefit. In addition, the Food and Drug Administration Safety and Innovation Act, or FDASIA, which was enacted and signed into law in 2012, established breakthrough therapy designation. A sponsor may seek FDA designation of its product candidate as a breakthrough therapy if the product candidate is intended, alone or in combination with one or more other drugs or biologics, to treat a serious or life-threatening disease or condition and preliminary clinical evidence indicates that the therapy may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. Sponsors may request the FDA to designate a breakthrough therapy at the time of or any time after the submission of an IND, but ideally before an end-of-phase II meeting with FDA. If the FDA designates a breakthrough therapy, it may take actions appropriate to expedite the development and review of the application, which may include holding meetings with the sponsor and the review team throughout the development of the therapy; providing timely advice to, and interactive communication with, the sponsor regarding the development of the drug to ensure that the development program to gather the nonclinical and clinical data necessary for approval is as efficient as practicable; involving senior managers and experienced review staff, as appropriate, in a collaborative, cross-disciplinary review; assigning a cross-disciplinary project lead for the FDA review team to facilitate an efficient review of the development program and to serve as a scientific liaison between the review team and the sponsor; and considering alternative clinical trial designs when scientifically appropriate, which may result in smaller or more efficient clinical trials that require less time to complete and may minimize the number of patients exposed to a potentially less efficacious treatment. Breakthrough designation also allows the sponsor to file sections of the BLA for review on a rolling basis. We may seek designation as a breakthrough therapy for some or all of our product candidates.

Fast Track designation, priority review and breakthrough therapy designation do not change the standards for approval but may expedite the development or approval process.

Orphan Drugs

Under the Orphan Drug Act, the FDA may grant orphan designation to a drug or biologic intended to treat a rare disease or condition, defined as a disease or condition with a patient population of fewer than 200,000 individuals in the United States, or a patient population greater than 200,000 individuals in the United States and when there is no reasonable expectation that the cost of developing and making available the drug or biologic in the United States will be recovered from sales in the United States for that drug or biologic. Orphan drug designation must be requested before submitting a BLA. After the FDA grants orphan drug designation, the generic identity of the therapeutic agent and its potential orphan use are disclosed publicly by the FDA.

If a product that has orphan drug designation subsequently receives the first FDA approval for a particular active ingredient for the disease for which it has such designation, the product is entitled to orphan product exclusivity, which means that the FDA may not approve any other applications, including a full BLA, to market the same biologic for the same indication for seven years, except in limited circumstances, such as a showing of

clinical superiority to the product with orphan drug exclusivity or if FDA finds that the holder of the orphan drug exclusivity has not shown that it can assure the availability of sufficient quantities of the orphan drug to meet the needs of patients with the disease or condition for which the drug was designated. Orphan drug exclusivity does not prevent the FDA from approving a different drug or biologic for the same disease or condition, or the same drug or biologic for a different disease or condition. Among the other benefits of orphan drug designation are tax credits for certain research and a waiver of the BLA application user fee.

A designated orphan drug many not receive orphan drug exclusivity if it is approved for a use that is broader than the indication for which it received orphan designation. In addition, orphan drug exclusive marketing rights in the United States may be lost if the FDA later determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantities of the product to meet the needs of patients with the rare disease or condition.

Post-Approval Requirements

Any products manufactured or distributed by us pursuant to FDA approvals are subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to record-keeping, reporting of adverse experiences, periodic reporting, distribution, and advertising and promotion of the product. After approval, most changes to the approved product, such as adding new indications or other labeling claims, are subject to prior FDA review and approval. There also are continuing, annual user fee requirements for any marketed products and the establishments at which such products are manufactured, as well as new application fees for supplemental applications with clinical data. Biologic manufacturers and their subcontractors are required to register their establishments with the FDA and certain state agencies, and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with GMP, which impose certain procedural and documentation requirements upon us and our third-party manufacturers. Changes to the manufacturing process are strictly regulated, and, depending on the significance of the change, may require prior FDA approval before being implemented. FDA regulations also require investigation and correction of any deviations from cGMP and impose reporting requirements upon us and any third-party manufacturers that we may decide to use. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain compliance with cGMP and other aspects of regulatory compliance. We cannot be certain that we or our present or future suppliers will be able to comply with the cGMP regulations and other FDA regulatory requirements. If our present or future suppliers are not able to comply with these requirements, the FDA may, among other things, halt our clinical trials, require us to recall a product from distribution, or withdraw approval of the BLA.

Future FDA and state inspections may identify compliance issues at our facilities or at the facilities of our contract manufacturers that may disrupt production or distribution, or require substantial resources to correct. In addition, discovery of previously unknown problems with a product or the failure to comply with applicable requirements may result in restrictions on a product, manufacturer or holder of an approved BLA, including withdrawal or recall of the product from the market or other voluntary, FDA-initiated or judicial action that could delay or prohibit further marketing.

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 studies;
- 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.

The FDA closely regulates the marketing, labeling, advertising and promotion of biologics. A company can make only those claims relating to safety and efficacy, purity and potency that are approved by the FDA and in accordance with the provisions of the approved label. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses. Failure to comply with these requirements can result in, among other things, adverse publicity, warning letters, corrective advertising and potential civil and criminal penalties. Physicians may prescribe legally available products for uses that are not described in the product's labeling and that differ from those tested by us and approved by the FDA. Such off-label uses are common across medical specialties. Physicians may believe that such off-label uses are the best treatment for many patients in varied circumstances. The FDA does not regulate the behavior of physicians in their choice of treatments. The FDA does, however, restrict manufacturer's communications on the subject of off-label use of their products.

Other Healthcare Laws and Compliance Requirements

Our sales, promotion, medical education, clinical research and other activities following product approval will be subject to regulation by numerous regulatory and law enforcement authorities in the United States in addition to FDA, including potentially the Federal Trade Commission, the Department of Justice, the Centers for Medicare and Medicaid Services, or CMS, other divisions of the U.S. Department of Health and Human Services and state and local governments. Our promotional and scientific/educational programs must comply with the federal Anti-Kickback Statute, the civil False Claims Act, physician payment transparency laws, privacy laws, security laws, and additional federal and state laws similar to the foregoing.

The federal Anti-Kickback Statute prohibits, among other things, the knowing and willing, direct or indirect offer, receipt, solicitation or payment of remuneration in exchange for or to induce the referral of patients, including the purchase, order or lease of any good, facility, item or service that would be paid for in whole or part by Medicare, Medicaid or other federal health care programs. Remuneration has been broadly defined to include anything of value, including cash, improper discounts, and free or reduced price items and services. The federal Anti-Kickback Statute has been interpreted to apply to arrangements between pharmaceutical manufacturers on one hand and prescribers, purchasers, formulary managers, and beneficiaries on the other. Although there are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution, the exceptions and safe harbors are drawn narrowly. Practices that involve remuneration that may be alleged to be intended to induce prescribing, purchases or recommendations may be subject to scrutiny if they do not qualify for an exception or safe harbor. Failure to meet all of the requirements of a particular applicable statutory exception or regulatory safe harbor does not make the conduct per se illegal under the federal Anti-Kickback Statute. Instead, the legality of the arrangement will be evaluated on a case-by-case basis based on a cumulative review of all its facts and circumstances. Several courts have interpreted the statute's intent requirement to mean that if any one purpose of an arrangement involving remuneration is to induce referrals of federal healthcare covered business, the federal Anti-Kickback Statute has been violated. The government has enforced the federal Anti-Kickback Statute to reach large settlements with healthcare companies based on sham research or consulting and other financial arrangements with physicians. Further, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act. Many states have similar laws that apply to their state health care programs as well as private payors.

Federal false claims and false statement laws, including the federal civil False Claims Act, or FCA, imposes liability on persons or entitites that, among other things, knowingly present or cause to be presented claims that

are false or fraudulent or not provided as claimed for payment or approval by a federal health care program. The FCA has been used to prosecute persons or entities that "cause" the submission of claims for payment that are inaccurate or fraudulent, by, for example, providing inaccurate billing or coding information to customers, promoting a product off-label, submitting claims for services not provided as claimed, or submitting claims for services that were provided but not medically necessary. Actions under the FCA 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 FCA can result in significant monetary penalties and treble damages. The federal government is using the FCA, 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 illegal sales and marketing practices. The government has obtained multi-million and multibillion dollar settlements under the FCA in addition to individual criminal convictions under applicable criminal statutes. In addition, certain companies that were found to be in violation of the FCA have been forced to implement extensive corrective action plans, and have often become subject to consent decrees or corporate integrity agreements, restricting the manner in which they conduct their business.

The federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, created additional federal criminal statutes that prohibit, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, including private third-party payors; knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services; and willfully obstructing a criminal investigation of a healthcare offense. Like the federal Anti-Kickback Statute, the Affordable Care Act amended the intent standard for certain healthcare fraud statutes under HIPAA such that a person or entity no longer needs to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation.

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. Also, many states have similar fraud and abuse statutes or regulations that may be broader in scope and may apply regardless of payor, in addition to items and services reimbursed under Medicaid and other state programs. Additionally, to the extent that our products, once commercialized, are sold in a foreign country, we may be subject to similar foreign 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 Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or collectively, the Affordable Care Act, among other things, imposed new reporting requirements on certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program, with specific exceptions, for payments or other transfers of value made by them to physicians and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members. Covered manufacturers are required to collect and report detailed payment data and submit legal attestation to the accuracy of such data to the government each year. 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. Additionally, entities that do not comply with mandatory reporting requirements may be subject to a corporate integrity agreement. Certain states also mandate implementation of commercial compliance programs, impose restrictions on covered manufacturers' marketing practices and/or require the tracking and reporting of gifts, compensation and other remuneration to physicians and other healthcare professionals.

We may also be subject to data privacy and security regulation by both the federal government and the states in which we conduct our business. HIPAA, as amended by the Health Information Technology and Clinical Health Act, or HITECH, and their respective implementing regulations, imposes specified requirements

on certain health care providers, plans and clearinghouses (collectively, "covered entities") and their "business associates," relating to the privacy, security and transmission of individually identifiable health information. Among other things, HITECH makes HIPAA's security standards directly applicable to "business associates," defined as independent contractors or agents of covered entities that create, receive, maintain or transmit protected health information in connection with providing a service for or on behalf of a covered entity. HITECH also increased the civil and criminal penalties that may be imposed against covered entities, business associates and possibly other persons, and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce HIPAA and seek attorney's fees and costs associated with pursuing federal civil actions. In addition, certain states have their own laws that govern the privacy and security of health information in certain circumstances, many of which differ from each other and/or HIPAA in significant ways and may not have the same effect, thus complicating compliance efforts.

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, disgorgement, the curtailment or restructuring of our operations, exclusion from participation in federal and state healthcare programs, imprisonment, contractual damages, reputational harm, and diminished profits and future earnings, any of which could adversely affect our ability to operate our business and our financial results.

In addition to the foregoing health care laws, we are also subject to the U.S. Foreign Corrupt Practices Act and similar worldwide anti-bribery laws, which generally prohibit companies and their intermediaries from making improper payments to government officials or private-sector recipients for the purpose of obtaining or retaining business. We have adopted an anti-corruption policy, which will become effective upon the completion of this offering, and expect to prepare and implement procedures to ensure compliance with such policy. The anti-corruption policy mandates compliance with the FCPA and similar anti-bribery laws applicable to our business throughout the world. However, we cannot assure you that such a policy or procedures implemented to enforce such a policy will protect us from intentional, reckless or negligent acts committed by our employees, distributors, partners, collaborators or agents. Violations of these laws, or allegations of such violations, could result in fines, penalties or prosecution and have a negative impact on our business, results of operations and reputation.

Coverage and Reimbursement

Sales of pharmaceutical products depend significantly on the extent to which coverage and adequate reimbursement are provided by third-party payors. Third-party payors include state and federal government health care programs, managed care providers, private health insurers and other organizations. Although we currently believe that third-party payors will provide coverage and reimbursement for our product candidates, if approved, we cannot be certain of this. Third-party payors are increasingly challenging the price, examining the cost-effectiveness, and reducing reimbursement for medical products and services. In addition, significant uncertainty exists as to the reimbursement status of newly approved healthcare products. 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. We may need to conduct expensive clinical studies to demonstrate the comparative cost-effectiveness of our products. The product candidates that we develop may not be considered cost-effective and thus may not be covered or sufficiently reimbursed. It is time consuming and expensive for us to seek coverage and reimbursement from third-party payors, as each payor will make its own determination as to whether to cover a product and at what level of reimbursement. Thus, one payor's decision to provide coverage and adequate reimbursement for a product does not assure that another payor will provide coverage or that the reimbursement levels will be adequate. Moreover, a payor's decision to provide coverage for a drug product does not imply that an adequate reimbursement rate will be approved. Reimbursement may not be available or sufficient to allow us to sell our products on a competitive and profitable basis.

Healthcare Reform

The United States and some foreign jurisdictions are considering or have enacted a number of legislative and regulatory proposals to change the healthcare system in ways that could affect our ability to sell our products profitably. Among policy makers and payors in the United States and elsewhere, there is significant interest in promoting changes in healthcare systems with the stated goals of containing healthcare costs, improving quality and/or expanding access. In the United States, the pharmaceutical industry has been a particular focus of these efforts and has been significantly affected by major legislative initiatives.

By way of example, in March 2010, the Affordable Care Act was signed into law, intended to broaden access to health insurance, reduce or constrain the growth of healthcare spending, enhance remedies against fraud and abuse, add new transparency requirements for the healthcare and health insurance industries, impose new taxes and fees on the health industry and impose additional health policy reforms. Among the provisions of the Affordable Care Act of importance to our potential drug candidates are:

- an annual, nondeductible fee on any entity that manufactures or imports specified branded prescription drugs and biologic agents, apportioned among these entities according to their market share in certain government healthcare programs;
- an increase in the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program to 23.1% and 13.0% of the average manufacturer price for branded and generic drugs, respectively;
- 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;
- a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for a manufacturer's outpatient drugs to be covered under Medicare Part D;
- extension of a manufacturer's Medicaid rebate liability to covered drugs dispensed to individuals who are enrolled in Medicaid managed care organizations;
- expansion of eligibility criteria for Medicaid programs by, among other things, allowing states to offer Medicaid coverage to additional individuals and by adding new mandatory eligibility categories for certain individuals with income at or below 133% of the federal poverty level, thereby potentially increasing a manufacturer's Medicaid rebate liability;
- expansion of the entities eligible for discounts under the Public Health Service pharmaceutical pricing program; and
- a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research.

In addition, other legislative changes have been proposed and adopted since the Affordable Care Act was enacted. These changes include, among others, the Budget Control Act of 2011, which mandates aggregate reductions to Medicare payments to providers of up to 2% per fiscal year effective April 1, 2013, and, due to subsequent legislative amendments, will remain in effect through 2024 unless additional Congressional action is taken. In January 2013, President Obama signed into law the American Taxpayer Relief Act of 2012, which, among other things, further reduced Medicare payments to several providers, including hospitals and cancer treatment centers, increased the statute of limitations period for the government to recover overpayments to providers from three to five years. These new laws may result in additional reductions in Medicare and other healthcare funding, which could have a material adverse effect on customers for our product candidates, if approved, and, accordingly, our financial operations.

We expect that the Affordable Care Act, as well as other healthcare reform measures that may be adopted in the future, may result in more rigorous coverage criteria and lower reimbursement, and in additional downward

pressure on the price that we receive for any approved product. Any reduction in reimbursement from Medicare or other government-funded programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability or commercialize our drugs.

Foreign Regulation

In addition to regulations in the United States, we will be subject to a variety of foreign regulations governing clinical trials and commercial sales and distribution of our products to the extent we choose to develop or sell any products outside of the United States. The approval process varies from country to country and the time may be longer or shorter than that required to obtain FDA approval. The requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary greatly from country to country.

Employees

As of March 31, 2015, we had eleven employees. Our ability to manage growth effectively will require us to continue to implement and improve our management systems, recruit and train new employees and select qualified independent contractors. None of our employees is represented by a labor union or covered by collective bargaining agreements, and we believe our relationship with our employees is good.

Facilities

We lease a total of approximately 2,550 square feet of office space at 2533 South Coast Highway 101, Cardiff-by-the-Sea, California, 92007, for general office use, pursuant to an operating lease. The term of the amended lease is from September 1, 2013 to August 31, 2016. Our total monthly lease payment is currently $11,904 per month, subject to a 3.5% annual increase.

Legal Proceedings

In March 2009, we received a final rejection in one of our original patent applications pertaining to methods of use claims for NK-92 from the U.S. Patent and Trademark Office, or the USPTO. We filed a Notice of Appeal to the USPTO Board of Appeals and Interferences, or the USPTO Board, and a Decision on Appeal was rendered in the fall of 2013. That decision reversed the Examiner’s rejection of the claim to certain methods of use. In December 2013, we brought an action in the U.S. District Court for the Eastern District of Virginia to review the decision of the USPTO as we disagreed with the decision as to the non-allowed claims. A trial before the district court judge is being scheduled, likely for the fourth quarter of 2015.

From time to time, we may be involved in various other claims and legal proceedings relating to claims arising out of our operations. We are not currently a party to any other legal proceedings that, in the opinion of our management, are likely to have a material adverse effect on our business. Regardless of outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

MANAGEMENT

Executive Officers, Key Employees and Directors

The following table sets forth the names, ages and positions of our executive officers, key employees and directors as of May 31, 2015.

Name	Age	Position(s)
Executive Officers		
Patrick Soon-Shiong, M.D., FRCS (C), FACS	62	Chairman of the Board of Directors and Chief Executive Officer
Barry J. Simon, M.D.	50	President, Chief Operating Officer and Director
Richard Gomberg	51	Chief Financial Officer
Key Employees		
Hans G. Klingemann, M.D., Ph.D.	65	Vice President, Research and Development and Director
Tien Lee, M.D.	40	Chief Strategy Officer
Non-Employee Directors		
Steve Gorlin	77	Vice Chairman of the Board of Directors
Henry Ji, Ph.D.	51	Director
Richard Kusserow(1)(2)	74	Director
John T. Potts, Jr., M.D.(2)	83	Director
Robert Rosen(1)(2)	59	Director
John C. Thomas, Jr.(1)	61	Director

(1) Member of the audit committee
(2) Member of the compensation committee

Executive Officers

Patrick Soon-Shiong, M.D., FRCS (C), FACS was appointed Chairman of our board of directors and Chief Executive Officer in March 2015. Dr. Soon-Shiong previously served as our Co-Chairman of our board of directors from December 2014 to March 2015 and as our Chief Medical Officer from January 2015 to March 2015. In 2011, he founded NantWorks, an ecosystem of companies to create a transformative global health information and next generation pharmaceutical development network, for the secure sharing of genetic and medical information. Dr. Soon-Shiong, a physician, surgeon and scientist, has pioneered novel therapies for both diabetes and cancer, published over 100 scientific papers, and has over 95 issued patents on groundbreaking advancements spanning myriad fields. Dr. Soon-Shiong performed the world's first encapsulated human islet transplant, the first engineered islet cell transplant and the first pig to man islet cell transplant in diabetic patients. He invented and developed Abraxane, the nation's first FDA approved protein nanoparticle albumin-bound delivery technology for the treatment of cancer. Abraxane was approved by the FDA for metastatic breast cancer in 2005, lung cancer in 2012, and pancreatic cancer in 2013. Abraxane is now approved in many countries across the globe and sales are expected to reach $1.0 billion in 2015. From 1997 to 2010, Dr. Soon-Shiong served as founder, Chairman and CEO of two global pharmaceutical companies, American Pharmaceutical Partners (sold to Fresenius SE for $5.7 billion in 2008) and Abraxis BioScience (sold to Celgene Corporation for $3.7 billion in 2010). Dr. Soon-Shiong serves as Chairman of the Chan Soon-Shiong Family Foundation and Chairman and CEO of the Chan Soon-Shiong Institute of Molecular Medicine, a non-profit medical research organization. He currently co-chairs the CEO Council for Health and Innovation at the Bipartisan Policy Center and is a member of the Global Advisory Board of Bank of America. He is an Adjunct Professor of Surgery at UCLA, a visiting Professor at the Imperial College of London, the Executive Director of the UCLA Wireless Health Institute, a board member of the California Telehealth Network, and global director for Cancer Services and Bioinformatics at Providence Health. The Friends of the National Library of Medicine has honored him with their Distinguished

Medical Science Award. Dr. Soon-Shiong holds a degree in medicine from the University of the Witwatersrand and a M.Sc. in science from the University of British Columbia. Dr. Soon-Shiong is a board certified surgeon and a fellow of the American College of Surgeons and of the Royal College of Physicians and Surgeons of Canada. We believe that Dr. Soon-Shiong is qualified to serve as a member of our board of directors due to his depth of expertise as chairman and chief executive officer of multiple multi-billion dollar companies in the life sciences industry, his broad experience in research and development of pioneering technologies and his educational background.

Barry J. Simon, M.D. has served as our President, Chief Operating Officer, and a member of our board of directors since March 2015. From 2007 to March 2015, Dr. Simon was also our President, Chief Executive Officer and member of our board of directors. Prior to joining us, he held various senior management and advisory positions at Roche Labs, F. Hoffmann-La Roche, a global healthcare company, Connetics Corp., a specialty pharmaceutical company, Immunomedics, Inc., a biopharmaceutical company, Immusol, Inc., a biopharmaceutical company, HealthPro BioVentures, LLC, a healthcare and lifesciences investment bank, and NorthSound Capital, LLC, a hedge fund. Dr. Simon has attended corporate training programs by the London School of Business and the Amos Tuck School of Business at Dartmouth College. He is trained clinically in infectious diseases, anesthesiology and internal medicine, and received his M.D. from the SUNY Downstate, Health Sciences Center in New York. We believe that Dr. Simon is qualified to serve as a member of our board due to his extensive medical and scientific knowledge and experience, and senior management experience in the biopharmaceutical industry.

Richard Gomberg is our Chief Financial Officer, a position he has held since January 2010. Mr. Gomberg serves as an independent contractor pursuant to a services agreement between CFO Connect and us. He began his career as a CPA at Deloitte & Touche. Since 2009, Mr. Gomberg has been employed by CFO Connect, a firm that provides comprehensive business management, through which he provided services to companies including Sorrento Therapeutics, Inc., a biopharmaceutical company, Transgenomic, a global biotechnology company, and PaxVax, a fully integrated specialty vaccine company. From 2006 to 2008, he served as Vice President and Chief Financial Officer of Sound Health Solutions, a weight management programs company. Mr. Gomberg also has held management positions at various early- to mid-stage technology and life science companies including DermTech International, a molecular diagnostic company, EPIC Solutions, a software solutions company, St. Bernard Software, a computer security company, and Ventura Software, a desktop publishing company. He received his B.A. from the University of Illinois and is a California certified public accountant (inactive).

Key Employees

Hans G. Klingemann, M.D., Ph.D. co-founded our Company in 2002. He has served as our Vice President, Research and Development since January 2015 and a director of our Company since our inception in 2002. Dr. Klingemann previously served as our Chief Medical Science Officer from 2002 to January 2015. Dr. Klingemann is the inventor of the original NK-92 cell line. Dr. Klingemann received his M.D. from the University of Würzburg Medical School, Germany, and his Ph.D. from the University of Marburg, Germany. He received specialty training in Stem Cell Transplantation under Nobel Laureate Dr. ED. Thomas at the Fred Hutchinson Cancer Research Center in Seattle, Washington. Before co-founding our Company, Dr. Klingemann was the Director of the Bone Marrow and Stem Cell Transplant Program and the Director for Hematological Malignancies at Tufts Medical Center. Dr. Klingemann also served as Director of the Section of Bone Marrow Transplant & Cell Therapy at Rush University Medical Center in Chicago, Illinois. He maintains an academic appointment at Tufts University Medical School. Dr. Klingemann is also a director and member of the compensation committee of Osiris Therapeutics. We believe that Dr. Klingemann is qualified to serve as a member of our board of directors due to his perspective and experience as our founder, including his extensive knowledge of our technology as the inventor of the original NK-92 cell line, and his extensive medical and scientific knowledge and experience.

Tien Lee, M.D. has served as our Chief Strategy Officer since June 2015, and previously served as our Vice President of Operations & Corporate Development from March 2014 to June 2015. Dr. Lee also serves as a

consultant to Sorrento Therapeutics since January 2013 and currently on an ad hoc basis. Dr. Lee served as the Director of Business Development for Simcere Pharmaceutical Group from March 2011 to December 2012. Prior to then, he served as Vice President of Business Development of Onkor Pharmaceuticals from January 2008 to March 2011. He has also been a physician at a private medical clinic since 2009. Dr. Lee earned his M.D. degree from UC San Diego and received post-graduate training in Internal Medicine through UC Los Angeles and Physical Medicine and Rehabilitation at UC Irvine.

Directors

Biographical information pertaining to Drs. Soon-Shiong, Simon and Klingemann may be found in the above sections entitled “Executive Officers and Key Employees.”

Steve Gorlin was appointed Vice Chairman of our board in December 2014. Mr. Gorlin previously served as our Executive Chairman from January 2014 to December 2014. He cofounded MiMedx Group Inc., a biotechnology company, or MiMedx, in October 2005, and served as its chairman from November 2006 to June 2013. Mr. Gorlin previously served as the chairman of the board of directors and chief executive officer of DARA BioSciences, Inc., a specialty pharmaceutical company, or DARA, from July 2002 to January 2007, and continued to serve as co-chairman of the board of directors until January 2009. Over the past 40 years, he has founded several biotechnology and pharmaceutical companies, including Hycor Biomedical, Inc., a clinical diagnostics company (acquired by Agilent), Theragenics Corporation, a medical device company, CytRx Corporation, a biopharmaceutical company, Medicis Pharmaceutical Corporation, a medical cosmetics company (acquired by Valeant for approximately $2.6 billion), EntreMed, Inc., a biopharmaceutical company, MRI Interventions, Inc., a medical device company, DARA, MiMedx, and Medivation, Inc., a biopharmaceutical company. Mr. Gorlin previously served on the Business Advisory Council to the Johns Hopkins School of Medicine and The Johns Hopkins BioMedical Engineering Advisory Board. He also serves on the board of the Andrews Institute. He was a founder of a number of non-medical related companies, including Perma-Fix, Inc., a waste management services company; Pretty Good Privacy, Inc., a data security company (acquired by Network Associates, Inc.), Judicial Correction Services, Inc., a probation services company (acquired by Correctional Healthcare), and NTC China, Inc., or NTC, a manufacturing company. He started The Touch Foundation, a nonprofit organization for the blind and was a principal financial contributor to the founding of Camp Kudzu for diabetic children. He presently serves as the executive chairman of the board of directors of DemeRx, Inc., a pharmaceutical company, and serves on the board of directors of NTC. We believe Mr. Gorlin is qualified as a member of our board due to his extensive biotechnology and pharmaceutical industry knowledge and substantial experience serving on other boards of directors.

Henry Ji, Ph.D. has served as a member of our board of directors since December 2014. He co-founded and has served as a director of Sorrento Therapeutics, a pharmaceutical company, since January 2006, and as its Chief Executive Officer and President since September 2012. Dr. Ji previously served as Sorrento Therapeutic’s Chief Scientific Officer from November 2008 to September 2012, and as its Interim Chief Executive Officer from April 2011 to September 2012. In 2002, Dr. Ji founded and was President of BioVintage, a biopharmaceutical company. From 2001 to 2002, Dr. Ji served as a Vice President of CombiMatrix, a clinical diagnosis laboratory, and was responsible for strategic technology alliances. From 1999 to 2001, Dr. Ji served as Director of Business Development, and in 2001 as Vice President of Stratagene (later acquired by Agilent Technologies), a biotechnology company. In 1997, Dr. Ji co-founded Stratagene Genomics, a wholly owned subsidiary of Stratagene Corporation, a biotechnology company, and served as its President and Chief Executive Officer from its founding until 1999. Dr. Ji obtained his Ph.D. in Animal Physiology from the University of Minnesota and a B.S. in Biochemistry from Fudan University. We believe Dr. Ji is qualified to serve as a member of our board of directors due to his extensive knowledge of the biopharmaceutical industry and strategic alliances, and substantial experience serving on other boards of directors.

Richard Kusserow has served as a member of our board of directors since April 2014. He is the President and Chief Executive Officer of Strategic Management Systems, Inc., a firm specializing in the development,

implementation and measurement of effective compliance program operations, a position he has held since 1997, and the Chief Executive Officer of Strategic Management Systems and Integrity Management Services, a firm that provide a variety of services to the federal government, including audits and investigations, statistical analysis and data analysis, a position he has held since 1992. Mr. Kusserow founded and served as the President of the Fraud Control Information Systems, a provider of sanction screening services, from 1993 to 1997, and founded and served as President and Executive Consultant of National Hotline Services Inc., a phone-based ethics hotline services provider, from 1993 to 2005. One of the leading experts in the country on compliance programs, Mr. Kusserow served as the Inspector General of the U.S. Department of Health and Human Services from 1981 to 1992. Mr. Kusserow specializes in strategic planning, problem solving and the support of decision making in the changing regulatory environment. Mr. Kusserow was a Member of the Attorney General's Economic Crime Council and was appointed by President Bush as a Member of the National Advisory Commission on Law Enforcement. Before his appointment to Inspector General, Mr. Kusserow was a Special Agent/Supervisor for the FBI, where he coordinated and supervised the seven squads constituting the Organized Crime Program in Chicago, and served as a specialist in program fraud and corruption investigations. We believe that Mr. Kusserow is qualified to serve as a member of our board of directors because of his extensive regulatory and compliance knowledge, particularly as it relates to the healthcare industry.

John T. Potts, Jr., M.D. has served as a member of our board of directors since April 2014. Dr. Potts currently serves as the Distinguished Jackson Professor of Clinical Medicine at the Massachusetts General Hospital, or MGH, and Harvard Medical School and on the MPM BioVentures Medical & Scientific Advisory Board. Dr. Potts has been with MGH since 1968. Dr. Potts served as a director of Cell Genesys, Inc., a therapeutic products company from May 1997 to October 2009 when Cell Genesys merged with BioSante Pharmaceuticals, Inc., a pharmaceutical products company, or BioSante. Dr. Potts served as a director of BioSante from October 2009 to July 2013. After medical training at the University of Pennsylvania, he completed his internship and residency at the MGH from 1957 to 1959, and then went to the National Institutes of Health, or NIH, to work with Nobel Laureate Christian Anfinsen in protein chemistry. Dr. Potts remained at the NIH from 1959 to 1968, when he returned to the MGH as Chief of the Endocrine Unit. He served as Chairman of the Department of Medicine and Physician-in-Chief from 1981 to 1996, and as Director of Research from 1995 to 2004. Dr. Potts has authored or co-authored over 500 scientific publications, is the recipient of the Fred Conrad Koch Award of the Endocrine Society, and is a member of the National Academy of Sciences, the Institute of Medicine, and the American Academy of Arts and Sciences. He holds active and honorary memberships in numerous scientific and professional organizations. We believe that Dr. Potts is qualified to serve as a member of our board of directors due to his distinguished medical background and his extensive medical and scientific understanding of clinical medicine.

Robert H. Rosen has served as a member of our board of directors since December 2014. He has served as President of Heron Therapeutics since May 2013, after initially joining the company as Senior Vice President and Chief Commercial Officer in October 2012. He is also a member of the board of directors of Heron Therapeutics, a position he has held since July 2012. Mr. Rosen has been a member of the board of directors of La Jolla Pharmaceutical Company, a biopharmaceutical company, since July 2014. From March 2012 to October 2012, Mr. Rosen served as Managing Partner of Scotia Nordic LLC, a life sciences advisory firm. From April 2011 to March 2012, Mr. Rosen served as Senior Vice President of Global Commercial Operations at Dendreon Corporation, a biotechnology company. From 2005 to 2011, he served as Global Head of Oncology at Bayer HealthCare Pharmaceuticals, where he was responsible for the development of the global oncology business unit for regions that included the Americas, Europe, Japan, and Asia Pacific. From 2002 to 2005, Mr. Rosen was Vice President of the Oncology Business Unit at Sanofi-Synthèlabo, a pharmaceutical company, where he was responsible for the development of Sanofi's U.S. oncology business and the launch of Eloxatin (oxaliplatin) for colon cancer. Mr. Rosen received his B.S. degree in pharmacy from Northeastern University. We believe that Mr. Rosen is qualified to serve as a member of our board of directors due to his extensive drug development and commercialization experience with other biotechnology and pharmaceutical companies.

John C. Thomas, Jr. has served as a member of our board of directors since April 2014. Since 2001, Mr. Thomas has served as Chief Financial Officer, Secretary and Director of CorMatrix Cardiovascular, a privately held medical device company. He has also served as Chief Financial Officer, Secretary and a director of Motion Reality, Inc., a motion capture and simulation company, since 1991. Since 2012, Mr. Thomas has been serving as a director of QLT, Inc., a public biotechnology company focused on innovative ocular products and is a member of QLT's Audit and Risk and Compensation Committees. During the past ten years, Mr. Thomas served as acting Chief Financial Officer for DemeRx, Inc., MRI Interventions, Inc., MiMedx Group, Inc. and DARA BioSciences, and as a director of MRI Interventions, Inc. Previously, between 1999 and 2012, Mr. Thomas also served as a Trustee and subsequently the Chairman of the Finance Committee of The Walker School, a private school. Mr. Thomas is a Certified Public Accountant and graduated from the University of Virginia, McIntire School of Commerce. We believe that Mr. Thomas is qualified to serve on our board of directors due to his significant financial and accounting knowledge and experience serving on boards of directors of public companies.

Board Composition

Our business and affairs are managed under the direction of our board of directors. The number of directors will be fixed by our board of directors, subject to the terms of our amended and restated certificate of incorporation and amended and restated bylaws that will become effective upon the completion of this offering. Our board of directors currently consists of nine directors, of whom will qualify as "independent" under NASDAQ listing standards.

In December 2014, we entered into a subscription and investment agreement with Sorrento, or the Sorrento Subscription Agreement. Pursuant to the Amended Sorrento Subscription Agreement, Sorrento shall have the right to designate one director to our board of directors for so long as Sorrento, directly or indirectly, owns more than 250,000 shares of the issued and outstanding shares of our Class A common stock, subject to adjustment for stock splits, stock dividends, recapitalizations and similar transactions. Dr. Henry Ji, who is the Chief Executive Officer, President and a director of Sorrento, was selected by Sorrento to hold this board seat. The Sorrento director nominee shall be nominated and recommended for election to the board of directors by our nominating committee, subject to any applicable limitations imposed by the DGCL, the board of directors' fiduciary duties to our stockholders and any other applicable law. Sorrento's right to have a designee nominated or appointed to serve on our board of directors shall automatically terminate whenever Sorrento owns less than 250,000 shares of our issued and outstanding shares of common stock.

On December 23, 2014, we entered into a subscription and investment agreement with Cambridge Equities, LP, or Cambridge, which we refer to as the Cambridge Subscription Agreement. Pursuant to the Cambridge Subscription Agreement, Cambridge has the right to designate one director who shall be nominated by our corporate governance and nominating committee, or by our board of directors or other duly authorized committee, for election to our board of directors for so long as Cambridge or its affiliates directly own more than 20% of the issued and outstanding shares of our common stock, subject to adjustment for stock splits, stock dividends, recapitalizations and similar transactions. Dr. Soon-Shiong, who controls the entity that is the general partner of Cambridge, was selected by Cambridge to hold this board seat. The Cambridge director nominee shall be nominated and recommended for election to the board of directors by our nominating committee, subject to any applicable limitations imposed by the DGCL, the board of directors' fiduciary duties to our stockholders and any other applicable law. Cambridge's right to have a designee nominated or appointed to serve on our board of directors shall automatically terminate whenever Cambridge owns less than 20% of our issued and outstanding shares of common stock.

Dr. Simon's employment agreement provides that, so long as Dr. Simon remains our employee, he will serve as a member of our board of directors for so long as our common stock is not publicly traded, and, following the date our common stock becomes publicly traded, subject to any requirements of applicable law, Dr. Simon will be nominated to be a member of our board of directors at each annual stockholder meeting by our board of director's corporate governance committee. If Dr. Simon's employment with us is terminated for any reason, his membership on our board of directors will also terminate, unless otherwise agreed in writing by us and Dr. Simon.

All directors elected at an annual meeting are elected to serve from the time of election and qualification until the earlier of the next annual meeting of stockholders following such election or their resignation or removal. At each annual meeting of stockholders, the terms of each of our incumbent directors expire and all members of our board of directors are elected.

Under Delaware law and our bylaws, our directors may be removed with or without for cause by the affirmative vote of the holders of a majority of our outstanding voting stock.

Controlled Company Exemption

Prior to the closing of this offering, we anticipate that our common stock will be listed on The NASDAQ Global Select Market. Upon the completion of this offering, Patrick Soon-Shiong, M.D., our Chairman and Chief Executive Officer, and entities affiliated with him, will continue to control a significant majority of our common stock. As a result, we are a "controlled company" within the meaning of the NASDAQ listing standards. Under the NASDAQ corporate governance standards, a company of which more than 50% of the voting power is held by an individual, group or another company is a "controlled company" and may elect not to comply with certain corporate governance standards, including (1) the requirement that a majority of our board of directors consist of independent directors and (2) the requirement that we have a nominating and corporate governance committee. Prior to the completion of this offering, we expect to have a majority of independent directors on our board of directors. We expect our board of directors to determine that each of Messrs. Kusserow, Rosen, Thomas, Potts and representing of our nine directors, is "independent" as that term is defined under the rules of NASDAQ. We will not have a nominating and corporate governance committee. Accordingly, you will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of NASDAQ. In the event that we cease to be a "controlled company," we will be required to comply with these provisions within the transition periods specified in the corporate governance rules of NASDAQ.

These exemptions do not modify the independence requirements for our audit committee, and we satisfy the member independence requirement for the audit committee under the NASDAQ listing standards and SEC rules and regulations. Audit committee members must also satisfy separate independence criteria set forth in Rule 10A-3, under the Securities Exchange Act of 1934, as amended, or the Exchange Act. Under the rules of NASDAQ, a director will only qualify as an "independent director" if, among other things, in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

To be considered independent for purposes of Rule 10A-3 and under the rules of NASDAQ, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, board of directors, or any other board committee: (1) accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the listed company or any of its subsidiaries; or (2) be an affiliated person of the listed company or any of its subsidiaries.

Our board of directors undertook a review of the independence of our directors and considered whether any director has a material relationship with us that could compromise his or her ability to exercise independent judgment in carrying out his or her responsibilities. Based upon information requested from and provided by each director concerning his background, employment and affiliations, including family relationships, our board of directors has determined that each of Dr. Potts and Messrs. Kusserow, Rosen, Thomas, and representing of our nine directors, is "independent" as that term is defined under the rules of NASDAQ.

In making these determinations, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director, and the transactions involving them described in the section titled "Certain Relationships and Related Party Transactions."

There are no family relationships among any of our directors or executive officers.

Role of Board in Risk Oversight Process

One of the key functions of our board of directors is informed oversight of our risk management process. Our board of directors does not have a standing risk management committee, but rather administers this oversight function directly through the board of directors as a whole, as well as through its standing committees 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 reviewing and discussing our major financial risk exposures and the steps our management has taken to monitor and control these exposures, including guidelines and policies with respect to risk assessment and risk management. Our audit committee also monitors compliance with legal and regulatory requirements and reviews related party transactions, in addition to oversight of the performance of our external audit function. Our board of directors 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.

Committees of the Board of Directors

Our board of directors has an audit committee and a compensation committee, each of which has the composition and the responsibilities described below. As a “controlled company” within the meaning of the NASDAQ corporate governance rule, we have elected not to have a nominating and corporate governance committee.

Audit Committee

Our audit committee is comprised of Richard Kusserow, Robert Rosen, and John C. Thomas, Jr. Mr. Thomas serves as the chairperson of our audit committee. All members of our audit committee meet the requirements for independence and financial literacy of audit committee members under current NASDAQ listing standards and SEC rules and regulations. Our board of directors has determined that Mr. Thomas is an audit committee financial expert as defined under the applicable rules of the SEC and has the requisite financial sophistication as defined under NASDAQ listing standards. The responsibilities of our audit committee include, among other things:

- selecting and hiring the independent registered public accounting firm to audit our financial statements;
- helping to ensure the independence and performance of the independent registered public accounting firm;
- approving audit and non-audit services and fees;
- reviewing financial statements and discussing with management and the independent registered public accounting firm our annual audited and quarterly financial statements, the results of the independent audit and the quarterly reviews, and the reports and certifications regarding internal controls over financial reporting and disclosure controls;
- preparing the audit committee report that the SEC requires to be included in our annual proxy statement;
- reviewing reports and communications from the independent registered public accounting firm;
- reviewing the adequacy and effectiveness of our internal controls and disclosure controls and procedures;
- reviewing our policies on risk assessment and risk management;
- reviewing related party transactions; and

- establishing and overseeing procedures for the receipt, retention and treatment of accounting related complaints and the confidential submission by our employees of concerns regarding questionable accounting or auditing matters.

Our audit committee will operate under a written charter, to be effective prior to the completion of this offering, which satisfies the applicable rules of the SEC and the listing standards of NASDAQ.

Compensation Committee

Our compensation committee is comprised of Richard Kusserow, John T. Potts, Jr., M.D., and Robert H. Rosen. Dr. Potts serves as the chairperson of our compensation committee. All members of our compensation committee meet the requirements for independence under current NASDAQ listing standards and SEC rules and regulations. Each member of the compensation committee is also a non-employee director, as defined pursuant to Rule 16b-3 promulgated under the Exchange Act, and an outside director, as defined pursuant to Section 162(m) of the Internal Revenue Code, as amended. The purpose of our compensation committee is to oversee our compensation policies, plans and benefit programs and to discharge the responsibilities of our board of directors relating to compensation of our executive officers. The responsibilities of our compensation committee include, among other things:

- overseeing our overall compensation philosophy and compensation policies, plans and benefit programs;
- reviewing and approving or recommending to the board for approval compensation for our executive officers and directors;
- preparing the compensation committee report that the SEC will require to be included in our annual proxy statement; and
- administering our equity compensation plans.

Our compensation committee will operate under a written charter, to be effective prior to the completion of this offering, which satisfies the applicable rules of the SEC and the listing standards of NASDAQ.

Compensation Committee Interlocks and Insider Participation

None of our executive officers serves, or in the past has served, as a member of the board of directors or compensation committee, or other committee serving an equivalent function, of any entity that has one or more executive officers who serve as members of our board of directors or our compensation committee. None of the members of our compensation committee is, or has ever been, an officer or employee of our company.

Code of Ethics and Business Conduct

Our board of directors has adopted a written code of business conduct and ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions and agents and representatives, including consultants. Following this offering, a copy of the code of business conduct and ethics will be available on our website at www.conkwest.com. We intend to disclose future amendments to such code, or any waivers of its requirements, applicable to any principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions or our directors on our website identified above. The inclusion of our website address in this prospectus does not include or incorporate by reference the information on our website into this prospectus.

EXECUTIVE AND DIRECTOR COMPENSATION

Our named executive officers for 2014, which consist of our principal executive officer and the next two most highly compensated executive officers, are:

- Barry J. Simon, M.D., President and Chief Operating Officer;
- Steve Gorlin, Vice Chairman; and
- Hans G. Klingemann, M.D., Ph.D., Vice President, Research and Development.

2014 Summary Compensation Table

The following table provides information regarding the compensation of our named executive officers during the year ended December 31, 2014.

Name and Principal Position	Year	Salary ($)(4)	Bonus ($)(5)	Option Awards ($)(6)	All Other ($)(7)	Total ($)
Barry J. Simon, M.D. President and Chief Operating Officer(1)	2014	443,504	465,055	439,281	248,265	$ 1,596,105
Steve Gorlin Vice Chairman(2)	2014	159,016	250,000	374,319	—	783,335
Hans G. Klingemann, M.D., Ph.D. Vice President, Research and Development(3)	2014	253,885	225,735	477,184	—	956,804

(1) Dr. Simon served as our Chief Executive Officer (and principal executive officer) from 2007 to March 2015. In March 2015, Dr. Soon-Shiong was appointed our Chief Executive Officer (and principal executive officer).

(2) Mr. Gorlin served as our Executive Chairman from January 2014 to December 2014. He was appointed as our Vice Chairman in December 2014.

(3) Dr. Klingemann served as our Chief Medical and Science Officer from 2002 to January 2015. He was appointed as our Vice President, Research & Development in December 2014.

(4) Amounts in this column include payment of accrued paid time off in the amount of $80,147 for Dr. Simon.

(5) This column reflects bonus payments earned in 2014.

(6) This column reflects the aggregate grant date fair value of stock options granted during 2014 computed in accordance with the provisions of ASC Topic 718. The assumptions that we used to calculate these amounts are discussed in Note 14 to our financial statements appearing at the end of this prospectus. These amounts do not reflect the actual economic value that will be realized by the named executive officer upon the vesting of the stock options, the exercise of the stock options, or the sale of the common stock underlying such stock options. The actual value that may be realized is also subject to time-based vesting restrictions that require the named executive officer to continue to provide services to us.

(7) In June 2008, we issued a secured promissory note to Dr. Simon. In March 2014, our board of directors approved the forgiveness of the principal amount and all accrued interest under the note, and paid Dr. Simon $133,159 to cover taxes incurred by Dr. Simon as a result of the forgiveness of $115,106 of indebtedness. All Other Compensation above consists of the total of the principal and interest forgiven and the tax gross up.

Outstanding Equity Awards at Fiscal Year-End 2014

The following table provides information regarding equity awards held by our named executive officers as of December 31, 2014.

		Option Awards			
		Number of Securities Underlying Unexercised Options			
Name	Vesting Commencement Date	Exercisable	Unexercisable	Option Exercise Price	Option Expiration Date
Barry J. Simon, M.D.	12/18/14	—	200,000(1)	$ 3.25	12/18/24
Steve Gorlin	3/17/14	175,000	—	$ 0.40	3/17/24
	12/18/14	—	100,000(1)	$ 3.25	12/18/24
Hans G. Klingemann, M.D., Ph.D.	—	400,000(2)	—	$ 0.78	11/24/24
	12/18/14	—	125,000(1)	$ 3.25	12/18/24

(1) 1/24th of the shares subject to the option vest monthly from the vesting commencement date, subject to continued service through each vesting date.
(2) Shares subject to the option were fully-vested upon grant.

Executive Employment Agreements

Patrick Soon-Shiong. In May 2015, we entered into an executive employment agreement with Dr. Soon-Shiong pursuant to which he agreed to continue to serve as our Chief Executive Officer and Chairman of the board of directors in consideration for an annual base salary of $1 and eligibility to participate in any benefit programs and receive any perquisites and other benefits that we make available to our senior executives. Dr. Soon-Shiong's employment agreement is for no particular term and provides for "at will" employment, provided that, if we terminate Dr. Soon-Shiong without "cause" (as such term is defined in Dr. Soon-Shiong's employment agreement), we must provide him with sixty (60) days' notice.

Dr. Soon-Shiong's employment agreement provides that, in consideration of Dr. Soon-Shiong's appointment as Chief Executive Officer, on March 24, 2015 we granted Dr. Soon-Shiong the following equity awards:

- An option to purchase 1,000,000 shares of our common stock at an exercise price of $4.07 per share pursuant to the terms of the Company's 2014 Equity Incentive Plan and an option agreement between us and Dr. Soon-Shiong. Dr. Soon-Shiong's option will vest in equal monthly installments over a period of four (4) years from the date of grant. If we experience a change in control, as defined in Dr. Soon-Shiong's employment agreement, and Dr. Soon-Shiong remains our employee through such date, the option will fully vest and become exercisable.
- A warrant to purchase up to 9,500,000 shares of the Company's common stock at an exercise price of $3.70 was issued to Dr. Soon-Shiong on March 24, 2015. The warrant will vest as follows: (i) 4,000,000 shares will vest monthly over a period of 40 months beginning April 1, 2015; and (ii) up to 5,500,000 shares will vest based upon achievement of certain strategic, manufacturing, clinical development and regulatory milestones.

Pursuant to Dr. Soon-Shiong's employment agreement, if we terminate the employment of Dr. Soon-Shiong without "cause" or Dr. Soon-Shiong resigns for "good reason" (as such terms are defined in Dr. Soon-Shiong's employment agreement), all of Dr. Soon-Shiong's then-outstanding stock options and other equity awards, including the warrant discussed above, will fully vest and become exercisable, notwithstanding any time-based or milestone-based conditions or restrictions.

In the event any payment to Dr. Soon-Shiong would be subject to the excise tax imposed by Section 4999 of the Code (as a result of a payment being classified as a parachute payment under Section 280G of the Code), Dr. Soon-Shiong will receive a cash "gross up" payment from us.

Barry J. Simon. On January 1, 2015, we entered into an executive employment agreement with Dr. Simon pursuant to which he agreed to continue to serve as our President and Chief Executive Officer and as a member of our board of directors in consideration for an annual base salary of $395,000, subject to increases of at least 6% annually, eligibility to receive an annual performance bonus with the target amount determined as 45% of Dr. Simon's annual base salary, and eligibility to participate in any benefit programs and receive any perquisites and other benefits that we make available to our senior executives. Dr. Simon's employment agreement is for no particular term and provides for "at will" employment, subject to certain severance provisions as described below.

Dr. Simon's employment agreement provides that we shall reimburse him for all reasonable travel, entertainment and other expenses incurred or paid by him in connection to his duties to us in accordance with our standard policies and procedures, provided that he will be entitled to reimbursement for business class airfare on domestic flights exceeding three (3) hours and first class airfare on all foreign flights. Dr. Simon is also entitled to "piggyback" registration rights in connection with any subsequent public offering or secondary offering of our common stock.

Dr. Simon's employment agreement provides that, upon the closing date of the initial public offering of our common stock, Dr. Simon will be eligible to receive the following equity awards, or the "IPO Equity Awards," pursuant to the terms and conditions of our 2015 Equity Incentive Plan:

- An option to purchase 300,000 shares of our common stock.
- A grant of 200,000 restricted stock units representing the right to receive one share of our common stock for each restricted stock unit that becomes vested.

50% of the IPO Equity Awards will vest upon grant and the remaining 50% will vest upon the first anniversary of the closing date of our initial public offering, subject to continued employment through the applicable vesting dates. The IPO Equity Awards will be subject to certain accelerated vesting provisions as discussed below.

Dr. Simon's employment agreement provides that, commencing as of the first calendar year following the grant of the IPO Equity Awards, or in 2015 if the initial public offering does not occur, Dr. Simon will be eligible to receive additional annual equity grants as determined by our board of directors or its compensation committee. The annual equity grants to Dr. Simon will have a target value as of the grant date such that the sum of the aggregate target value of such annual equity grants, plus the value of Dr. Simon's base salary and annual bonus at target, result in a total direct annual compensation opportunity for Dr. Simon of no less than $1,200,000 per year.

Dr. Simon's employment agreement provides that, so long as Dr. Simon remains our employee, he will serve as a member of our board of directors for so long as our common stock is not publicly traded, and, following the date our common stock becomes publicly traded, subject to any requirements of applicable law, Dr. Simon will be nominated to be a member of our board of directors at each annual stockholder meeting by our board of director's corporate governance committee. If Dr. Simon's employment with us is terminated for any reason, his membership on our board of directors will also terminate, unless otherwise agreed in writing by us and Dr. Simon.

Pursuant to Dr. Simon's employment agreement, if we terminate the employment of Dr. Simon other than for death, "disability," or "cause" or Dr. Simon resigns for "good reason" (as such terms are defined in Dr. Simon's employment agreement), and, within 60 days following his termination, Dr. Simon executes a release of claims in our favor and a mutual non-disparagement agreement with a three (3) year term, Dr. Simon is entitled to receive (i) any unpaid annual bonus with respect to the calendar year ending on or preceding the date of termination, which will be payable at the time such bonuses would have been paid if Dr. Simon were still employed with us, (ii) a lump sum payment equal to two (2) times the sum of (A) Dr. Simon's base salary as in effect on the date of termination, plus (B) the highest of (x) Dr. Simon's annual bonus paid for the year preceding the year of termination, (y) Dr. Simon's annual bonus paid at target for the year in which the termination occurs, and (z) Dr. Simon's base salary in effect at the time of termination, (iii) reimbursement of premiums to maintain

group health insurance continuation benefits pursuant to "COBRA" for Dr. Simon and his respective dependents for up to eighteen (18) months, (iv) with respect to Dr. Simon's stock option to purchase 200,000 shares of our common stock granted on December 18, 2014, or the "Existing Equity Award," all shares subject to the Existing Equity Award will fully vest and become exercisable, and the Existing Equity Award will remain outstanding and exercisable (to the extent not already exercised) for a period of three (3) years measured from the date of Dr. Simon's termination of employment, and (v) with respect to all equity awards granted to Dr. Simon following January 1, 2015, including the IPO Equity Awards, Dr. Simon (A) will receive twenty-four (24) months of vesting acceleration on the time-based vesting component of such equity awards, (B) will be eligible to vest with respect to any performance-based component of such awards if the performance criteria are satisfied within twenty-four (24) months following Dr. Simon's termination of employment, and (C) such equity awards will remain outstanding and exercisable (to the extent not already exercised) for a period of three (3) years measured from the date of Dr. Simon's termination of employment.

Pursuant to Dr. Simon's employment agreement, if, within the one (1) month period prior to or at any time following a "change of control" (as such term is defined in Dr. Simon's employment agreement) we terminate the employment of Dr. Simon other than for death, "disability," or "cause" or Dr. Simon resigns for "good reason" (as such terms are defined in Dr. Simon's employment agreement), and, within 60 days following his termination, Dr. Simon executes a release of claims in our favor and a mutual non-disparagement agreement with a three (3) year term, Dr. Simon is entitled to receive (i) any unpaid annual bonus with respect to the calendar year ending on or preceding the date of termination, which shall be payable at the time such bonuses would have been paid if Dr. Simon were still employed with us, (ii) a lump sum payment equal to three (3) times the sum of (A) Dr. Simon's base salary as in effect on the date of termination, plus (B) the highest of (x) Dr. Simon's annual bonus paid for the year preceding the year of termination, (y) Dr. Simon's annual bonus paid at target for the year in which the termination occurs, and (z) Dr. Simon's base salary in effect at the time of termination, (iii) reimbursement of premiums to maintain group health insurance continuation benefits pursuant to "COBRA" for Dr. Simon and his respective dependents for up to eighteen (18) months and (iv) all shares subject to the Existing Equity Award and equivalent to all equity awards granted to Dr. Simon following January 1, 2015, including the IPO Equity Awards, (A) such equity awards will become fully vested and exercisable, and (B) such equity awards will remain outstanding and exercisable (to the extent not already exercised) for a period of three (3) years measured from the date of the later of Dr. Simon's termination of employment or the change of control.

In the event any payment to Dr. Simon would be subject to the excise tax imposed by Section 4999 of the Code (as a result of a payment being classified as a parachute payment under Section 280G of the Code), Dr. Simon will receive such payment as would entitle him to receive the greatest after-tax benefit, even if it means that we pay him a lower aggregate payment so as to minimize or eliminate the potential excise tax imposed by Section 4999 of the Code.

Steve Gorlin. On February 1, 2014, we entered into an employment agreement with Mr. Gorlin pursuant to which he agreed to serve as a part-time employee and, following the date that our redomestication merger from Illinois to Delaware became effective, as the Executive Chairman of our Board of Directors in consideration for an annual base salary of $180,000 and the opportunity to receive an annual bonus determined by the Company. Mr. Gorlin's employment agreement is for an initial term of two (2) years, subject to automatic renewal for an additional one (1) year unless we or Mr. Gorlin give notice to terminate the employment agreement at least ninety (90) days prior to the expiration of the term. Mr. Gorlin's employment agreement provides for "at will" employment, subject to certain severance provisions as described below.

Mr. Gorlin's employment agreement provides that he will be entitled to receive a cash bonus of $250,000 if the Company experiences a private placement of at least $5 million with a valuation of $32 million, payable on the third (3rd) business day after the closing of such private placement.

Mr. Gorlin's employment agreement provides that we will pay or reimburse legal expenses incurred by Mr. Gorlin in the negotiation and preparation of his employment agreement and other agreements between him and us in an amount up to $35,000.

Mr. Gorlin's employment agreement provides that, immediately after the date that our redomestication merger from Illinois to Delaware becomes effective, Mr. Gorlin will be granted a fully vested option to purchase 550,000 shares of our common stock with a term of ten (10) years.

Pursuant to Mr. Gorlin's employment agreement, if we terminate the employment of Mr. Gorlin without "cause" or Mr. Gorlin resigns for "good reason" (as such terms are defined in Mr. Gorlin's employment agreement), we will continue to pay Mr. Gorlin his then-current annual salary until the later of (i) the end of the remaining term of his employment or (ii) six (6) months.

Mr. Gorlin's employment agreement contains a non-compete provision, pursuant to which Mr. Gorlin has agreed not to compete or interfere with us or our affiliates, or solicit our employees or interfere with our business relationships, for one (1) year after the termination of his employment.

Hans Klingemann. On March 19, 2014, we entered into an Amended and Restated Executive Employee Non-Disclosure and Confidentiality Agreement with Dr. Klingemann that became effective at the closing of our April 2014 private placement, pursuant to which he agreed to continue to serve as our Chief Medical and Scientific Officer in consideration for a cash bonus equal to $10,000, an annual base salary of $255,000, an annual performance bonus upon achievement of certain managerial objectives to be mutually agreed upon by Dr. Klingemann and the Company's board of directors, and eligibility to participate in any benefit programs that we make available to our employees. Dr. Klingemann's employment agreement further provides that he will be reimbursed up to $20,000 for the legal expenses he incurred in the negotiation and preparation of the employment agreement. Dr. Klingemann's employment agreement is for an initial term of two (2) years, subject to automatic renewal for an additional one (1) year unless we or Dr. Klingemann give notice to terminate the employment agreement at least sixty (60) days prior to the expiration of the term. Dr. Klingemann's employment agreement provides for "at will" employment, subject to certain severance provisions as described below.

Pursuant to Dr. Klingemann's employment agreement, if we terminate the employment of Dr. Klingemann without "cause" or Dr. Klingemann resigns for "good reason" (as such terms are defined in Dr. Klingemann's employment agreement), we will continue to pay Dr. Klingemann his then-current annual salary for one (1) year if the termination takes place in the first twelve (12) months after the effective date of his employment agreement, or six (6) months if the termination takes place anytime thereafter.

Pursuant to Dr. Klingemann's employment agreement, if we experience a "change of control," as defined in Dr. Klingemann's employment agreement, and Dr. Klingemann remains our employee through such date, any unvested options or warrants held by Dr. Klingemann will immediately vest.

Dr. Klingemann's employment agreement contains a non-compete provision, pursuant to which Dr. Klingemann has agreed not to compete or interfere with us or our affiliates, or solicit our employees or interfere with our business relationships, for one (1) year after the termination of his employment.

Director Compensation

In 2014, we entered into cash compensation arrangements with our non-employee directors. Under these arrangements, we pay non-employee directors $30,000 a year payable quarterly when we are a private company and $60,000 per year payable quarterly if we are a public company.

From time to time, we have granted stock options to our non-employee directors for their service on our board of directors. We also reimburse our directors for expenses associated with attending meetings of our board of directors and committees of our board of directors. Directors who are also our employees receive no additional compensation for their service as a director.

Our 2015 Plan, as described below under the section titled “Employee Benefit and Stock Plans,” provides that in the event of a merger or change in control, as defined in our 2015 Plan, each outstanding equity award granted under our 2015 Plan that is held by a non-employee director will fully vest, all restrictions on the shares subject to such award will lapse, and with respect to awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at 100% of target levels, and all of the shares subject to such award will become fully exercisable, if applicable.

The following table sets forth information regarding compensation earned by or paid to our non-employee directors during 2014.

Name	Fees Earned or Paid in Cash ($)	Option Awards ($)(1)(2)	Total ($)
Richard Kusserow	7,500	58,362	65,862
John T. Potts, Jr., M.D.	7,500	58,362	65,862
John C. Thomas Jr. M.D.	7,500	58,362	65,862
Robert H. Rosen	1,667	438,688	440,355

(1) The amounts reported do not reflect the amounts actually received by our non-employee directors. Instead, these amounts reflect the aggregate grant date fair value of each stock option granted to our non-employee directors during the fiscal year ended December 31, 2014, as computed in accordance with FASB ASC 718. Assumptions used in the calculation of these amounts are included in Note 14 to our audited financial statements included in this prospectus. As required by SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. Our non-employee directors who have received options will only realize compensation with regard to these options to the extent the trading price of our common stock is greater than the exercise price of such options.

(2) Mr. Kusserow had options to purchase 125,001 shares of common stock outstanding as of December 31, 2014. Drs. Potts and Thomas, and Mr. Rosen, each had options to purchase 200,000 shares of common stock outstanding as of December 31, 2014.

Equity Compensation Plan Information

2015 Equity Incentive Plan

Our board of directors intends to adopt the 2015 Equity Incentive Plan, or the 2015 Plan, in connection with this offering. Our 2015 Plan will permit the grant of incentive stock options, within the meaning of Section 422 of the Code, to our employees and any parent and subsidiary corporations’ employees, and for the grant of nonstatutory stock options, restricted stock, restricted stock units, stock appreciation rights, performance units and performance shares to our employees, directors and consultants and our parent and subsidiary corporations’ employees and consultants.

Authorized shares. A total of shares of our common stock will be reserved for issuance pursuant to the 2015 Plan. In addition, the shares reserved for issuance under our 2015 Plan will also include shares reserved but not issued under the 2014 Equity Incentive Plan, and shares subject to stock options or similar awards granted under the 2014 Equity Incentive Plan that expire or terminate without having been exercised in full and shares issued pursuant to awards granted under the 2014 Equity Incentive Plan that are forfeited to or repurchased by us (provided that the maximum number of shares that may be added to the 2015 Plan pursuant to this sentence is shares). In addition, shares may become available under the 2015 Plan under the following two paragraphs.

The number of shares available for issuance under the 2015 Plan will also include an annual increase on the first day of each fiscal year beginning in 2015, equal to the least of:

- shares;

- % of the outstanding shares of common stock as of the last day of our immediately preceding fiscal year; or
- such other amount as our board of directors may determine.

If an award expires or becomes unexercisable without having been exercised in full, is surrendered pursuant to an exchange program, or, with respect to restricted stock, restricted stock units, performance units or performance shares, is forfeited or repurchased due to failure to vest, the unpurchased shares (or for awards other than stock options or stock appreciation rights, the forfeited or repurchased shares) will become available for future grant or sale under our 2015 Plan. With respect to stock appreciation rights, the net shares issued will cease to be available under the 2015 Plan and all remaining shares will remain available for future grant or sale under the 2015 Plan. Shares used to pay the exercise price of an award or satisfy the tax withholding obligations related to an award will become available for future grant or sale under our 2015 Plan. To the extent an award is paid out in cash rather than shares, such cash payment will not result in reducing the number of shares available for issuance under our 2015 Plan.

Plan administration. Our board of directors or one or more committees appointed by our board of directors will administer our 2015 Plan. In the case of awards intended to qualify as "performance-based compensation" within the meaning of Section 162(m) of the Code, the committee will consist of two or more "outside directors" within the meaning of Section 162(m). In addition, if we determine it is desirable to qualify transactions under the 2015 Plan as exempt under Rule 16b-3 of the Exchange Act or Rule 16b-3, such transactions will be structured to satisfy the requirements for exemption under Rule 16b-3. Subject to the provisions of our 2015 Plan, the administrator has the power to administer the plan, including but not limited to, the power to interpret the terms of our 2015 Plan and awards granted under it, to create, amend and revoke rules relating to our 2015 Plan, including creating sub-plans, and to determine the terms of the awards, including the exercise price, the number of shares subject to each such award, the exercisability of the awards and the form of consideration, if any, payable upon exercise. The administrator also has the authority to amend existing awards to reduce or increase their exercise price, to allow participants the opportunity to transfer outstanding awards to a financial institution or other person or entity selected by the administrator and to institute an exchange program by which outstanding awards may be surrendered in exchange for awards of the same type which may have a higher or lower exercise price or different terms, awards of a different type and/or cash.

Stock options. Stock options may be granted under our 2015 Plan. The exercise price of options granted under our 2015 Plan must at least be equal to the fair market value of our common stock on the date of grant. The term of an incentive stock option may not exceed 10 years, except that with respect to any participant who owns more than 10% of the voting power of all classes of our outstanding stock, the term must not exceed five years and the exercise price must equal at least 110% of the fair market value on the grant date. The administrator will determine the methods of payment of the exercise price of an option, which may include cash, shares or other property acceptable to the administrator, as well as other types of consideration permitted by applicable law. After the termination of service of an employee, director or consultant, he or she may exercise his or her option for the period of time stated in his or her option agreement. Generally, if termination is due to death or disability, the option will remain exercisable for 12 months. In all other cases, the option will generally remain exercisable for three months following the termination of service. However, in no event may an option be exercised later than the expiration of its term. Subject to the provisions of our 2015 Plan, the administrator determines the other terms of options.

Stock appreciation rights. Stock appreciation rights may be granted under our 2015 Plan. Stock appreciation rights allow the recipient to receive the appreciation in the fair market value of our common stock between the exercise date and the date of grant. Stock appreciation rights may not have a term exceeding 10 years. After the termination of service of an employee, director or consultant, he or she may exercise his or her stock appreciation right for the period of time stated in his or her option agreement. However, in no event may a stock appreciation right be exercised later than the expiration of its term. Subject to the provisions of our 2015 Plan, the administrator determines the other terms of stock appreciation rights, including when such rights become

exercisable and whether to pay any increased appreciation in cash or with shares of our common stock, or a combination thereof, except that the per share exercise price for the shares to be issued pursuant to the exercise of a stock appreciation right will be no less than 100% of the fair market value per share on the date of grant.

Restricted stock. Restricted stock may be granted under our 2015 Plan. Restricted stock awards are grants of shares of our common stock that vest in accordance with terms and conditions established by the administrator. The administrator will determine the number of shares of restricted stock granted to any employee, director or consultant and, subject to the provisions of our 2015 Plan, will determine the terms and conditions of such awards. The administrator may impose whatever conditions for lapse of the restriction on the shares it determines to be appropriate (for example, the administrator may set restrictions based on the achievement of specific performance goals or continued service to us); provided, however, that the administrator, in its sole discretion, may accelerate the time at which any restrictions will lapse or be removed. Recipients of restricted stock awards generally will have voting and dividend rights with respect to such shares upon grant without regard to the restriction, unless the administrator provides otherwise. Shares of restricted stock as to which the restrictions have not lapsed are subject to our right of repurchase or forfeiture.

Restricted stock units. Restricted stock units may be granted under our 2015 Plan. Restricted stock units are bookkeeping entries representing an amount equal to the fair market value of one share of our common stock. Subject to the provisions of our 2015 Plan, the administrator will determine the terms and conditions of restricted stock units, including the vesting criteria (which may include accomplishing specified performance criteria or continued service to us) and the form and timing of payment. Notwithstanding the foregoing, the administrator, in its sole discretion, may accelerate the time at which any restricted stock units will vest.

Performance units and performance shares. Performance units and performance shares may be granted under our 2015 Plan. Performance units and performance shares are awards that will result in a payment to a participant only if performance goals established by the administrator are achieved or the awards otherwise vest. The administrator will establish organizational or individual performance goals or other vesting criteria in its discretion, which, depending on the extent to which they are met, will determine the number and/or the value of performance units and performance shares to be paid out to participants. After the grant of a performance unit or performance share, the administrator, in its sole discretion, may reduce or waive any performance criteria or other vesting provisions for such performance units or performance shares. Performance units shall have an initial dollar value established by the administrator prior to the grant date. Performance shares shall have an initial value equal to the fair market value of our common stock on the grant date. The administrator, in its sole discretion, may pay earned performance units or performance shares in the form of cash, in shares or in some combination

Non-employee directors. Our 2015 Plan provides that all non-employee directors are eligible to receive all types of awards (except for incentive stock options) under the 2015 Plan. Our 2015 Plan provides that in any given fiscal year, a non-employee director may not receive under the 2015 Plan awards having a grant date fair value greater than $ increased to $ in connection with his or her initial service, in each case, as grant fair value is determined under generally accepted accounting principles. Our 2015 Plan further provides that, in the event of a merger or change in control, as defined in our 2015 Plan, each outstanding equity award granted under our 2015 Plan that is held by a non-employee director will fully vest, all restrictions on the shares subject to such award will lapse, and with respect to awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at 100% of target levels, and all of the shares subject to such award will become fully exercisable, if applicable.

Non-transferability of awards. Unless the administrator provides otherwise, our 2015 Plan generally does not allow for the transfer of awards and only the recipient of an award may exercise an award during his or her lifetime.

Certain adjustments. In the event of certain changes in our capitalization, to prevent diminution or enlargement of the benefits or potential benefits available under our 2015 Plan, the administrator will adjust the

number and class of shares that may be delivered under our 2015 Plan and/or the number, class and price of shares covered by each outstanding award and the numerical share limits set forth in our 2015 Plan. In the event of our proposed liquidation or dissolution, the administrator will notify participants as soon as practicable and all awards will terminate immediately prior to the consummation of such proposed transaction.

Merger or change in control. Our 2015 Plan provides that in the event of a merger or change in control, as defined under the 2015 Plan, each outstanding award will be treated as the administrator determines, except that if a successor corporation or its parent or subsidiary does not assume or substitute an equivalent award for any outstanding award, then such award will fully vest, all restrictions on the shares subject to such award will lapse, all performance goals or other vesting criteria applicable to the shares subject to such award will be deemed achieved at 100% of target levels and all of the shares subject to such award will become fully exercisable, if applicable, for a specified period prior to the transaction. The award will then terminate upon the expiration of the specified period of time.

Amendment, termination. The administrator will have the authority to amend, suspend or terminate the 2015 Plan provided such action will not impair the existing rights of any participant. Our 2015 Plan will automatically terminate in 2025, unless we terminate it sooner

2014 Equity Incentive Plan

Authorized shares. Our board of directors adopted, and our stockholders approved, our 2014 Equity Incentive Plan, or the 2014 Plan, in March 2014. We intend to terminate our 2014 Plan in connection with our initial public offering, and, accordingly, no shares will be available for future issuance under the 2014 Plan following our initial public offering. Notwithstanding the foregoing, the 2014 Plan will continue to govern outstanding awards granted thereunder. As of March 31, 2015, options to purchase 405,000 shares of common stock remained outstanding under the 2014 Plan.

Plan administration. Our board of directors or a committee of our board (the administrator) administers our 2014 Plan. The administrator has the power to (i) determine eligible persons who will receive awards under the 2014 Plan, (ii) grant awards to eligible persons, and determine the price at which securities will be offered or awarded and the number of securities to be offered or awarded, and determine the other specific terms and conditions of such awards consistent with the limits of the 2014 Plan, (iii) approve the forms of award agreements, (iv) construe and interpret the 2014 Plan and any agreements defining the rights and obligations of us, our subsidiaries, and participants under the 2014 Plan, and to prescribe, amend and rescind rules and regulations relating to the administration of the 2014 Plan or the awards granted under the 2014 Plan, (v) cancel, modify, or waive our rights with respect to, or modify, discontinue, suspend, or terminate any or all outstanding awards, subject to any required consent under the terms of the 2014 Plan, (vi) accelerate or extend the vesting or exercisability or extend the term of any or all outstanding awards (in the case of options or stock appreciation rights, within the maximum ten-year term of such awards) in such circumstances as the administrator may deem appropriate, (vii) adjust the number of shares subject to any award, adjust the price of any or all outstanding awards or otherwise change previously imposed terms and conditions, in such circumstances as the administrator may deem appropriate, in each case subject to compliance with applicable law, and provided that in no case (except as otherwise specified in the 2014 Plan) shall such an adjustment constitute a repricing of the per share exercise or base price of any award granted under the 2014 Plan, and further provided that any adjustment or change in terms shall be made in a manner that, in the good faith determination of the administrator, will not likely result in the imposition of additional taxes or interest under Section 409A of the Code, (viii) determine the date of grant of an award, subject to the terms of the 2014 Plan, (ix) determine whether, and the extent to which, adjustments are required pursuant to the adjustment provisions of the 2014 Plan and authorize the termination, conversion, substitution, acceleration or succession of awards upon the occurrence of certain events as set forth in the 2014 Plan, (x) acquire or settle (subject to the terms of the 2014 Plan) rights under awards in cash, stock of equivalent value, or other consideration; and (xi) determine the fair market value of our common stock or awards under the 2014 Plan from time to time and/or the manner in which such value will be determined. Any action

taken by us or the administrator relating to the 2014 Plan and within its authority under the 2014 Plan or under applicable law will be conclusive or binding on all persons.

Stock options. Under the 2014 Plan, the administrator has the power to grant options. The exercise price of stock options granted under our 2014 Plan has to be at least equal to 100% of the fair market value of our common stock on the date of grant, as determined by the administrator. The term of a stock option may not exceed ten (10) years, except that with respect to any participant who owns 10% of the voting power of all classes of our outstanding stock as of the grant date, the term of an incentive stock option may not exceed 5 years and the exercise price must be at least equal to 110% of the fair market value on the grant date. The 2014 Plan administrator determines the terms and conditions of options.

After termination of an employee, director or consultant, he or she may exercise his or her option for the period of time stated in the option agreement. Generally, unless an award agreement provides otherwise, if termination is due to death or disability, it is expected that the option will remain exercisable for twelve (12) months, and if termination is due to "cause" (as defined in the 2014 Plan or in the applicable award agreement), it is expected that the option will cease to be exercisable immediately up a participant's termination. In all other cases, it is expected that the option will generally remain exercisable for three (3) months. However, an option generally may not be exercised later than the expiration of its term.

Stock Appreciation Rights. Under the 2014 Plan, the administrator has the power to grant stock appreciation rights. A stock appreciation right is a right to receive a payment, in cash and/or common stock, equal to the number of shares of our common stock being exercised, multiplied by the excess of (i) the fair market value of a share of common stock on the date the stock appreciation right is exercised, over (ii) the fair market value of a share of common stock on the date the stock appreciation right was granted, as specified in the applicable award agreement. The maximum term of a stock appreciation right is ten (10) years. The post-termination exercise periods for options, described above, also generally apply to stock appreciation rights granted under the 2014 Plan.

Restricted shares. Under the 2014 Plan, the administrator has the power to grant restricted stock awards. Restricted stock awards are shares of our common stock that vest in accordance with terms and conditions established by the administrator. The administrator may impose whatever restrictions on transferability, risk of forfeiture, and other restrictions it determines to be appropriate. Shares of restricted stock that do not vest are subject to our right of repurchase or forfeiture. Except as provided in the 2014 Plan or the award agreement applicable to the restricted stock, a participant granted restricted stock will have all of the rights of a shareholder, including the right to vote the restricted stock and the right to receive dividends thereon. The administrator may require that restricted shares be held in escrow until all restrictions lapse.

Restricted stock units. Under the 2014 Plan, the administrator has the power to grant restricted stock units. Each restricted stock unit represents the right to receive from us, on the respective scheduled vesting or payment date, one share of our common stock. Subject to the provisions of our 2014 Plan, the administrator will determine the terms and conditions of restricted stock units, including the vesting criteria (which may include accomplishing specified performance criteria or continued service to us) and the form and timing of payment. Except as provided in the 2014 Plan or the award agreement applicable to the restricted stock units, a participant granted restricted stock units will have no rights of a shareholder until such time the shares of common stock underlying the restricted stock units are issued to the participant.

Cash Awards. Under the 2014 Plan, the administrator has the power to grant cash bonuses to participants, including discretionary awards, awards based on objective or subjective performance criteria, awards subject to other vesting criteria, or awards that are otherwise consistent with the 2014 Plan. Cash awards will be awarded in such amount and at such times as the administrator will determine.

Other Awards. Under the 2014 Plan, the administrator may grant the following additional types of awards: (i) stock bonuses, performance stock, performance units, dividend equivalents, or similar rights to purchase or

acquire shares, whether at a fixed or variable price or ration to our common stock, upon the passage of time, the occurrence of one or more events, or the satisfaction of performance criteria or other conditions, or any combination thereof, or (ii) any similar securities with a value derived from the value of or related to our common stock and/or returns thereon.

Non-transferability of awards. Unless otherwise provided by the administrator in an individual award agreement, our 2014 Plan generally does not allow for the transfer of awards except by will or by the laws of descent and distribution or as otherwise required by applicable law, and awards are exercisable (as applicable) only by the participant. However, it is our practice to generally grant nonstatutory stock options that are transferable to immediate family members in compliance with applicable securities laws.

Change in control. Our 2014 Plan provides that in the event of a change in control, as defined in the 2014 Plan, unless an award agreement provides otherwise, each then-outstanding option and stock appreciation right will automatically become fully vested, all restricted shares then outstanding will automatically fully vest free of restrictions, and each other award granted under the 2014 Plan that is then outstanding will automatically become vested and payable to the holder of such award unless the administrator has made appropriate provision for the substitution, assumption, exchange or other continuation of the award pursuant to the change in control. Notwithstanding the foregoing, the administrator, in its sole and absolute discretion, may choose (in an award agreement or otherwise) to provide for full or partial accelerated vesting of any award upon a change in control (or upon any other event or other circumstance related to the change in control, such as an involuntary termination of employment occurring after such change in control, as the administrator may determine), irrespective of whether such any such award has been substituted, assumed, exchanged or otherwise continued pursuant to the change in control.

Any award that has been accelerated in connection with a change in control pursuant to the preceding paragraph will terminate upon such event, subject to any provision made by the administrator for the survival, substitution, assumption, exchange, or other continuation of such award. Holders of options and stock appreciation rights will be given reasonable advance notice of the impending termination and a reasonable opportunity to exercise their outstanding awards. The administrator may make provision for payment in cash or property or both in respect of awards terminated in connection with a change in control.

Certain adjustments. Upon or in contemplation of any reclassification, recapitalization, stock split (including a stock split in the form of a stock dividend) or reverse stock split; any merger, arrangement, combination, consolidation, or other reorganization; any spin-off, split-up, or similar extraordinary dividend distribution in respect of our common stock (whether in the form of securities or property); any exchange of our common stock or other securities, or any similar, unusual or extraordinary corporate transaction in respect of our common stock; then the administrator shall in such manner, to such extent and at such time as it deems appropriate and equitable in the circumstances (but subject to compliance with applicable laws and any stock exchange requirements) proportionately adjust any or all of the following:

- the number and type of shares of our common stock (or other securities) that thereafter may be made the subject of awards (including the number of shares provided for in the 2014 Plan),
- the number, amount and type of shares of our common stock (or other securities or property) subject to any or all outstanding awards,
- the grant, purchase, or exercise price (which term includes the base price of any stock appreciation right or similar right) of any or all outstanding awards,
- the securities, cash or other property deliverable upon exercise or payment of any outstanding awards, and
- any compensation limitations set forth in the 2014 Plan, if applicable, and the performance standards applicable to any outstanding awards (provided that no adjustment shall be allowed to the extent inconsistent with the requirements of Code Section 162(m), if applicable).

Amendment, termination. The administrator has the authority to amend, suspend or terminate the 2014 Equity Incentive Plan provided that, without the written consent of a participant, such action does not affect in any manner materially adverse to the participant any rights or benefits of the participant or our obligations under any award granted under the 2014 Plan prior to the effective date of the change.

Limitations on Liability and Indemnification Matters

Our amended and restated certificate of incorporation and amended and restated bylaws, each to be effective upon the completion of this offering, will provide that we will indemnify our directors and officers, and may indemnify our employees and other agents, to the fullest extent permitted by Delaware law. Delaware law prohibits our amended and restated certificate of incorporation from limiting the liability of our directors for the following:

- any breach of the director's duty of loyalty to us or to our stockholders;
- acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- unlawful payment of dividends or unlawful stock repurchases or redemptions; and
- any transaction from which the director derived an improper personal benefit

If Delaware law is amended to authorize corporate action further eliminating or limiting the personal liability of a director, then the liability of our directors will be eliminated or limited to the fullest extent permitted by Delaware law, as so amended. Our amended and restated certificate of incorporation does not eliminate a director's duty of care and, in appropriate circumstances, equitable remedies, such as injunctive or other forms of non-monetary relief, remain available under Delaware law. This provision also does not affect a director's responsibilities under any other laws, such as the federal securities laws or other state or federal laws. Under our amended and restated bylaws, we will also be empowered to purchase insurance on behalf of any person whom we are required or permitted to indemnify.

In addition to the indemnification required in our amended and restated certificate of incorporation and amended and restated bylaws, we have entered into an indemnification agreement with each member of our board of directors and each of our officers. These agreements provide for the indemnification of our directors and officers for certain expenses and liabilities incurred in connection with any action, suit, proceeding or alternative dispute resolution mechanism, or hearing, inquiry or investigation that may lead to the foregoing, to which they are a party, or are threatened to be made a party, by reason of the fact that they are or were a director, officer, employee, agent or fiduciary of our company, or any of our subsidiaries, by reason of any action or inaction by them while serving as an officer, director, agent or fiduciary, or by reason of the fact that they were serving at our request as a director, officer, employee, agent or fiduciary of another entity. In the case of an action or proceeding by or in the right of our company or any of our subsidiaries, no indemnification will be provided for any claim where a court determines that the indemnified party is prohibited from receiving indemnification. We believe that these charter and bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers.

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. Moreover, 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.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Certain Relationships and Related Transactions

The following is a summary of transactions since January 1, 2012 to which we have been a party in which the amount involved exceeded $120,000 and in which any of our executive officers, directors, or beneficial holders of more than 5% of our capital stock had or will have a direct or indirect material interest, other than compensation arrangements and indemnification agreements which are described under the section of this prospectus captioned "Executive and Director Compensation."

Related Party Transaction Policy

Following completion of this offering, our audit committee will have the primary responsibility for reviewing and approving or disapproving "related party transactions," which, as defined in our written related party transactions policy, are transactions in which we participate and the aggregate amount involved exceeds or may be expected to exceed $120,000, and in which a related person has or will have a direct or indirect material interest. For purposes of this policy, a related person will be defined as a director, executive officer, or nominee for director, in each case at any time since the beginning of the most recently completed year, and their immediate family members, or any person or entity who is or will be, at the time a transaction, arrangement or relationship occurs or exists, a greater than 5% beneficial owner of our common stock, and their immediate family members. Our audit committee charter provides that the audit committee shall review and approve or disapprove any related party transactions.

Sales of Securities

The following table sets forth a summary of the sale and issuance of our securities to related persons since January 1, 2012, other than compensation arrangements which are described under the section of this prospectus captioned "Executive and Director Compensation." For a description of beneficial ownership see the section of this prospectus captioned "Security Ownership of Certain Beneficial Owners and Management."

Purchaser	Class A Common Stock(7)	Class B Common Stock(7)	Series B Convertible Preferred Stock(7)	Series C Convertible Preferred Stock(7)
5% Stockholders:				
Bio IP Ventures LLC(1)	130,238	—	1,000	416,667
Cambridge Equities, L.P.(2)	13,605,981	—	—	—
Sorrento Therapeutics, Inc.(3)	3,034,473	—	—	—
Executive Officers and Directors:				
Barry J. Simon, M.D.(4)	—	1,820,441	—	—
Steve Gorlin (5)	—	1,092,264	—	—
Hans Klingeman, M.D., Ph.D.(6)	—	1,155,484	—	—

(1) On June 20, 2013, we entered into a securities purchase agreement with Bio IP Ventures LLC, pursuant to which we sold a secured promissory note in the principal amount of $1,000,000, and 1,000 shares of our Series B preferred stock at a per share price of $0.10, for an aggregate purchase price of $1,000,100. In connection with our April 2014 private placement described in paragraph (4) below, Bio IP Ventures LLC converted the $1,000,000 principal amount of its promissory note into 416,667 "units" and a warrant to purchase 104,167 shares of our common stock. Each "unit" consisted of one share of our Series C preferred stock and a warrant to purchase one quarter of a share of our common stock at an aggregate price of $2.40 per unit. On June 20, 2013, Bio IP Ventures LLC purchased notes from some of our existing creditors totaling $312,570. In April 2014, these notes were exchanged for 130,238 shares of our Class A common stock. In December 2014, the Series C preferred stock was converted into Class A common stock.

(2) On December 23, 2014, we issued and sold to Cambridge Equities, LP, or Cambridge, an aggregate of 13,605,981 shares of our Class A common stock pursuant to a subscription and investment agreement at a price of $3.4908 per share for an aggregate purchase price of $47,495,481. Dr. Patrick Soon-Shiong, our

chief executive officer and one of our directors is the sole member of the general partner of Cambridge and has the sole power to vote or direct to vote, and the sole power to dispose or direct the disposition of all such shares.

(3) On December 18, 2014, we issued and sold to Sorrento Therapeutics, Inc., or Sorrento, an aggregate of 2,461,538 shares of our Class A common stock pursuant to a subscription and investment agreement at a price of $3.25 per share. The subscription agreement for such transaction was amended on December 23, 2014, to sell an additional 572,935 shares of the our Class A common stock to Sorrento.

(4) On December 30, 2013, we entered into a restricted stock purchase agreement for our Class B common stock with Barry J. Simon, M.D., our president, chief operating officer and one of our directors, pursuant to which Dr. Simon purchased 27,306,615 shares at a price per share of $0.025, which was paid in the form of a secured promissory note, with interest accruing at the applicable federal rate and a maturity date of nine years from the date of the note. In February 2014, we reincorporated into the state of Delaware and conjunction with our reincorporation, we conducted a 15 to 1 reverse stock split of our shares such that Dr. Simon's shares were converted into 1,820,441 shares of our Class B common stock. The note was settled in full on December 31, 2014.

(5) On December 30, 2013, we entered into a restricted stock purchase agreement for our Class B common stock with Steve Gorlin, our vice chairman, pursuant to which Mr. Gorlin purchased 16,383,960 shares at a price per share of $0.025, of which a portion was remitted in cash, and the balance was applied to the forgiveness of certain of our indebtedness to Mr. Gorlin. In February 2014, we reincorporated into the state of Delaware and in conjunction with our reincorporation, we conducted a 15 to 1 reverse stock split of our shares such that Mr. Gorlin's shares were converted into 1,092,264 shares of our Class B common stock.

(6) On December 30, 2013, we entered into a restricted stock purchase agreement for our Class B common stock with Hans G. Klingemann, M.D., Ph.D., one of our directors and our vice president, research and development, pursuant to which Dr. Klingemann purchased 17,332,260 shares at a price per share of $0.025, which was paid in the form of a secured promissory note, with interest accruing at the applicable federal rate and a maturity date of nine years from the date of the note. In February 2014, we reincorporated into the state of Delaware and in conjunction with our reincorporation, we conducted a 15 to 1 reverse stock split of our shares such that Dr. Klingemann's shares were converted into 1,155,484 shares of our Class B common stock. The note was settled on December 31, 2014.

(7) All of our Class B common stock, Series B preferred stock and Series C preferred stock was subsequently converted into Class A common stock in connection with our recapitalization on December 23, 2014 in connection with the Cambridge transaction set forth in paragraph (1) above. Our Class B common stock and Series C preferred stock converted at a one-to-one ratio and our Series B preferred stock converted at a 1-to-5,132.548 ratio.

Sorrento Investments

In December 2014, we entered into a subscription and investment agreement, or the Sorrento Subscription Agreement, and a registration rights agreement, or the Sorrento Registration Rights Agreement, with Sorrento Therapeutics, Inc., or Sorrento, relating to the private placement of our common stock. In the private placement, we issued to Sorrento an aggregate of 2,461,538 shares of our Class A common stock at a price of $3.25 per share in two separate tranches that closed on December 16, 2014 and December 18, 2014. On December 23, 2014, we entered into a First Amendment to the Sorrento Subscription Agreement, or the Amended Sorrento Subscription Agreement, with Sorrento pursuant to which we issued 572,935 shares of our common stock, or the Third Tranche Shares, to Sorrento at a price of $3.4908 as the third tranche in the series of investments contemplated by the Sorrento Subscription Agreement. We received aggregate gross proceeds of $10.0 million from Sorrento's investments.

Pursuant to the Amended Sorrento Subscription Agreement, Sorrento shall have the right to designate one director to our Board of Directors for so long as Sorrento, directly or indirectly, owns more than 250,000 shares of the issued and outstanding shares of our Class A common stock, subject to adjustment for stock splits, stock dividends, recapitalizations and similar transactions. Dr. Henry Ji, who is the Chief Executive Officer, President and a director of Sorrento, was selected by Sorrento to hold this board seat. The Sorrento director nominee shall

be nominated and recommended for election to the Board of Directors by our nominating committee, subject to any applicable limitations imposed by the DGCL, the Board of Directors' fiduciary duties to our stockholders and any other applicable law. Sorrento's right to have a designee nominated or appointed to serve on our Board of Directors shall automatically terminate whenever Sorrento owns less than 250,000 shares of our issued and outstanding shares of common stock.

If at any time that Sorrento owns more than 250,000 of the issued and outstanding shares of our Class A common stock and does not have a designee serving as a member of our Board of Directors, Sorrento shall have the right to designate one individual to attend all board meetings as an observer in a non-voting capacity and its designee shall receive a copy of all materials provided to our board members, subject to customary conflict of interest and confidentiality considerations.

Pursuant to a Schedule 13D filed by Cambridge on December 24, 2014, Cambridge beneficially owns 8,912,199 shares of Sorrento, representing 19.9% of Sorrento and Dr. Soon-Shiong, our chief executive officer and one of our directors, may beneficially own 9,623,373 shares or 21.9%, of Sorrento, which includes the 8,912,199 shares held by Cambridge, of which Dr. Soon-Shiong is the sole member of its general partner, and an additional 720,174 shares of common stock of Sorrento, which Dr. Soon-Shiong purchased on the open market.

Sorrento Registration Rights

Under the terms of the Sorrento Registration Rights Agreement, we have provided Sorrento with a right to demand registration of the Third Tranche Shares. We have also granted to Sorrento and the other purchasers under the Sorrento Subscription Agreement "piggyback" registration rights exercisable at any time that allow them to include the shares of our common stock that they own in any public offering of equity securities initiated by us for our own account or the account of others (other than those public offerings pursuant to registration statements on forms that do not permit registration for resale by them). These "piggyback" registration rights are not available with respect to any shares of our Class A common stock held by Sorrento or the purchasers which are eligible for resale pursuant certain exemptions from registration under the Securities Act or that are the subject of a then-effective registration statement. Sorrento has agreed to waive its registration rights with respect to this offering.

Sorrento Joint Development and License Agreement

On December 18, 2014, contemporaneously with the closing of Sorrento's second tranche of investment in us, we entered into a joint development and license agreement with Sorrento to exclusively collaborate on the development and commercialization of therapeutic applications of certain effector cell lines as may be agreed between the parties, which exclusivity extends to certain rights of each party included in each agreed collaboration. Pursuant to this agreement, the parties have agreed to use certain of our NK-92 cells exclusively with Sorrento's CARs and certain other CARs not excluded under the agreement to develop and commercialize joint products as may be agreed between the parties. To fund our joint research and development efforts, Sorrento has agreed to make research credit payments that are not material in each of December 2015 and 2016, which amounts would be reduced by certain expenses for which we are responsible under the agreement. The research credit payments will be paid in the form of full-time employee expense credits by Sorrento, for our portion of any development costs, and a laboratory credit for maintaining a laboratory on Sorrento's premises. Each joint product developed by the parties will be driven by one party, as mutually agreed upon by a designated steering committee comprised of three representatives from each party. That designated party, in each circumstance, will initiate and control development, testing, regulatory approval, commercialization, and, subject to certain conditions, out-licensing of the applicable joint product, and will bear all costs associated with the development of the joint cell line or joint product, including any costs associated with obtaining any necessary rights to third party intellectual property, unless the other party shares in such costs. Revenues generated from each joint cell line or joint product will be apportioned between Sorrento and us, depending upon the stage of development and each party's contribution towards the development costs. The agreement expires upon later of the completion of the series of our collaborative research and development efforts or three years. We and Sorrento each have the

right to terminate the agreement and the licenses granted thereunder if the other party is dissolved or is declared bankrupt or insolvent or remains in default of any material obligations following a sixty day cure period to remedy the default.

Cambridge Investment

On December 23, 2014, we entered into a subscription and investment agreement, or the Cambridge Subscription Agreement, a registration rights agreement, or the Cambridge Registration Rights Agreement, and a reclassification agreement, or the Reclassification Agreement, with Cambridge, relating to the private placement of our Class A common stock. In the private placement, we issued to Cambridge an aggregate of 13,605,981 shares of Class A common stock at a price of $3.4908. We received aggregate gross proceeds of $47.5 million from Cambridge's investment.

Cambridge agreed in the Cambridge Subscription Agreement that, until the earlier of the consummation of this offering and December 23, 2015, neither it nor any of its affiliates shall acquire, including by way of the acquisition of control of another entity, beneficial ownership of any shares of our common stock which, when aggregated with all of the other shares of our common stock beneficially owned by Cambridge and its affiliates, would cause the total number of shares of our common stock beneficially owned by Cambridge and its affiliates to exceed 49.9% of our outstanding shares of common stock. The Cambridge Subscription Agreement was amended pursuant to a letter agreement dated January 20, 2015, to remove the limitation on Class A common stock beneficially owned by Cambridge in exchange for Cambridge agreeing to vote its shares in favor of certain matters approved by a majority of our board of directors.

Pursuant to the Cambridge Subscription Agreement, Cambridge shall have the right to designate one director to our Board of Directors for so long as Cambridge and/or its affiliates directly own more than 20% of the issued and outstanding shares of our common stock, subject to adjustment for stock splits, stock dividends, recapitalizations and similar transactions. Dr. Soon-Shiong, who controls the entity that is the general partner of Cambridge and has the sole power to vote or direct to vote and the sole power to dispose or direct the disposition, was selected by Cambridge to hold this board seat. The Cambridge director nominee shall be nominated and recommended for election to the Board of Directors by our nominating committee, or by our board of directors or other duly authorized committee, subject to any applicable limitations imposed by the DGCL, the Board of Directors' fiduciary duties to our stockholders and any other applicable law. Cambridge's right to have a designee nominated or appointed to serve on our Board of Directors shall automatically terminate whenever Cambridge owns less than 20% of our issued and outstanding shares of common stock.

Under the terms of the Cambridge Subscription Agreement, Cambridge has agreed to vote all of the shares of our common stock beneficially owned by it and its affiliates in favor of, or affirmatively consent to, any matter or action necessary to facilitate the consummation of this offering. Cambridge has also agreed pursuant to the terms of the agreement that, during a restricted period, Cambridge and its affiliates will not, directly or indirectly, engage in certain activities including seeking to solicit or influence the voting of any shares of our common stock, influence or change control of the Company, modify the composition of our Board of Directors or act in concert with other persons to affect the foregoing. The restricted period commenced on the closing date of the Cambridge Subscription Agreement and continues through and includes the date of consummation of this offering. The period is suspended at any time when Cambridge and its affiliates own less than 20% of the outstanding shares of our common stock.

We have granted Cambridge a right to participate in future sales we make of our common stock or common stock equivalents prior to the consummation of this offering subject to certain customary exceptions. Under this participation right, Cambridge may elect to purchase a number of securities in the proposed sale that is proportionate to the number of shares of common stock then held by Cambridge to the total of our outstanding shares of common stock on a fully-diluted basis. Cambridge's right of participation does not apply to our sale of shares of common stock in this offering.

Pursuant to the Reclassification Agreement, we agreed together with Cambridge, Bio IP Ventures, LLC, or Bio IP, and Bonderman Family Limited Partership, or Bonderman LP, subject to the effectiveness of certain transactions, to take all necessary actions and to vote such shares necessary to convert all of our issued and outstanding shares of Series B preferred stock be converted into Class A common stock, all of our issued and outstanding Series C preferred stock be converted into Class B common stock, and to reclassify all of our Series B preferred stock, Series C preferred stock and Class B common stock into our Class A common stock by filing an amendment to our certificate of incorporation.

Cambridge Registration Rights

Under the terms of the Cambridge Registration Rights Agreement, we have provided Cambridge with a right to demand registration of the shares of common stock issued under the Cambridge Subscription Agreement. We have also granted to Cambridge "piggyback" registration rights exercisable at any time that allow them to include the shares of our common stock that they own in any public offering of equity securities initiated by us for our own account or the account of others (other than those public offerings pursuant to registration statements on forms that do not permit registration for resale by them). These "piggyback" registration rights are not available with respect to any shares of our common stock held by Cambridge which are eligible for resale pursuant certain exemptions from registration under the Securities Act or that are the subject of a then-effective registration statement. Cambridge has agreed to waive its registration rights with respect to this offering.

Stockholders' Agreement

On December 23, 2014, we entered into a stockholders' agreement, or the Stockholders' Agreement with Sorrento, Cambridge, Barry J. Simon, Steven Gorlin and Hans Klingeman, pursuant to which the signing stockholders agreed to, among other things, vote in favor of (i) a Cambridge designee for election to our Board of Directors and to serve as Co-Chairman, (ii) a Sorrento designee for election to our Board of Directors and (iii) each other director nominee that is not a Cambridge designee or Sorrento designee recommended by at least a majority of the directors of our entire Board of Directors for election as directors of Conkwest. The obligation of the stockholders to so vote will terminate automatically upon the earlier of (a) the consummation of this offering and (b) (1) with respect to the Cambridge nominee, at such time as Cambridge shall no longer have the right to make such nomination pursuant to the Cambridge Subscription Agreement (or shall earlier agree to relinquish such right) and (2) with respect to the Sorrento nominee, at such time Sorrento shall no longer have the right to make such nomination pursuant to the Amended Sorrento Subscription Agreement (or shall earlier agree to relinquish such right).

Reclassification Agreement

On December 23, 2014, we entered into reclassification agreement, or the Reclassification Agreement, with Bio IP Ventures, LLC, Cambridge and Bonderman Family Limited Partnership pursuant to which the parties thereto agreed to vote all their shares of Class A common stock and Series B preferred stock in favor of an amendment to our certificate of incorporation that effectuated the conversion of all of our outstanding Series B preferred stock, Series C preferred stock and Class B common stock into shares of our Class A common stock at a conversion rate of 1 to 1 for the Series C preferred stock and Class B common stock, and a conversion rate of 5,132.548 to 1 for our Series B preferred stock.

Forgiveness of Executive Loans

In June 2008, we issued a promissory note to loan up to $200,000 to an officer. The note accrued interest at 2.08% per annum and was scheduled to mature on June 19, 2014. Upon the earlier of the date of a change of control or the date of the closing of an equity financing of at least $3.0 million, we would forgive the officer's obligation to pay the outstanding principal and related accrued interest. In addition, we would pay an amount equal to the sum of any federal, state, and local income taxes and any disallowed deductions imposed on the

officer by the loan forgiveness. In connection with the sale of our Series C preferred stock, in March 2014 we recorded compensation expense of $115,106 for forgiveness of the principal and accrued interest and $133,159 to cover income taxes incurred by the officer as a result of the forgiveness of the loan.

Acquisition of Inex Bio

On March 1, 2012, Barry Simon, M.D., our president, chief operating officer, and one of our directors, was appointed to the board of directors of Inex Bio, Inc., or Inex Bio, a Republic of Korea corporation focused on cell therapy development.

In April 2012, we entered into a License Agreement, or the Inex License Agreement, with Inex Bio. Under the Inex License Agreement, we provided Inex Bio with an exclusive license to the Company's technology to be used in products only in certain Asian countries. In exchange for the Inex License Agreement, we received a $300,000 up-front license fee. In addition, we were expected to receive milestone payments of up to $775,000 based upon the completion of certain clinical trials and a 5% royalty on the net sales of products using our aNK cells. No milestone payments were due or received for the years ended December 31, 2013 or 2014.

In May 2012, we acquired 57,000 shares of Inex Bio for $248,541, which represented 22.2% of the outstanding shares and 17.4% of the fully-diluted shares of Inex Bio.

On March 30, 2015, we entered into a Stock Purchase Agreement with InexBio Holdings, LLC and certain other parties, or the purchase agreement, pursuant to which we acquired all the remaining outstanding shares of Inex Bio not previously owned by us for cash consideration of $8.0 million and the issuance of 1,729,729 warrants to purchase our Class A common stock with an exercise price of $3.70 per share. Cambridge, an entity in which Dr. Soon-Shiong, our chief executive officer and one of our directors, is the sole member of its general partner, and Eragon Ventures, LLC, an entity of which Dr. Ji, one of our directors, is a non-controlling member together indirectly own a substantial equity interest in InexBio Holdings, LLC. At the time of our acquisition of the remaining shares of Inex Bio, Dr. Simon, our chief operating officer and one of our board members, was on the board of directors of Inex Bio. Subsequent to the closing of the transaction, InexBio Holdings, LLC exercised its warrant issued pursuant to the transaction and received 1,409,409 shares of our Class A common stock.

Agreements with Affiliates of NantWorks

Our chairman and chief executive officer, Dr. Soon-Shiong, founded and has a controlling interest in NantWorks, which is a collection of multiple companies in the healthcare and technology space. We have entered into arrangements with certain affiliates of NantWorks described below that, taken together, we expect will facilitate the development of new genetically modified NK cells for our product pipeline.

In June 2015, we entered into an agreement with NantOmics, LLC to obtain genomic sequencing and proteomic analysis services, as well as related data management and bioinformatics services, exclusively from NantOmics. We will have rights to use the data and results generated from NantOmics' services in connection with the performance of the particular oncology trial with respect to which the services were performed, but NantOmics will own the data and results, as well as any other intellectual property it creates in performing these services for us. We are obligated to pay NantOmics a fixed, per sample fee, determined based on the type of services being provided. The agreement has an initial term of five years and renews automatically for successive one year periods, unless terminated by us or NantOmics. We and NantOmics have the right to terminate the agreement for convenience on 90 days prior written notice, or in the event there is a material, uncured breach of the agreement by the other party.

In June 2015, we entered into an agreement with NanoCav, LLC pursuant to which we obtained access to NanoCav's virus-free cell transfection technologies on a non-exclusive basis. Under the agreement, NanoCav will conduct certain, mutually-agreed feasibility studies, on a fee for service basis, to evaluate the use of its cell

transfection technologies with our aNK cells. We may elect to obtain NanoCav's cell transfection equipment, and rights to its associated protocols and other intellectual property, for use only for pre-clinical research, or also for use in clinical and commercial applications. If we choose to qualify the equipment and technologies for cGMP use with our products. We are obligated to pay NanoCav an annual license fee, which is determined based upon whether we elect to use NanoCav's technologies for pre-clinical purposes only, or also for clinical and commercial purposes. In addition, if we use the equipment for clinical and commercial purpose, we are obligated to pay an equipment fee on a cost-plus basis. We are also obligated to purchase any consumables we require to use with the NanoCav technologies from NanoCav, and to pay for those consumables on a cost-plus basis. The agreement has an initial term of five years and renews automatically for successive one year periods, unless terminated. We have the right to terminate the agreement for convenience on 90 days prior written notice, and both NanoCav and us may terminate if there is a material, uncured breach of the agreement by the other party.

In June 2015, we also entered into a supply agreement with NantCell, Inc. pursuant to which we have the right to purchase NantCell's proprietary bioreactors, made according to specifications we mutually agree with NantCell, in such quantities as we may require from time to time during the term of the agreement. We also have the right to purchase reagents and consumables associated with such equipment from NantCell. We made a non-refundable upfront payment to NantCell which is creditable against our future equipment purchases under the agreement. We are also obligated to pay for any equipment and consumables we purchase from NantCell on a cost-plus basis. The agreement has an initial term of five years and renews automatically for successive one year periods unless terminated by us or NantCell. We and NantCell have the right to terminate the agreement for convenience on 90 days prior written notice, or in the event there is a material, uncured breach of the agreement by the other party.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table provides information as to shares of common stock beneficially owned as of May 31, 2015 by:

- each director;
- each named executive officer;
- each person owning of record or known by us, based on information provided to us by the persons named below, to own beneficially at least 5% of our common stock; and
- all directors and executive officers as a group.

The percentage ownership information is based on 35,577,360 shares of common stock outstanding as of May 31, 2015. Shares issuable pursuant to the exercise of stock options and warrants exercisable within 60 days are deemed outstanding and held by the holder of such options or warrants for computing the percentage of outstanding common stock beneficially owned by any other person.

Information with respect to beneficial ownership has been furnished by each director, officer or beneficial owner of more than 5% of our common stock. We have determined beneficial ownership in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities. In addition, the rules include shares of our common stock issuable pursuant to the exercise of stock options or warrants that are either immediately exercisable or exercisable within 60 days of May 31, 2015. As noted in the applicable footnotes to the table, some of the options are not vested but are exercisable at any time and, if exercised, subject to a lapsing right of repurchase until the options are fully vested. These shares are deemed to be outstanding and beneficially owned by the person holding those options or warrants for the purpose of computing the percentage ownership of that person, but they are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Unless otherwise indicated, the persons or entities identified in this table have sole voting and investment power with respect to all shares shown as beneficially owned by them, subject to applicable community property laws.

Except as otherwise noted below, the address for each person or entity listed in the table is c/o Conkwest, Inc., 2533 South Coast Highway 101, Suite 110, Cardiff-by-the-Sea, California 92007-2133. Beneficial ownership representing less than 1% is denoted with an asterisk (*).

	Beneficial Ownership Prior to the Offering		Beneficial Ownership After the Offering	
Name of Beneficial Owner	Shares	Percentage	Shares	Percentage
5% Stockholders:				
Cambridge Equities, LP(1)	21,915,104	61.59%		
Sorrento Therapeutics, Inc.(2)	3,034,473	8.53%		
Bonderman Family Limited Partnership(3)	2,422,628	6.81%		
Barry J. Simon, M.D.(4)	1,804,981	5.06%		
Directors and Named Executive Officers:				
Patrick Soon-Shiong, M.D., FRCS (C), FACS(5)	22,393,437	62.10%		
Barry J. Simon, M.D.(6)	1,804,981	5.06%		
Hans G. Klingemann, M.D., Ph.D(7)	1,247,670	3.46%		
Steve Gorlin(8)	498,633	1.39%		
Henry Ji, Ph.D.(9)	3,084,473	8.66%		
Richard Kusserow(10)	133,333	*		
John T. Potts, Jr., M.D.(11)	133,333	*		
Robert Rosen(12)	58,333	*		
John C. Thomas, Jr.(13)	133,333	*		
All directors and executive officers as a group (10 persons)(14)	29,550,026	79.45%		

(1) Consists of (i) 21,910,104 shares held by Cambridge Equities, LP ("Cambridge Equities") and (ii) 5,000 shares that may be acquired pursuant to the exercise of warrants held of record within 60 days of May 31, 2015 by Cambridge Equities. MP 13 Ventures, LLC ("MP 13 Ventures") is the general partner of Cambridge Equities and may be deemed to have beneficial ownership of the shares held by Cambridge Equities. Dr. Soon-Shiong, a member of our board of directors and our chief executive officer, is the sole member of MP 13 Ventures, LLC, and has voting and dispositive power over the shares held by Cambridge Equities. The address for Cambridge Equities is 9922 Jefferson Boulevard, Culver City, California 90232.

(2) Consists of 3,034,473 shares held by Sorrento Therapeutics, Inc. ("Sorrento"), a publicly traded company on the NASDAQ stock market. Dr. Ji, a member of our board of directors, is a co-founder, director, president and chief executive officer of Sorrento. Dr. Ji may be deemed to have voting and dispositive power over the shares held by Sorrento. Dr. Ji disclaims beneficial ownership with respect to such shares except to the extent of his pecuniary interest therein, if any. The address for Sorrento is 6042 Cornerstone Court West, Suite B, San Diego, California 92121.

(3) Consists of 2,422,628 shares held by Bonderman Family Limited Partnership. The address for Bonderman Family Limited Partnership is 301 Commerce Street, Suite 3300, Fort Worth, Texas 76102.

(4) Consists of (i) 1,712,417 shares held and (ii) 92,564 shares issuable upon the exercise of options that are exercisable within 60 days of May 31, 2015.

(5) Consists of (i) 21,910,104 shares held by Cambridge Equities disclosed in paragraph (1) above, (ii) 5,000 shares that may be acquired pursuant to the exercise of warrants held of record within 60 days of May 31, 2015 by Cambridge Equities disclosed in paragraph (1) above, (iii) 83,333 shares issuable upon the exercise of options that are exercisable within 60 days of May 31, 2015 by Dr. Patrick Soon-Shiong, (iv) 400,000 shares that may be acquired pursuant to the exercise of warrants held of record within 60 days of May 31, 2015 by Dr. Soon-Shiong.

(6) Consists of the shares disclosed in paragraph (4) above.

(7) Consists of (i) 811,212 shares held and (ii) 436,458 shares issuable upon the exercise of options that are exercisable within 60 days of May 31, 2015.

(8) Consists of (i) 246,132 shares held and (ii) 252,501 shares issuable upon the exercise of options that are exercisable within 60 days of May 31, 2015.

(9) Consists of (i) 3,034,473 shares held by Sorrento disclosed in paragraph (2) above, and (ii) 50,000 shares issuable upon the exercise of options that are exercisable within 60 days of May 31, 2015 by Dr Ji.

(10) Consists of (i) 116,664 shares held and (ii) 16,669 shares issuable upon the exercise of options that are exercisable within 60 days of May 31, 2015 held jointly by Mr. Kusserow and his spouse.

(11) Consists of 133,333 shares issuable upon the exercise of options that are exercisable within 60 days of May 31, 2015.

(12) Consists of 58,333 shares issuable upon the exercise of options that are exercisable within 60 days of May 31, 2015.

(13) Consists of (i) 50,000 shares held and (ii) 83,333 shares issuable upon the exercise of options that are exercisable within 60 days of May 31, 2015.

(14) Consists of (i) 27,939,335 shares beneficially owned by our current executive officers and directors, (ii) 405,000 shares that may be acquired pursuant to the exercise of warrants held of record within 60 days of May 31, 2015 and (iii) options to purchase 1,210,691 shares of common stock that are exercisable within 60 days of May 31, 2015.

DESCRIPTION OF CAPITAL STOCK

General

The following description summarizes the most important terms of our capital stock, as they are expected to be in effect upon the completion of this offering. We expect to adopt an amended and restated certificate of incorporation and amended and restated bylaws in connection with the completion of this offering, and this description summarizes the provisions that are expected to be included in such documents. This summary does not purport to be complete and is qualified in its entirety by the provisions of our amended and restated certificate of incorporation and amended and restated bylaws, copies of which have been filed as exhibits to the registration statement of which this prospectus is a part. For a complete description of our capital stock, you should refer to our amended and restated certificate of incorporation and bylaws, that are filed as exhibits to the registration statement of which this prospectus forms a part, and to the applicable provisions of Delaware law. Immediately following the completion of this offering, our authorized capital stock will consist of 200,000,000 shares of common stock, $0.0001 par value per share, and 20,000,000 shares of undesignated preferred stock, $0.0001 par value per share.

Common Stock

We are authorized to issue up to a total of 200,000,000 shares of common stock, par value $0.0001 per share. Holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of our stockholders. Holders of our common stock have no cumulative voting rights. Further, holders of our common stock have no preemptive, conversion, redemption or subscription rights and there are no sinking fund provisions applicable to our common stock. Upon our liquidation, dissolution or winding-up, holders of our common stock are entitled to share ratably in all assets remaining after payment of all liabilities and the liquidation preferences of any of our outstanding shares of preferred stock. Subject to preferences that may be applicable to any outstanding shares of 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, or board, out of our assets which are legally available.

As of May 31, 2015, there were 35,577,360 shares of common stock issued and outstanding and there were approximately 81 holders of record of our common stock.

Preferred Stock

Our board is authorized, subject to certain limitations prescribed by law, to designate and issue up to a total of 20,000,000 shares of preferred stock, par value $0.0001, without stockholder approval. The board may issue preferred stock from time to time in one or more series and fix the designations, preferences and rights of the shares of each such series and any qualifications, limitations or restrictions on the shares of each such series, including dividend rights and rates, conversion rights, voting rights, terms of redemption, liquidation preferences and the number of shares constituting any such series.

Our board may authorize the issuance of preferred stock with voting or conversion rights that could harm the voting power or other rights of the holders of the common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in control of our company and might harm the market price of our common stock and the voting and other rights of the holders of common stock. We have no current plans to issue any shares of preferred stock.

Warrants

The following table sets forth information about outstanding warrants to purchase 9,954,371 shares of our common stock as of May 31, 2015:

Number of Shares Exercisable Prior to This Offering	Number of Shares of Common Stock Exercisable Following This Offering	Exercise Price Per Share
35,296	—	$ 4.51
419,075	—	$ 3.00
9,500,000	—	$ 3.70
9,954,371	—	

Options

As of May 31, 2015, options to purchase 4,705,696 shares of our common stock at a weighted-average exercise price of $2.67 per share were outstanding.

Registration Rights

Sorrento Registration Rights

Under the terms of the Sorrento Registration Rights Agreement, we have provided Sorrento with a right to demand registration of the Third Tranche Shares. We have also granted to Sorrento and the other purchasers under the Sorrento Subscription Agreement "piggyback" registration rights exercisable at any time that allow them to include the shares of our common stock that they own in any public offering of equity securities initiated by us for our own account or the account of others (other than those public offerings pursuant to registration statements on forms that do not permit registration for resale by them). These "piggyback" registration rights are not available with respect to any shares of our common stock held by Sorrento or the purchasers which are eligible for resale pursuant certain exemptions from registration under the Securities Act or that are the subject of a then-effective registration statement. Sorrento has agreed to waive its registration rights with respect to this offering.

Cambridge Registration Rights

Under the terms of the Cambridge Registration Rights Agreement, we have provided Cambridge with a right to demand registration of the shares of common stock issued under the Cambridge Subscription Agreement. We have also granted to Cambridge "piggyback" registration rights exercisable at any time that allow them to include the shares of our common stock that they own in any public offering of equity securities initiated by us for our own account or the account of others (other than those public offerings pursuant to registration statements on forms that do not permit registration for resale by them). These "piggyback" registration rights are not available with respect to any shares of our common stock held by Cambridge which are eligible for resale pursuant certain exemptions from registration under the Securities Act or that are the subject of a then-effective registration statement. Cambridge has agreed to waive its registration rights with respect to this offering.

Registration Rights Agreement

On June 20, 2013, we entered into a registration rights agreement with Bio IP Ventures LLC, or Bio IP, in conjunction with the issuance and sale a secured promissory note and shares of our Series B preferred stock. Pursuant to the agreement, we have provided Bio IP with a right to demand registration subject to certain

obligations set forth in the agreement. We also granted Bio IP "piggyback" registration rights exercisable at any time following the consummation of this offering and subject to certain other limitations that allow Bio IP to include the shares of our common stock that it owns in any such public offerings of equity securities initiated by us for our own account or the account of others.

Subscription and Securities Purchase Agreement

In April 2014, we entered into a series of subscription agreements with accredited investors pursuant to which we issued and sold an aggregate of 2,691,615 "units" consisting of 2,691,615 shares of our Series C preferred stock and 672,904 warrants to purchase shares of our common stock. Investors participating in such financing were granted "piggyback" registration rights exercisable at any time that allow them to include the shares of our common stock that they own in any public offering of equity securities initiated by us for our own account or the account of others (other than those public offerings pursuant to registration statements on forms that do not permit registration for resale by them). These "piggyback" registration rights are not available with respect to any shares of our common stock held by such investors or the purchasers which are eligible for resale pursuant certain exemptions from registration under the Securities Act or that are the subject of a then-effective registration statement.

June 2015 Private Placement Registration Rights Agreements.

In June 2015, we entered into a private placement offering pursuant to which we issued and sold 1,997,675 shares of our common stock for proceeds of $71.0 million. Investors participating in such offering were granted the right to demand registration of the shares purchased pursuant to the offering following our initial public offering, provided that such demand is made by a majority of the participants in such offering. We also granted the investors "piggyback" registration rights exercisable at any time that allow them to include the shares of our common stock that they own in any public offering of equity securities initiated by us for our own account or the account of others (other than those public offerings pursuant to registration statements on forms that do not permit registration for resale by them). These "piggyback" registration rights are not available with respect to any shares of our common stock held by such investors or the purchasers which are eligible for resale pursuant certain exemptions from registration under the Securities Act or that are the subject of a then-effective registration statement.

Anti-Takeover Effects of Delaware Law and Our Certificate of Incorporation and Bylaws

The provisions of Delaware law, our amended and restated certificate of incorporation and our amended and restated bylaws may have the effect of delaying, deferring or discouraging another person from acquiring control of our company. These provisions, which are summarized below, may have the effect of discouraging takeover bids. They are also designed, in part, to encourage persons seeking to acquire control of us to negotiate first with our board of directors. We believe that the benefits of increased protection of our potential ability to negotiate with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us because negotiation of these proposals could result in an improvement of their terms.

Amended and Restated Certificate of Incorporation and Amended and Restated Bylaw Provisions

Our amended and restated certificate of incorporation and our amended and restated bylaws include a number of provisions that could deter hostile takeovers or delay or prevent changes in control of our management team, including the following:

- *Board of directors vacancies*. Our amended and restated certificate of incorporation and amended and restated bylaws will authorize only our board of directors to fill vacant directorships, including newly created seats. In addition, the number of directors constituting our board of directors will be permitted to be set only by a resolution adopted by our board of directors. These provisions would prevent a

stockholder from increasing the size of our board of directors and then gaining control of our board of directors by filling the resulting vacancies with its own nominees. This makes it more difficult to change the composition of our board of directors but promotes continuity of management.

- *Advance notice requirements for stockholder proposals and director nominations*. Our amended and restated bylaws will provide advance notice procedures for stockholders seeking to bring business before our annual meeting of stockholders or to nominate candidates for election as directors at our annual meeting of stockholders. Our amended and restated bylaws will also specify certain requirements regarding the form and content of a stockholder's notice. These provisions might preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our annual meeting of stockholders if the proper procedures are not followed. We expect that these provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company.
- *No cumulative voting*. The Delaware General Corporation Law provides that stockholders are not entitled to the right to cumulate votes in the election of directors unless a corporation's certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation will not provide for cumulative voting.
- *Amendment of charter provisions*. Any amendment of the above provisions in our amended and restated certificate of incorporation would require approval by holders of at least two-thirds of our then outstanding voting securities.
- *Issuance of undesignated preferred stock*. Our board of directors will have the authority, without further action by the stockholders, to issue up to 20,000,000 shares of undesignated preferred stock with rights and preferences, including voting rights, designated from time to time by our board of directors. The existence of authorized but unissued shares of preferred stock would enable our board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or other means.

Listing

We have applied for listing of our common stock on The NASDAQ Global Select Market under the symbol " ."

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is American Stock Transfer & Trust Company, LLC, or AST. The transfer agent and registrar's address is 6201 15th Avenue, Brooklyn, New York 11219. The transfer agent's telephone number is (800) 937-5449.

SHARES ELIGIBLE FOR FUTURE SALE

Before this offering, no public market existed for our common stock. Market sales of shares of our common stock after this offering and from time to time, and the availability of shares for future sale, may reduce the market price of our common stock. Sales of substantial amounts of our common stock, or the perception that these sales could occur, could adversely affect prevailing market prices for our common stock and could impair our future ability to obtain capital, especially through an offering of equity securities.

Based on the number of shares of common stock outstanding as of the date of this prospectus, and assuming the sale of all shares offered, upon completion of this offering, shares of common stock will be outstanding. All of the securities sold by in this offering, other than the shares purchased by our directors and officers in the directed share program, will be freely tradable without restrictions or further registration under the Securities Act unless held by our "affiliates," as that term is defined under Rule 144 under the Securities Act.

The remaining shares of common stock outstanding upon the closing of this offering are restricted securities, as defined under Rule 144 of the Securities Act. Restricted securities may be sold in the U.S. public market only if registered or if they qualify for an exemption from registration, including by reason of Rule 144 or 701 under the Securities Act, which rules are summarized below. These remaining shares will generally become available for sale in the public market as follows:

- restricted shares will be eligible for sale in the public market upon completion of this offering under Rule 144; and
- restricted shares will be eligible for sale in the public market 90 days after the date of this prospectus, subject (with respect to shares held by affiliates) to the volume, manner of sale and other limitations under Rule 144 and Rule 701.

Rule 144

In general, under Rule 144 under the Securities Act, as in effect on the date of this prospectus, beginning 90 days after the date of this prospectus, a person who is not one of our affiliates at any time during the three months preceding a sale, and who has beneficially owned shares of our common stock to be sold for at least six months, would be entitled to sell an unlimited number of shares of our common stock, provided current public information about us is available. In addition, under Rule 144, a person who is not one of our affiliates at any time during the three months preceding a sale, and who has beneficially owned the shares of our common stock to be sold for at least one year, would be entitled to sell an unlimited number of shares immediately upon the closing of this offering without regard to whether current public information about us is available. Beginning 90 days after the date of this prospectus, our affiliates who have beneficially owned shares of our common stock for at least six months are entitled to sell within any three-month period a number of shares that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately shares immediately after this offering; and
- the average weekly trading volume of our common stock on The NASDAQ Global Select Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale, or if no such notice is required, the date of receipt of the order to execute the sale.

Sales of restricted shares under Rule 144 by our affiliates are also subject to requirements regarding the manner of sale, notice and the availability of current public information about us. Rule 144 also provides that affiliates relying on Rule 144 to sell shares of our common stock that are not restricted shares must nonetheless comply with the same restrictions applicable to restricted shares, other than the holding period requirement.

Lock-Up Agreements

Notwithstanding the availability of Rule 144, holders of substantially all of our outstanding securities have entered into lock-up agreements as described above under "Underwriting" and their securities will become eligible for sale at the expiration of the restrictions set forth in those agreements, subject to any exceptions set forth therein.

Rule 701

Rule 701 under the Securities Act, as in effect on the date of this prospectus, permits resales of shares in reliance upon Rule 144 but without compliance with some of the restrictions of Rule 144, including the holding period requirement. All holders of Rule 701 shares are required to wait until 90 days after the date of this prospectus before selling their shares under Rule 701.

Equity Incentive Plans

Following the completion of this offering, we intend to file a registration statement on Form S-8 under the Securities Act to register shares of our common stock issued or reserved for issuance under our 2014 Equity Incentive Plan and 2015 Equity Incentive Plan. The registration statement on Form S-8 will become effective immediately upon filing, and shares covered by such registration statement will thereupon be eligible for sale in the public markets, subject to vesting restrictions, the lock-up agreements described above and Rule 144 limitations applicable to affiliates. See the section titled "Executive and Director Compensation—Equity Compensation Plan Information" for additional information.

Registration Rights

Upon completion of this offering, the holders of approximately shares of our common stock will be eligible to exercise certain rights to cause us to register their shares for resale under the Securities Act, subject to various conditions and limitations. These registration rights are described under the caption "Description of Securities–Registration Rights." Upon the effectiveness of a registration statement covering these shares, the shares would become freely tradable, and a large number of shares may be sold into the public market. If that occurs, the market price of our common stock could be adversely affected.

Warrants

As of March 31, 2015, warrants entitling holders to purchase an aggregate of 12,211,777 shares of our common stock at a weighted-average exercise price of $3.65 per share are outstanding.

See the section titled "Description of Capital Stock" for additional information. Such shares issued upon exercise of the warrants may be able to be sold after the expiration of the lock-up period described above subject the requirements of Rule 144 described above.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS

The following is a summary of the material U.S. federal income tax consequences of the ownership and disposition of our common stock to non-U.S. holders (as defined below), but does not purport to be a complete analysis of all the potential tax considerations relating thereto. This summary is based upon the provisions of the United States Internal Revenue Code of 1986, as amended, or the Code, Treasury Regulations promulgated thereunder, administrative rulings and judicial decisions, all as of the date hereof. These authorities may be changed, possibly retroactively, so as to result in U.S. federal income tax consequences different from those set forth below. We have not sought any ruling from the Internal Revenue Service, or the IRS, with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS will agree with such statements and conclusions.

This summary also does not address the tax considerations arising under the laws of any non-U.S., state or local jurisdiction or under U.S. federal gift and estate tax laws, except to the limited extent set forth below. In addition, this discussion does not address the potential application of any tax considerations applicable to an investor's particular circumstances or to investors that may be subject to special tax rules, including, without limitation:

- banks, insurance companies or other financial institutions;
- persons subject to the alternative minimum tax or the tax on net investment income;
- tax-exempt organizations;
- controlled foreign corporations, passive foreign investment companies or corporations that accumulate earnings to avoid U.S. federal income tax;
- dealers in securities or currencies;
- traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;
- persons that own, or are deemed to own, more than five percent of our capital stock (except to the extent specifically set forth below);
- certain former citizens or long-term residents of the United States;
- persons who hold our common stock as a position in a hedging transaction, "straddle," "conversion transaction" or other risk reduction transaction;
- persons who hold or receive our common stock pursuant to the exercise of any warrant or option or otherwise as compensation;
- persons who do not hold our common stock as a capital asset within the meaning of Section 1221 of the Code; or
- persons deemed to sell our common stock under the constructive sale provisions of the Code.

In addition, if a partnership, entity or arrangement classified as a partnership for U.S. federal income tax purposes holds our common stock, the tax treatment of a partner generally will depend on the status of the partner and upon the activities of the partnership. Accordingly, partnerships that hold our common stock, and partners in such partnerships, should consult their tax advisors.

You are urged to consult your tax advisor with respect to the application of the U.S. federal income tax laws to your particular situation, 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, non-U.S. or other taxing jurisdiction or under any applicable tax treaty.

Non-U.S. Holder Defined

For purposes of this discussion, you are a non-U.S. holder if you are any holder other than a partnership (or other entity classified as a partnership for U.S. federal income tax purposes) or:

- an individual citizen or resident of the United States (for U.S. federal income tax purposes);
- a corporation or other entity taxable as a corporation created or organized in the United States or under the laws of the United States or any political subdivision thereof;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust (x) whose administration is subject to the primary supervision of a U.S. court and that has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (y) that has made a valid election under applicable Treasury Regulations to be treated as a U.S. person.

Distributions

We do not anticipate making any distributions on our common stock following the completion of this offering. However, if we do make distributions on our common stock, those payments will constitute dividends for U.S. tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent those distributions exceed both our current and our accumulated earnings and profits, they will constitute a return of capital and will first reduce your basis in our common stock, but not below zero, and then will be treated as gain from the sale of stock.

Subject to the discussion below on effectively connected income, any dividend paid to you generally will be subject to U.S. withholding tax either at a rate of 30% of the gross amount of the dividend or such lower rate as may be specified by an applicable income tax treaty, subject to the discussion below on common stock held by or through foreign entities. In order to receive a reduced treaty rate, you must provide us with an IRS Form W-8BEN or W-8BEN-E or other appropriate version of IRS Form W-8 certifying qualification for the reduced rate. A non-U.S. holder of shares of our common stock eligible for a reduced rate of U.S. withholding tax pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the IRS. If the non-U.S. holder holds the stock through a financial institution or other agent acting on the non-U.S. holder's behalf, the non-U.S. holder will be required to provide appropriate documentation to the agent, which then will be required to provide certification to us or our paying agent, either directly or through other intermediaries.

Dividends received by you that are effectively connected with your conduct of a U.S. trade or business (and, if required by an applicable income tax treaty, such dividends are attributable to a permanent establishment maintained by you in the United States), are includible in your gross income in the taxable year received, and are generally exempt from such withholding tax, subject to the discussion below on backup withholding and on common stock held by or through foreign entities. In order to obtain this exemption, you must provide us with an IRS Form W-8ECI or other applicable IRS Form W-8 properly certifying such exemption. Such effectively connected dividends, although not subject to withholding tax, are taxed at the same graduated rates applicable to U.S. persons, net of certain deductions and credits, subject to an applicable income tax treaty providing otherwise. In addition, if you are a corporate non-U.S. holder, dividends you receive that are effectively connected with your conduct of a U.S. trade or business may also be subject to a branch profits tax at a rate of 30% or such lower rate as may be specified by an applicable income tax treaty. You should consult your tax advisor regarding any applicable tax treaties that may provide for different rules.

Gain on Disposition of Common Stock

Subject to the discussion below on backup withholding and on common stock held by or through foreign entities, you generally will not be required to pay U.S. federal income tax on any gain realized upon the sale or other disposition of our common stock unless:

- the gain is effectively connected with your conduct of a U.S. trade or business (and, if required by an applicable income tax treaty, the gain is attributable to a permanent establishment maintained by you in the United States);
- you are an individual who is present in the United States for a period or periods aggregating 183 days or more during the calendar year in which the sale or disposition occurs and certain other conditions are met; or
- our common stock constitutes a U.S. real property interest by reason of our status as a "United States real property holding corporation," or USRPHC, for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding your disposition of, or your holding period for, our common stock.

We believe that we are not currently and will not become a USRPHC. However, because the determination of whether we are a USRPHC depends on the fair market value of our U.S. real property relative to the fair market value of our other business assets, there can be no assurance that we will not become a USRPHC in the future. Even if we become a USRPHC, however, as long as our common stock is regularly traded on an established securities market, your common stock will be treated as U.S. real property interests only if you actually or constructively hold more than five percent of such regularly traded common stock at any time during the shorter of the five-year period preceding your disposition of, or your holding period for, our common stock.

If you are a non-U.S. holder described in the first bullet above, you will be required to pay tax on the net gain derived from the sale under regular graduated U.S. federal income tax rates, and a corporate non-U.S. holder described in the first bullet above also may be subject to the branch profits tax at a 30% rate, or such lower rate as may be specified by an applicable income tax treaty. If you are an individual non-U.S. holder described in the second bullet above, you will be subject to tax at 30% (or such lower rate specified by an applicable income tax treaty) on the gain derived from the sale, which tax may be offset by U.S. source capital losses for the year. You should consult any applicable income tax or other treaties that may provide for different rules.

Federal Estate Tax

Our common stock beneficially owned by an individual who is not a citizen or resident of the United States (as defined for U.S. federal estate tax purposes) at the time of their death will generally be includable in the decedent's gross estate for U.S. federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

Backup Withholding and Information Reporting

Generally, we must report annually to the IRS the amount of dividends paid to you, your name and address, and the amount of tax withheld, if any. A similar report will be sent to you. Pursuant to applicable income tax treaties or other agreements, the IRS may make these reports available to tax authorities in your country of residence.

Payments of dividends or of proceeds on the disposition of stock made to you may be subject to information reporting and backup withholding at a current rate of 28% unless you establish an exemption, for example, by properly certifying your non-U.S. status on an IRS Form W-8BEN or W-8BEN-E or another appropriate version of IRS Form W-8. Notwithstanding the foregoing, backup withholding and information reporting may apply if either we or our paying agent has actual knowledge, or reason to know, that you are a U.S. person.

Backup withholding is not an additional tax; rather, the U.S. federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund or credit may generally be obtained from the IRS, provided that the required information is furnished to the IRS in a timely manner.

Foreign Accounts

Code Sections 1471-1474 and the regulations issued thereunder generally will impose a U.S. federal withholding tax of 30% on dividends on, and the gross proceeds from a sale or other disposition of our common stock, paid to a "foreign financial institution" (as specially defined under these rules), unless such institution enters into an agreement with the U.S. government to, among other things, withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding the U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners) or otherwise establishes an exemption. The legislation also generally will impose a U.S. federal withholding tax of 30% on dividends on and the gross proceeds from a sale or other disposition of our common stock paid to a "non-financial foreign entity" (as defined under these rules) unless such entity provides the withholding agent with a certification identifying the direct and indirect U.S. owners of the entity or otherwise establishes an exemption. The withholding obligations under this legislation will apply currently to dividends on our common stock and will apply under transition rules to the gross proceeds of a sale or other disposition of our common stock on or after January 1, 2017. Under certain circumstances, a non-U.S. holder might be eligible for refunds or credits of such taxes. An intergovernmental agreement between the United States and an applicable foreign country may modify the requirements described in this paragraph. Prospective investors are encouraged to consult with their own tax advisors regarding the possible implications of this legislation on their investment in our common stock.

The preceding discussion of U.S. federal income tax considerations is for general information only. It is not tax advice. Each prospective investor should consult its own tax advisor regarding the particular U.S. federal, state and local and non-U.S. tax consequences of purchasing, holding and disposing of our common stock, including the consequences of any proposed change in applicable laws

UNDERWRITING

We are offering the shares of common stock described in this prospectus through a number of underwriters. Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets Inc., Jefferies LLC and Piper Jaffray & Co. are acting as joint book-running managers of the offering. 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
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Citigroup Global Markets Inc.	
Jefferies LLC	
Piper Jaffray & Co.	
MLV & Co. LLC	
Total	

The underwriters are committed to purchase all the common shares offered by us if they purchase any shares. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or the offering may be terminated.

The underwriters propose to offer the common shares directly to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers at that price less a concession not in excess of $ per share. Any such dealers may resell shares of certain brokers or dealers at a discount of up to $ per share from the initial offering price. After the initial public offering of the shares, the offering price and other selling terms may be changed by the underwriters. Sales of shares made outside of the United States may be made by affiliates of the underwriters.

The underwriters have an option to buy up to additional shares of common stock from us. The underwriters have 30 days from the date of this prospectus to exercise this option to purchase additional shares. If any shares are purchased with this option to purchase additional shares, the underwriters will purchase shares in approximately the same proportion as shown in the table above. If any additional shares of common stock are purchased, the underwriters will offer the additional shares on the same terms as those on which the shares are being offered.

The underwriting fee is equal to the public offering price per share of common stock less the amount paid by the underwriters to us per share of common stock. The underwriting fee is $ per share. The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	Without option to purchase additional shares exercise	With full option to purchase additional shares exercise
Per Share	$	$
Total	$	$

We estimate that the total expenses of this offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding the underwriting discounts and commissions, will be approximately $. We have agreed to reimburse the underwriters for all expenses relating to the clearance of this offering with the Financial Industry Regulatory Authority, Inc. up to a maximum of $35,000.

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 (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, or file with the SEC, a registration statement under the Securities Act relating to, any shares of our common stock or any securities convertible into or exercisable or exchangeable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, 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, without the prior written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets, Inc. and Jefferies LLC for a period of 180 days after the date of this prospectus, other than the shares of our common stock to be sold hereunder and any shares of our common stock issued upon the exercise of options granted under our existing equity incentive plans. Our directors and executive officers, and substantially all of our securityholders 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 Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets, Inc. and Jefferies LLC, (1) lend, 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 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, or other securityholders in accordance with the rules and regulations of the SEC and securities which may be issued upon exercise of a stock option or warrant), or publicly disclose the intention to make any offer, sale pledge or disposition, or (2) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the common stock or such other securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of common stock or such other securities, in cash or otherwise, or (3) make any demand for or exercise any right with respect to the registration of any shares of our common stock or any security convertible into or exercisable or exchangeable for our common stock.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act.

We have applied to have our common stock approved for listing on the NASDAQ Global Select Market under the symbol “ ”.

In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing and selling shares of common stock in the open market for the purpose of preventing or retarding a decline in the market price of the common stock while this offering is in progress. These stabilizing transactions may include making short sales of the common stock, which involves the sale by the underwriters of a greater number of shares of common stock than they are required to purchase in this offering, and purchasing shares of common stock on the open market to cover positions created by short sales. Short sales may be “covered” shorts, which are short positions in an amount not greater than the underwriters’ option to purchase additional shares referred to above, or may be “naked” shorts, which are short positions in excess of that amount. The underwriters may close out any covered short position either by exercising their option to purchase additional shares, in whole or in part, or by purchasing shares in the open market. In making this determination, the underwriters will consider, among other things, the price of shares available for purchase in the open market compared to the price at which the underwriters may purchase shares through the option to purchase additional

shares. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market that could adversely affect investors who purchase in this offering. To the extent that the underwriters create a naked short position, they will purchase shares in the open market to cover the position.

The underwriters have advised us that, pursuant to Regulation M of the Securities Act, 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 discounts and commissions 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 Select 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 provided in the past to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. In addition, from time to time, certain of the underwriters and their affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future.

At our request, the underwriters have also reserved for sale, at the initial public offering price, up to additional shares of our common stock for sale to some of our employees, business associates and related persons. The underwriters will receive the same underwriting discount on any shares purchased by our directors, officers, employees, existing investors, business associates and related persons as they will on any other shares sold to the public in this offering. If shares are sold to these persons or entities, it will reduce the number of shares available for sale to the general public. Any shares that are not sold to these persons or entities will be offered by the underwriters to the general public on the same terms as the other shares offered by this prospectus.

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.

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area, each, a Relevant Member State, no offer of shares may be made to the public in that Relevant Member State other than:

- to any legal entity which is a qualified investor as defined in the 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 Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of shares shall require the Company or the representatives to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person in a Relevant Member State who initially acquires any shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed that it is a “qualified investor” within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive. In the case of any shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

The Company, the representatives and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

This prospectus has been prepared on the basis that any offer of shares in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of shares. Accordingly any person making or intending to make an offer in that Relevant Member State of shares which are the subject of the offering contemplated in this prospectus may only do so in circumstances in which no obligation arises for the Company or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Company nor the underwriters have authorized, nor do they authorize, the making of any offer of shares in circumstances in which an obligation arises for the Company or the underwriters to publish a prospectus for such offer.

For the purpose of the above provisions, the expression “an offer to the public” in relation to any 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 the shares, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member States) and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

Notice to Prospective Investors in the United Kingdom

In the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are “qualified investors” (as defined in the Prospectus Directive) (1) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”); and/or (2) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”).

Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this document or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this document relates to may be made or taken exclusively by relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

Notice to Prospective Investors in Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange, or the SIX, or on any other stock exchange or regulated trading facility in Switzerland. This document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company, the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority 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.

Notice to Prospective Investors in Hong Kong

The shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the shares has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are

likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder.

Notice to Prospective Investors in Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (1) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA; (2) 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 (3) 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.

Notice to Prospective Investors in Japan

The shares have not been and will not be registered under the Financial Instruments and Exchange Act. Accordingly, the shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan.

Notice to Prospective Investors in Australia

This prospectus:

- does not constitute a disclosure document under Chapter 6D.2 of the Corporations Act 2001 (Cth), or the Corporations Act;
- has not been, and will not be, lodged with the Australian Securities and Investments Commission, or ASIC, as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act; and

- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors, or Exempt Investors, available under section 708 of the Corporations Act.

The securities offered by this prospectus may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the securities may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any securities may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the securities, you represent and warrant to us that you are an Exempt Investor.

As any offer of securities under this document will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the securities you undertake to us that you will not, for a period of 12 months from the date of issue of the securities, offer, transfer, assign or otherwise alienate those securities to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Notice to Prospective Investors in the Dubai International Financial Centre, or DIFC

This document relates to an Exempt Offer in accordance with the Markets Rules 2012 of the Dubai Financial Services Authority, or DFSA. This document is intended for distribution only to persons of a type specified in the Markets Rules 2012 of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for this document. The securities to which this document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

LEGAL MATTERS

The validity of the shares of common stock offered hereby will be passed upon for us by Wilson Sonsini Goodrich & Rosati, Professional Corporation, San Diego, California. The underwriters are being represented by Cooley LLP, Santa Monica, California, in connection with this offering.

EXPERTS

Our financial statements as and for the years ended December 31, 2013 and 2014, appearing in this prospectus and registration statement have been audited by Mayer Hoffman McCann P.C., independent registered public accounting firm, as set forth in their report thereon appearing elsewhere in this prospectus, and are included in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock offered by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement, some of which is contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our common stock, we refer you to the registration statement, including the exhibits filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document is not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, please see the copy of the contract or document that has been filed. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit. You may obtain copies of this information by mail from the Public Reference Section of the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. You may obtain information on the operation of the public reference rooms by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet website that contains reports, proxy statements and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

As a result of this offering, we will become subject to the information and reporting requirements of the Exchange Act and, in accordance with this law, will file periodic reports, proxy statements and other information with the SEC. These periodic reports, proxy statements and other information will be available for inspection and copying at the SEC's public reference facilities and the website of the SEC referred to above. We also maintain a website at www.otonomy.com. Upon completion of this offering, you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on our website is not a part of this prospectus and the inclusion of our website address in this prospectus is an inactive textual reference only.

Index to Financial Statements

Audited Financial Statements

Unaudited Condensed Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Conkwest, Inc.

We have audited the accompanying balance sheets of Conkwest, Inc. as of December 31, 2013 and 2014, and the related statements of operations, stockholders' equity (deficit) and cash flows for each of the two years ended December 31, 2013 and 2014. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Conkwest, Inc. as of December 31, 2013 and 2014, and the results of its operations and its cash flows for each of the two years ended December 31, 2013 and 2014, in conformity with accounting principles generally accepted in the United States of America.

/s/ Mayer Hoffman McCann P.C.

San Diego, California
April 17, 2015 (except for subsequent events noted in Note 17, as to which the date is June 19, 2015)

Conkwest, Inc.
Balance Sheets
(in thousands, except share and per share amounts)

	As of December 31, 2013	2014
ASSETS		
Current assets:		
Cash and cash equivalents	$ 350	$ 59,104
Accounts receivable, net	265	145
Prepaid expenses and other current assets	109	124
Note receivable from related party	115	—
Finance issuance costs, net	139	—
Total current assets	978	59,373
Investment in Inex Bio, Inc.	249	249
Property and equipment, net	13	211
Intangible assets, net	863	835
Other assets	—	160
Total assets	$ 2,103	$ 60,828
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	$ 1,501	$ 1,131
Accrued expenses	607	311
Interest payable	538	—
Notes payable	1,737	265
Note payable to related party	23	—
Warrant derivative liability	19	177
Deferred revenue	573	521
Total liabilities	4,998	2,405
Commitments and contingencies (See Note 10)		
Stockholders' equity (deficit)		
Series B convertible preferred stock, $0.0001 par value; 1,000 shares authorized; 1,000 and 0 shares issued and outstanding: liquidation preference of $0 as of December 31, 2013 and 2014	—	—
Series C convertible preferred stock, $0.0001 par value; 4,000,000 shares authorized; 0 shares issued and outstanding as of December 31, 2013 and 2014	—	—
Class A common stock, $0.0001 par value; 138,977,165 and 75,470,414 shares authorized; 625,652 and 32,997,244 issued and outstanding as of December 31, 2013 and 2014	1	3
Class B common stock, $0.0001 par value; 61,022,835 and 4,529,586 shares authorized; 907,966 and 0 issued and outstanding as of December 31, 2013 and 2014	1	—
Additional paid-in capital	3,631	71,161
Accumulated deficit	(6,528)	(12,741)
Total stockholders' equity (deficit)	(2,895)	58,423
Total liabilities and stockholders' equity (deficit)	$ 2,103	$ 60,828

The accompanying notes are an integral part of these financial statements.

Conkwest, Inc.
Statements of Operations
(in thousands, except share and per share amounts)

	Year Ended December 31,	
	2013	2014
Revenue	$ 600	$ 641
Operating expenses:		
Royalties and cost of licensing	253	323
Research and development	446	1,595
Selling, general and administrative	1,982	4,326
Total operating expenses	2,681	6,244
Loss from operations	(2,081)	(5,603)
Other income (expense):		
Interest expense, net	(461)	(451)
Fair value adjustment	684	(158)
Total other income (expense)	223	(609)
Loss before income taxes	(1,858)	(6,212)
Income tax expense	1	1
Net loss	$ (1,859)	$ (6,213)
Net loss per share:		
Basic and diluted	$ (4.32)	$ (1.40)
Weighted-average number of shares during the year:		
Basic and diluted	430,519	4,453,702

The accompanying notes are an integral part of these financial statements.

Conkwest, Inc.
Statements of Stockholders' Equity (Deficit)
(in thousands, except share and per share amounts)

	Series A convertible preferred stock		Series B convertible preferred stock		Series C convertible preferred stock		Common stock				Additional Paid-in Capital	Accumulated Deficit	Total
							Class A		Class B				
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance at December 31, 2012	219,308	$ —	—	$ —	—	$ —	196,008	$ 1	—	$ —	$ 946	$ (4,669)	$ (3,722)
Issuance of Series B convertible preferred stock less issuance costs of $125	—	—	1,000	—	—	—	—	—	—	—	511	—	511
Conversion to Class A common stock	(219,308)	—	—	—	—	—	219,308	—	—	—	—	—	—
Conversion of debt and payables to Class A common stock	—	—	—	—	—	—	210,336	—	—	—	950	—	950
Exercise of Class B common stock	—	—	—	—	—	—	—	—	907,966	1	340	—	341
Stock-based compensation expense	—	—	—	—	—	—	—	—	—	—	884	—	884
Net loss	—	—	—	—	—	—	—	—	—	—	—	(1,859)	(1,859)
Balance at December 31, 2013	—	—	1,000	—	—	—	625,652	1	907,966	1	3,631	(6,528)	(2,895)
Exercise of Class B common stock	—	—	—	—	—	—	—	—	3,160,223	—	1,185	—	1,185
Stock-based compensation expense	—	—	—	—	—	—	—	—	—	—	562	—	562
Change in par value from $0.001 to $0.0001	—	—	—	—	—	—	—	(1)	—	(1)	2	—	—
Issuance of Series C convertible preferred stock less issuance costs of $758	—	—	—	—	3,108,282	—	—	—	—	—	6,701	—	6,701
Conversion of debt and payables to Class A common stock	—	—	—	—	—	—	822,468	—	—	—	1,339	—	1,339
Issuance of restricted stock	—	—	—	—	—	—	70,000	—	—	—	227	—	227
Issuance of stock to placement agent	—	—	—	—	—	—	1,667,472	—	412,180	—	—	—	—
Issuance of Class A common stock less issuance costs of $159	—	—	—	—	—	—	16,640,454	2	—	—	57,335	—	57,337
Conversion of Preferred B and C convertible preferred stock and Class B common stock to Class A common stock	—	—	(1,000)	—	(3,108,282)	—	12,721,199	1	(4,480,369)	—	(1)	—	—
Exercise of stock options	—	—	—	—	—	—	449,999	—	—	—	180	—	180
Net loss	—	—	—	—	—	—	—	—	—	—	—	(6,213)	(6,213)
Balance at December 31, 2014	—	$ —	—	$ —	—	$ —	32,997,244	$ 3	—	$ —	$ 71,161	$ (12,741)	$ 58,423

The accompanying notes are an integral part of these financial statements.

Conkwest, Inc.
Statements of Cash Flows
(in thousands, except share and per share amounts)

	Year Ended December 31, 2013	2014
Cash flows used in operating activities:		
Net loss	$ (1,859)	$ (6,213)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	76	128
Amortization of finance issuance costs	60	60
Stock-based compensation expense	884	789
Change in fair value of warrant derivative liability	(684)	158
Amortization of debt discount	259	377
Forgiveness of note receivable from related party	—	115
Bad debt expense	—	25
Changes in operating assets and liabilities:		
Accounts receivable	(173)	95
Notes receivable from related party	(2)	(1)
Other current assets	97	(14)
Other assets	—	(160)
Accounts payable	700	(347)
Interest payable	153	(18)
Accrued expenses	156	(296)
Deferred revenue	(75)	(52)
Net cash used in operating activities	(408)	(5,354)
Cash flows used in investing activities:		
Purchases of property and equipment	(3)	(235)
Investment in intangible assets	(260)	(64)
Net cash used in investing activities	(263)	(299)
Cash flows provided by financing activities:		
Proceeds from debt and equity offerings, net of issuance costs	676	63,118
Payments on notes payable	(1)	(53)
Proceeds from exercise of Class B common stock	230	1,162
Proceeds from exercise of stock options	—	180
Net cash provided by financing activities	905	64,407
Net increase in cash and cash equivalents	234	58,754
Cash and cash equivalents, beginning of year	116	350
Cash and cash equivalents, end of year	$ 350	$ 59,104
Cash paid during the year for:		
Interest	$ —	$ 52
Income taxes	$ 1	$ 1
Supplemental disclosure of non-cash investing and financing activities:		
Conversion of debt and payables into Class A common stock	$ 950	$ 1,339
Conversion of debt into Series C convertible preferred stock	$ —	$ 1,000
Notes received for purchase Class B common stock	$ 1,526	$ —
Conversion of accounts payable against note receivable from related party	$ 110	$ 23
Issuance of stock to placement agent	$ —	$ —
Change in par value from $0.001 to $0.0001	$ —	$ 1

The accompanying notes are an integral part of these financial statements.

Conkwest, Inc.
Notes to the Financial Statements
As of and for the years ended December 31, 2013 and 2014
(in thousands, except share and per share amounts)

1. Description of Business and Basis of Presentation

Organization

Conkwest, Inc., (the Company) was incorporated in Illinois on October 7, 2002 under the name ZelleRx Corporation. On January 22, 2010, the Company changed its name to Conkwest, Inc. The Company is a biotechnology company headquartered in Cardiff-by-the-Sea, California with certain operations in Culver City, California. The Company is commercially developing targeted direct-acting immunotherapeutic agents for a variety of clinical conditions.

The Company holds the exclusive right to commercialize activated natural killer (aNK) cells, a commercially viable natural killer cell-line, and a variety of genetically modified derivatives capable of killing cancer and virally infected cells. The Company owns corresponding U.S. and foreign composition and methods-of-use patents and applications covering the clinical use of aNK cells as a therapeutic to treat a spectrum of clinical conditions.

The Company also licensed exclusive commercial rights to a portfolio of CD16 bearing aNK cells along with the corresponding U.S. and foreign composition and methods-of-use patents and applications covering the non-clinical use in laboratory testing of monoclonal antibodies as well as clinical use as a therapeutic to treat cancers in combination with antibody products. The Company has licensed or sub-licensed its cell lines and intellectual property to numerous pharmaceutical and biotechnology companies for such non-clinical uses.

The Company retains exclusive worldwide rights to clinical and research data, intellectual property and know-how developed with the Company’s aNK cells, as well as the only clinical grade master cell bank.

Domicile Change

In March 2014, the Company entered into a definitive merger and share exchange agreement pursuant to which the Company redomesticated from the State of Illinois to the State of Delaware and the Illinois Company ceased to exist (the Redomestication). In connection with the Redomestication, the holders of Class A and Class B common stock received one share of Class A and Class B common stock of the Delaware Company, respectively, in exchange for fifteen shares of the Illinois Company. The holders of Series B preferred stock received one share of Series B preferred stock of the Delaware Company in exchange for one share of the Illinois Company. The holders of any options, warrants or other securities are subject to adjustment based on the ratio of one for fifteen. All share numbers and per share prices in the accompanying financial statements have been adjusted to reflect the 1 for 15 exchange.

Liquidity

As of December 31, 2014, the Company had an accumulated deficit of approximately $12,741. The Company also had negative cash flow from operations of approximately $5,354 during the year ended December 31, 2014. The Company expects that it will likely need additional capital to further fund development of, and seek regulatory approvals for, its product candidates, and begin to commercialize any approved products.

The Company is currently focused primarily on the development of immunotherapeutic treatments for cancers and debilitating viral infections using targeted cancer killing cell lines, and believes such activities will result in the Company’s continued incurrence of significant research and development and other expenses related to those programs. If the clinical trials for any of the Company’s product candidates fail or produce unsuccessful results

and those product candidates do not gain regulatory approval, or if any of the Company's product candidates, if approved, fails to achieve market acceptance, the Company may never become profitable. Even if the Company achieves profitability in the future, it may not be able to sustain profitability in subsequent periods. The Company intends to cover its future operating expenses through cash and cash equivalents on hand and through a combination of equity offerings, debt financings, government or other third-party funding, marketing and distribution arrangements and other collaborations, strategic alliances and licensing arrangements. The Company cannot be sure that additional financing will be available when needed or that, if available, financing will be obtained on terms favorable to the Company or its stockholders.

While the Company expects its existing cash and cash equivalents will enable it to fund operations and capital expenditure requirements for at least the next twelve months, having insufficient funds may require it to delay, reduce, limit or terminate some or all of its development programs or future commercialization efforts or grant rights to develop and market product candidates that the Company might otherwise prefer to develop and market itself. Failure to obtain adequate financing eventually could adversely affect the Company's ability to operate as a going concern. If the Company raises additional funds from the issuance of equity securities, substantial dilution to existing stockholders may result. If the Company raises additional funds by incurring debt financing, the terms of the debt may involve significant cash payment obligations as well as covenants and specific financial ratios that may restrict the Company's ability to operate its business.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, the Company evaluates its estimates, including those related to the valuation of warrants, stock-based compensation, the valuation allowance for deferred tax assets, and allowance for doubtful accounts. The Company bases its estimates on historical experience and on various other market-specific and relevant assumptions that it believes to be reasonable under the circumstances. Actual results could differ from those estimates.

Concentration of Credit Risk

Financial instruments, which potentially expose the Company to concentrations of credit risk, consist principally of cash balances on deposit with a bank, which exceed insured limits, and accounts receivable. The Company performs ongoing credit evaluations of customers' financial condition, and the Company does not require collateral.

There were 11 and seven customers that comprised the entire accounts receivable balance at December 31, 2013 and 2014, respectively. At December 31, 2013, two customers each had accounts receivable balances in excess of 10% of total accounts receivable. At December 31, 2014, six customers each had accounts receivable balances in excess of 10% of total accounts receivable.

For the year ended December 31, 2014, the Company derived revenue of $167 from one customer, representing 26% of the Company's total revenue, compared to revenue of $75 from one customer, representing 12% of the Company's total revenue for the year ended December 31, 2013.

Conkwest, Inc.
Notes to the Financial Statements
As of and for the years ended December 31, 2013 and 2014
(in thousands, except share and per share amounts)

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities from the date of purchase of three months or less to be cash equivalents.

Accounts Receivable, Net

The Company's accounts receivable consist primarily of amounts billed under the Company's license agreements with its customers. The Company extends credit to customers without requiring collateral. Accounts receivable are stated at net realizable value. On a periodic basis, the Company evaluates its accounts receivable and establishes an allowance based on its history of collections and write-offs and the current status of all receivables. The Company does not accrue interest on trade receivables. Accounts receivable is recorded net of a $14 and $25 allowance for doubtful accounts at December 31, 2013 and 2014, respectively.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation is determined on a straight-line basis over the estimated useful lives of the assets, which generally range from three to five years. Leasehold improvements are amortized over the shorter of the useful life of the asset or the term of the related lease. Repairs and maintenance are charged to expense as incurred.

Intangible Assets

Intangible assets consist of costs incurred in connection with patent applications (principally legal fees), patent purchases, trademarks related to the Company's aNK cells. The Company calculates amortization expense for its patents using the straight-line method over the estimated useful lives of the patents, generally 5-15 years. Other intangibles, consisting of trademarks and copyrights, are considered to have indefinite lives and are not amortized but reviewed for impairment annually, or sooner under certain circumstances.

The Company has no historical data to support a probable future economic benefit for patent applications, filing and prosecution costs other than for the Company's aNK cells. Therefore, these patent-related costs are expensed as incurred and are included in selling, general and administrative in the statements of operations. The Company capitalizes patent application costs for those patents that are generating revenue currently. Should the Company experience a legal cost to defend a patent in the future, that cost would be capitalized only when it is part of the cost of retaining and obtaining the future economic benefit of the patent. Costs related to an unsuccessful outcome would be expensed.

Impairment of Long-Lived Assets

The Company reviews for impairment long-lived assets to be held and used whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. When such events occur, the Company compares the carrying amounts of the assets to their undiscounted expected future cash flows. If the undiscounted cash flows are insufficient to recover the carrying values, an impairment loss is recorded for the difference between the carrying values and fair values of the assets. No such impairment has occurred as of December 31, 2013 and 2014.

Conkwest, Inc.
Notes to the Financial Statements
As of and for the years ended December 31, 2013 and 2014
(in thousands, except share and per share amounts)

Fair Value of Financial Instruments

The accounting standard for fair value measurements provides a framework for measuring fair value and requires disclosures regarding fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, based on the Company's principal or, in absence of a principal, most advantageous market for the specific asset or liability.

The Company uses a three-tier fair value hierarchy to classify and disclose all assets and liabilities measured at fair value on a recurring basis, as well as assets and liabilities measured at fair value on a non-recurring basis, in periods subsequent to their initial measurement. The hierarchy requires the Company to use observable inputs when available, and to minimize the use of unobservable inputs, when determining fair value.

The three tiers are defined as follows:

- Level 1 – Observable inputs that reflect quoted market prices (unadjusted) for identical assets or liabilities in active markets;
- Level 2 – Observable inputs other than quoted prices in active markets that are observable either directly or indirectly in the marketplace for identical or similar assets and liabilities; and
- Level 3 – Unobservable inputs that are supported by little or no market data, which require the Company to develop its own assumptions.

Revenue Recognition and Deferred Revenue

The Company derives substantially all of its revenue from non-exclusive license agreements with numerous pharmaceutical and biotechnology companies granting them the right to use the Company's cell lines and intellectual property for non-clinical use. These license agreements generally include upfront fees and annual research license fees for such use, as well as commercial fees for sales of the licensees' products developed or manufactured using the Company's intellectual property and cell lines. The Company's license agreements also may include milestone payments, although to date, the Company has not generated any revenue from milestone payments. The Company recognizes revenue when (i) persuasive evidence of an arrangement exists; (ii) delivery of the products and/or services has occurred; (iii) the fees are fixed or determinable; and (iv) collectibility is reasonably assured.

When entering into an arrangement, the Company first determines whether the arrangement includes multiple deliverables and is subject to accounting guidance in Accounting Standards Codification (ASC) Subtopic 605-25, *Multiple-Element Arrangements*. If the Company determines that an arrangement includes multiple elements, it determines whether the arrangement should be divided into separate units of accounting and how the arrangement consideration should be measured and allocated among the separate units of accounting.

An element qualifies as a separate unit of accounting when the delivered element has standalone value to the customer. The Company's agreements do not include a general right of return relative to delivered elements. Any delivered elements that do not qualify as separate units of accounting are combined with other undelivered elements within the arrangement as a single unit of accounting. If the arrangement constitutes a single combined unit of accounting, the Company determines the revenue recognition method for the combined unit of accounting and recognizes the revenue over the period from inception through the date the last deliverable within the single unit of accounting is delivered.

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License rights and non-contingent deliverables, such as knowledge transfer, do not have standalone value as they are not sold separately and they cannot be resold and, consequently are considered a single unit of accounting.

Therefore, license revenue in the form of upfront payments is deferred and recognized over the applicable relationship period, which historically has been the estimated period of the Company's substantive performance obligations or the period the rights granted are in effect.

The Company recognizes a milestone payment when earned if it is substantive and the Company has no ongoing performance obligations related to the milestone. A milestone payment is considered substantive if it 1) is commensurate with either the Company's performance to achieve the milestone or the enhanced value of the delivered item as a result of a specific outcome resulting from the Company's performance to achieve the milestone; 2) relates solely to past performance; and 3) is reasonable relative to all of the deliverables and payment terms, including other potential milestone consideration, within the arrangement.

The Company records any amounts received prior to satisfying the revenue recognition criteria as deferred revenue in the accompanying balance sheets.

Royalties and Cost of Licensing

Royalties and cost of licensing consist of expenses related to the generation of revenue from the Company's license agreements. These expenses primarily include royalty payments made pursuant to the Company's in-licensing agreements and patent amortization expense.

Research and Development Costs

Major components of research and development costs include cash compensation, stock-based compensation, depreciation and amortization expense on research and development property and equipment, costs of preclinical studies, clinical trials and related clinical manufacturing, costs of drug development, costs of materials and supplies, facilities cost, overhead costs, regulatory and compliance costs, and fees paid to consultants and other entities that conduct certain research and development activities on the Company's behalf. Costs incurred in research and development are expensed as incurred.

Stock-Based Compensation

The Company measures and recognizes compensation expense for all stock-based payment awards made to employees, officers and directors based on the estimated fair values of the awards as of the grant date. The Company records the value of the portion of the award that is ultimately expected to vest as expense over the requisite service period.

The Company also accounts for equity instruments issued to non-employees using a fair value approach under ASC Subtopic 505-50, *Equity-Based Payments to Non-Employees*. The Company values equity instruments and stock options granted using the Black-Scholes option-pricing model. The value of non-employee stock-based compensation is subject to periodic adjustments as the underlying equity instruments vest and is recognized as an expense over the term of the related financing or the period over which services are received.

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Income Taxes

The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial reporting and tax basis of assets and liabilities, as well as for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to taxable income for the years in which those tax assets and liabilities are expected to be realized or settled. The Company records valuation allowances to reduce deferred tax assets to the amount the Company believes is more likely than not to be realized.

The Company recognizes uncertain tax positions when the positions will be more likely than not upheld on examination by the taxing authorities based solely upon the technical merits of the positions. The Company recognizes interest and penalties, if any, related to unrecognized income tax uncertainties in income tax expense. The Company did not have any accrued interest or penalties associated with uncertain tax positions as of December 31, 2013 and 2014.

The Company files income tax returns in the United States for federal and various state jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal and state and local income tax examinations for years prior to 2010, although carryforward attributes that were generated prior to 2010 may still be adjusted upon examination by the Internal Revenue Service if used in a future period. No income tax returns are currently under examination by taxing authorities.

Comprehensive Loss

The Company has no items of comprehensive income or loss other than net loss.

Basic and Diluted Net Loss per Share of Common Stock

Basic net loss per share is calculated by dividing the net loss by the weighted-average number of common shares outstanding for the period. Diluted loss per share is computed similarly to basic loss per share except that the denominator is increased to include the number of additional shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive.

For all periods presented, potentially dilutive securities are excluded from the computation of fully diluted loss per share as their effect is anti-dilutive. The following table details those securities which have been excluded from the computation of potentially dilutive securities:

	Year Ended December 31,	
	2013	2014
Series B convertible preferred stock	1,741,367	—
Class B common shares not exercised (Note 4)	3,160,223	—
Outstanding options	933	2,775,269
Outstanding warrants	365,888	999,696
Total	5,268,411	3,774,965

Amounts in the table above reflect the common stock equivalents of the noted instruments.

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Segment and Geographic Information

Operating segments are defined as components of an enterprise (business activity from which it earns revenue and incurs expenses) for which discrete financial information is available and regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company's chief operating decision maker (CODM) is its Chief Executive Officer. The Company views its operations and manages its business as a single operating and reporting segment. All assets of the Company were held in the United States for the years ended December 31, 2013 and 2014.

Although all operations are based in the United States, the Company generated a portion of its revenue from customers outside of the United States. Information about the Company's revenue from different geographic regions for the years ended December 31, 2013 and 2014 is as follows:

	Year Ended December 31,	
	2013	2014
United States	$380	$371
Europe	95	220
Other Non-U.S.	125	50
Total	$600	$641

Application of New or Revised Accounting Standards – Adopted

From time to time, the Financial Accounting Standards Board (the FASB) or other standard-setting bodies issue accounting standards that are adopted by the Company as of the specified effective date.

On April 5, 2012, President Obama signed the Jump-Start Our Business Startups Act (the JOBS Act) into law. The JOBS Act contains provisions that, among other things, reduce certain reporting requirements for an emerging growth company. As an emerging growth company, the Company may elect to adopt new or revised accounting standards when they become effective for non-public companies, which typically is later than public companies must adopt the standards. The Company has elected not to take advantage of the extended transition period afforded by the JOBS Act and, as a result, will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies.

In July 2013, the FASB issued Accounting Standard Update (ASU) No. 2013-11, *Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exist* (ASU 2013-11). ASU 2013-11 amends the presentation requirements of ASC Topic 740, *Income Taxes*, and requires an unrecognized tax benefit to be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, similar tax loss, or a tax credit carryforward. To the extent the tax benefit is not available at the reporting date under the governing tax law or if the entity does not intend to use the deferred tax asset for such purpose, the unrecognized tax benefit should be presented as a liability and not combined with deferred tax assets. ASU 2013-11 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. The amendments are to be applied to all unrecognized tax benefits that exist as of the effective date and may be applied retrospectively to each prior reporting period presented. The adoption of ASU 2013-11 did not have a material impact on its financial statements as no uncertain tax positions existed as of December 31, 2013 and 2014.

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Application of New or Revised Accounting Standards – Not Yet Adopted

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which amends the guidance in former ASC Topic 605, *Revenue Recognition*, and becomes effective beginning January 1, 2017. This guidance requires that entities recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company is currently evaluating the impact of the provisions of ASC Topic 606 on its financial statements and disclosures. On April 29, 2015, the FASB proposed deferring the effective date of Topic 606 by one year.

In June 2014, the FASB issued ASU 2014-12, *Compensation-Stock Compensation (Topic 718): Accounting for Share-Based Payments when the Terms of an Award Provide that a Performance Target Could Be Achieved After the Requisite Service Period* (ASU 2014-12). The amendments require that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. ASU 2014-12 is effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted. The Company is currently evaluating the impact of the adoption of ASU 2014-12 on its financial statements and disclosures.

In August 2014, the FASB issued ASU No. 2014-15, *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern* (ASU 2014-15), which amends ASC Subtopic 205-40 to provide guidance about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related disclosures. Specifically, the amendments (1) provide a definition of the term "substantial doubt," (2) require an evaluation every reporting period, (3) provide principles for considering the mitigating effect of management's plans, (4) require certain disclosures when substantial doubt is alleviated as a result of consideration of management's plans, (5) require an express statement and other disclosures when substantial doubt is not alleviated and (6) require an assessment for a period of one year after the date that financial statements are issued. ASU 2014-15 is effective for fiscal years ending after December 15, 2016, and for annual periods and interim periods thereafter. The Company does not expect this standard to have a material impact on its financial statements and disclosures.

In January 2015, the FASB issued ASU No. 2015-01, *Income Statement – Extraordinary and Unusual Items (Subtopic 225-20); Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items*, which eliminates the concept of extraordinary items, stating that the concept causes uncertainty because (1) it is unclear when an item should be considered both unusual and infrequent and (2) users do not find the classification and presentation necessary to identify those events and transactions. This ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015, with early adoption permitted provided the guidance is applied from the beginning of the fiscal year of adoption. The Company does not expect this standard to have an impact on its financial statements and disclosures upon adoption.

In February 2015, the FASB issued ASU 2015-02, *Consolidation (Topic 810) – Amendments to the Consolidation Analysis* (ASU 2015-02). ASU 2015-02 affects reporting entities that are required to evaluate whether they should consolidate certain legal entities. Specifically, the amendments (i) modify the evaluation of whether limited partnerships and similar legal entities are variable interest entities (VIEs) or voting interest entities, (ii) eliminate the presumption that a general partner should consolidate a limited partnership, (iii) affect the consolidated analysis of reporting entities that are involved with VIEs, and (iv) provide a scope exception for certain entities. ASU 2015-02 is effective for interim and annual reporting periods beginning after December 15,

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2015. The Company is currently evaluating the impact of the adoption of ASU 2015-02 on its financial statements and disclosures.

In April 2015, the FASB issued ASU 2015-03, *Interest – Imputation of Interest (Subtopic 835-30)* (ASU 2015-03), which requires the debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with the presentation of debt discounts. This guidance is effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. The Company does not expect this standard to have a material impact on its financial statements and disclosures.

3. Allowance for Doubtful Accounts

A summary of activity in the allowance for doubtful accounts for the years ended December 31, 2013 and 2014 is as follows:

	Balance at Beginning of Year	Additions Charged to Expense	Deductions	Balance at End of Year
Year ended December 31, 2013	$ 14	$ —	$ —	$ 14
Year ended December 31, 2014	$ 14	$ 25	$ (14)	$ 25

4. Note Receivable from Related Party

In June 2008, the Company entered into a Loan Agreement to loan up to $200 to an officer of the Company. At December 31, 2013, the outstanding principal balance was $105 with accrued interest of $10. The loan accrued interest at 2.08% per annum and was scheduled to mature on June 19, 2014.

Under the Loan Agreement, if the officer is terminated without cause, the Company would forgive the outstanding principal balance and the related accrued interest. Upon the earlier of the date of a change of control or the date of the closing of an equity financing of at least $3,000, the Company also would forgive the officer's obligation to pay the outstanding principal and accrued interest. In addition, the Company would pay an amount equal to the sum of any federal, state, and local income taxes and any disallowed deductions imposed on the officer by the loan forgiveness.

At the end of March 2014, as a result of the Series C preferred stock financing (Note 12), the Company recognized expense of $115 for forgiving the outstanding principal and accrued interest under the Loan Agreement. In addition, the Company recorded $133 in selling, general and administrative expenses for the estimated income taxes associated with the loan forgiveness.

In December 2013, the Company entered into restricted stock purchase agreements with certain officers to sell 4,068,189 shares of the Company's Class B common stock (Note 13). As consideration for the shares, the officers executed secured promissory notes totaling $1,526 (the Secured Notes). The Secured Notes accrued interest at 1.64% per annum, and all principal and interest was due and payable on the earlier of (i) the sale of all or substantially all of the Company's stock by the officer and (ii) December 2022. The Secured Notes were collateralized by the underlying Class B common stock. Since the Secured Notes were non-recourse, they were treated similar to stock options for accounting purposes with the fair value recognized through a charge to compensation expense. The shares of Class B common stock were not considered issued and outstanding in the financial statements until the Company received payment against the Secured Notes.

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In December 2013, the Company recorded $884 of compensation expense using the Black-Scholes option-pricing model to determine the fair value of the Class B common stock granted to the officers. The assumptions used in the model are presented in the table below.

Expected term	3 years
Risk-free interest rate	0.78%
Expected volatility	92.00%
Dividend yield	0.00%

In 2013 and 2014, the Company received principal payments under the Secured Notes of $230 and $1,162, respectively. Additionally in 2013 and 2014, an officer agreed to offset against his outstanding principal and interest $110 and $23, respectively, of amounts the Company owed to him. Upon receipt of these payments, the Company issued to the officers 907,966 and 3,160,223 shares of Class B common stock in 2013 and 2014, respectively. As of December 31, 2014, the Secured Notes were settled in full.

5. Investment in Inex Bio, Inc.

In April 2012, the Company entered into a License Agreement with Inex Bio, Inc. (Inex Bio), a Republic of Korea corporation focused on cell therapy development (the Inex License Agreement). Under the Inex License Agreement, the Company provided Inex Bio with an exclusive license to the Company's technology to be used in products only in certain Asian countries. In exchange for the Inex License Agreement, the Company received a $300 up-front license fee. In addition, the Company was to receive milestone payments of up to $775 based upon completion of clinical trials and a 5% royalty on net sales of products using the aNK cells. No milestone payments were due or received for the years ended December 31, 2013 or 2014.

In May 2012, the Company acquired 57,000 shares of Inex Bio for $249, which represented 22.2% of the outstanding shares and 17.4% of the fully-diluted shares of Inex Bio. The Company accounts for its investment under the cost method since management cannot exert significant influence over Inex Bio because (i) Inex Bio is located in South Korea and the Company has limited interaction with investee management; (ii) there is no interchange of managerial personnel; and (iii) the other investor is a public company in South Korea that is more closely involved in the management of Inex Bio. The Company reviews its investment for impairment in accordance with ASC Topic 320, *Investments – Debt and Equity Securities*. There was no impairment of the investment at December 31, 2013 and 2014.

Subsequent to December 31, 2014, the Company acquired all the outstanding shares of Inex Bio not currently owned by the Company (Note 17).

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6. Property and Equipment

Property and equipment consists of the following as of December 31:

	2013	2014	Estimated Useful Life
Laboratory and office equipment	$ 9	$ 29	5 years
Furniture and fixtures	13	44	5 years
Software	—	2	3 years
Leasehold improvements	—	182	Shorter of useful life or lease term
Total property and equipment	22	257	
Less accumulated depreciation and amortization	(9)	(46)	
Property and equipment, net	$ 13	$211	

Depreciation and amortization expense was $4 and $36 for the years ended December 31, 2013 and 2014, respectively.

7. Intangible Assets

Intangible assets consist of the following as of December 31:

	2013	2014
Patents and patent applications	$1,230	$1,294
Trademarks	3	3
Total intangible assets	1,233	1,297
Less accumulated amortization	(370)	(462)
Intangible assets, net	$ 863	$ 835

Amortization expense was $72 and $92 for the years ended December 31, 2013 and 2014, respectively, which relates exclusively to patent and patent applications. Amortization expense related to the Company's intangible assets is included in royalties and cost of licensing.

Future estimated amortization expense related to the Company's patent and patent applications for the next five years and thereafter is as follows:

Years ending December 31:	
2015	$ 90
2016	90
2017	90
2018	90
2019	80
Thereafter	392
	$832

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8. Accrued Expenses

Accrued expenses consist of the following as of December 31:

	2013	2014
Accrued compensation costs	$580	$191
Accrued royalties	—	29
Accrued other expense	27	91
Total accrued expenses	$607	$311

9. Notes Payable

2013 Promissory Note – In June 2013, the Company entered into a Securities Purchase Agreement (the 2013 Securities Purchase Agreement) whereby the Company issued to an institutional investor a $1,000 note payable (the 2013 Promissory Note) plus 1,000 shares of Series B preferred stock (Note 12) for aggregate proceeds of $1,000. The 2013 Promissory Note accrued interest at 5% per annum and was scheduled to mature on June 20, 2014. The 2013 Promissory Note was secured by all of the assets of the Company.

The Company allocated the proceeds under the 2013 Securities Purchase Agreement to the 2013 Promissory Note and Series B preferred stock based on their relative fair values, which resulted in $364 and $636 being allocated to the 2013 Promissory Note and Series B preferred stock, respectively. The Company recorded a debt discount of $636, which was being amortized to interest expense over the term of the 2013 Promissory Note using the effective interest method. The Company accrued interest on the 2013 Promissory Note of $27 that was included in interest payable at December 31, 2013.

In April 2014, the Company entered into the 2014 Securities Purchase Agreement (Note 12) at which time the holder of the 2013 Promissory Note agreed to convert the $1,000 principal into 416,667 shares of Series C preferred stock plus a warrant to purchase 104,167 shares of Class A common stock having the same terms as the warrants issued in the 2014 Securities Purchase Agreement. The Company paid accrued interest of $39 in cash.

Other Notes and Payables – The 2013 Securities Purchase Agreement was a qualified financing. As a result, certain holders of notes payable and accounts payable totaling $950 (Converting Creditors) converted their outstanding payable balances into Class A common stock at a conversion price of $4.51 per share. The Series A preferred stock holders and Converting Creditors also entered into a shareholder lock up agreement.

2009 Convertible Notes – In 2009, the Company executed a Bridge Loan Agreement to sell and issue $426 of convertible promissory notes (the 2009 Convertible Notes). The 2009 Convertible Notes accrued interest at 15% per annum until maturity on September 30, 2010 (the Maturity Date). After the Maturity Date, the 2009 Convertible Notes accrued interest at 24% per annum. The 2009 Convertible Notes were convertible at the option of the holders into securities issued in the Company's next financing. The 2009 Convertible Notes were secured by all of the Company's assets. At December 31, 2013, there was $426 of principal and $396 of accrued interest outstanding on the 2009 Convertible Notes. As discussed below, the 2009 Convertible Notes were exchanged for shares of Class A common stock, and there was no balance outstanding on the 2009 Convertible Notes at December 31, 2014.

Each holder of the 2009 Convertible Notes also received a warrant to purchase shares of Class A common stock (2009 Warrants). The 2009 Warrants are exercisable only if and to the extent that the holder subscribed to the

next financing for a number of shares equal to 300% of the number of shares issued to the holder in the next financing.

The exercise price of the 2009 Warrants initially is the purchase price for the shares in the next financing. However, for up to two years after the date that the Company becomes a public company, the exercise price is adjusted to a price equal to the price of the new equity securities should the Company enter into any new equity transaction whereby the price of the equity in the new transaction is lower than the exercise price of the 2009 Warrants.

In conjunction with the 2013 Securities Purchase Agreement, each holder of the 2009 Convertible Notes entered into a consent, amendment and exchange agreement (the Exchange Agreement). The Exchange Agreement (i) modified the Maturity Date to June 20, 2014; (ii) caused each holder to execute a subordination and shareholder lock-up agreement, and; (iii) upon a Mandatory Exchange Financing, as defined in Note 10, automatically exchanged the outstanding principal and accrued interest under the 2009 Convertible Notes and the 2009 Warrants for shares of Class A common stock at an exchange rate of three times the principal amount of the 2009 Convertible Notes divided by the per share price of the Mandatory Exchange Financing. In April 2014, the 2014 Securities Purchase Agreement qualified as a Mandatory Exchange Financing and the $426 principal balance plus $422 accrued interest on the 2009 Convertible Notes and the 2009 Warrants were exchanged for 532,125 shares of the Company's Class A common stock.

In connection with the sale of the 2009 Convertible Notes, the Company used a placement agent. The placement agent received a corporate advisory warrant (the CA Warrant) for common stock equal to 20% of the issued and outstanding common stock of the Company on a fully diluted basis immediately following the final closing of the bridge financing. The CA Warrant had an exercise price of $4.51 per share and was to expire on September 30, 2019. The placement agent also received a warrant for common stock for the number of shares equal to 9% of the number of warrant shares issued to the holders who subscribe to the next financing (the PA Warrant). The initial exercise price of the PA Warrant is equal to the price of the next financing.

In conjunction with the 2013 Securities Purchase Agreement, the placement agent agreed to exchange the CA Warrant and PA Warrant into shares of Class A common stock equal to 10% of the shares of fully-diluted stock outstanding immediately following the closing of a Mandatory Exchange Financing less certain exempted issuances. At the 2014 Securities Purchase Agreement closing, the CA Warrant and PA Warrant were exchanged for 1,648,722 shares of the Company's Class A common stock.

The Company also issued to the placement agent 18,750 shares of Class A common stock in exchange for a cash commission (Note 13).

Settlement Agreement – In 2007, the Company entered into a settlement agreement with a former officer of the Company (the Settlement Agreement). The Settlement Agreement included a cash payment to the former officer of $265 payable upon the Company's receipt of any debt or equity financing. As part of the 2009 Convertible Notes financing, the Settlement Agreement was amended so that the $265 will convert into Class A common stock at a conversion price of $4.51 per share on the second anniversary of Company being a publicly traded company. Subsequent to December 31, 2014, the Company and former officer entered into a Supplemental Agreement and General Release (Note 17) and the debt was retired.

Founder Note – As of December 31, 2013, the Company owed a founder of the Company $23 associated with a license agreement (Note 10) and miscellaneous other obligations, which is included in note payable to related party on the balance sheet at December 31, 2013. In April 2014, the outstanding balance was paid in full.

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Other Notes and Creditors – As part of the 2009 Convertible Notes financing, certain other note holders and creditors with obligations totaling $194 (Other Creditors) executed agreements either to defer payment for three years or convert the obligations into Class A common stock upon the Company closing a financing of at least $1,200 at a conversion price of $4.51 per share. In conjunction with the 2013 Securities Purchase Agreement, Other Creditors holding $20 of principal plus $29 of accrued interest elected to convert their obligations into 10,913 shares of Class A common stock. The Company had accrued interest on the obligations to Other Creditors of $115 that was included in interest payable at December 31, 2013.

Other Creditors holding $50 of principal entered into exchange agreements whereby, upon the Company completing a Mandatory Exchange Financing, the balance plus any accrued interest is automatically exchanged for shares of Class A common stock at an exchange rate of three times the amount owed divided by the per share price of the Mandatory Exchange Financing. At the close of the 2014 Securities Purchase Agreement, the $50 principal plus accrued interest of $50 were exchanged for 124,688 shares of Class A common stock. In April 2014, an Other Creditor with $95 of outstanding principal and interest agreed to sell its note to a third party who agreed to exchange the note for 61,771 shares of Class A common stock. Other Creditors with $29 of outstanding principal plus $13 of accrued interest were repaid in cash in April 2014.

Side Agreement Notes – Payables and debt totaling $249 were sold by certain creditors to existing investors (the Side Agreements). In conjunction with the Side Agreements, the Company issued to the investors convertible notes pursuant to an exchange agreement whereby upon the Company completing a Mandatory Exchange Financing, the outstanding balance under the convertible notes are automatically exchanged for shares of Class A common stock at an exchange rate of the amount divided by the per share price of the Mandatory Exchange Financing (the Side Agreement Notes). At the close of the 2014 Securities Purchase Agreement, the $249 balance of the convertible notes was exchanged for 103,884 shares of Class A common stock.

The Company had the following balances outstanding under notes payable as of December 31:

	2013	2014
2013 Promissory Note	$ 623	$—
2009 Convertible Notes	426	—
Settlement Agreement Note	265	265
Other Creditor Notes	174	—
Side Agreement Notes	249	—
	$1,737	$265

10. Commitments and Contingencies

Contingencies

In March 2009, the Company received a final rejection in one of the Company's original patent applications pertaining to methods of use claims for NK-92 from the U.S. Patent and Trademark Office (the USPTO). The Company appealed this decision with the USPTO Board of Appeals and, in the fall of 2013, the Board of Appeals reversed the Examiner's rejection of the claim to certain methods of use with NK-92, but affirmed the Examiner's rejection of the remaining patent claims. In December 2013, the Company brought an action in the U.S. District Court for the Eastern District of Virginia to review the decision of the USPTO. A trial before the district court judge is being scheduled, likely for the fourth quarter of 2015.

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Such litigation and administrative proceedings could result in revocation or amendment of the Company's patents such that they do not cover the Company's product candidates. They may also put the Company's pending patent applications at risk of not issuing, or issuing with limited and potentially inadequate scope to cover the Company's product candidates. The Company is unable to predict the outcome of the matter, but such a loss of patent protection could have a material adverse impact on the Company's business.

Operating Lease

The Company leases office space in Cardiff-by-the-Sea, California under a non-cancelable operating lease that expires in August 2016. Future minimum lease payments under the lease agreement as of December 31, 2014 are as follows:

Years ending December 31:	
2015	$145
2016	99
	$244

The Company leases a research facility on a month-to-month basis.

Rent expense for the years ended December 31, 2013 and 2014 was $62 and $218, respectively.

Collaborative Arrangement

A collaborative arrangement is a contractual arrangement that involves a joint operating activity. These arrangements involve two or more parties who are (i) active participants in the activity, and (ii) exposed to significant risks and rewards dependent on the commercial success of the activity.

Joint Development and License Agreement – In December 2014, the Company entered into a Joint Development and License Agreement (the Joint Development and License Agreement) with Sorrento Therapeutics, Inc. (Sorrento). Under the Joint Development and License Agreement, the Company and Sorrento agreed to exclusively collaborate on research, development and commercialization with respect to certain technologies and intellectual property rights as may be agreed between the parties for the purpose of jointly developing therapeutic applications of certain effector cell lines.

To fund the Company's joint research and development efforts, Sorrento agreed to make research credit payments to the Company in the aggregate amount of $2,000 payable in December 2015 and 2016, reduced by certain expenses for which the Company is responsible under the agreement. The research credit payments will be paid in the form of full-time employee expense credits by Sorrento to work on behalf of the Company and for the Company's portion of any development costs and a laboratory credit for maintaining a laboratory on Sorrento's premises.

For each cell line or product to be developed by the parties pursuant to the Joint Development and License Agreement, one party (the Primary Party), as mutually agreed upon by a designated steering committee comprised of three representatives from each party when a statement of work is agreed to by the parties, will have the right and authority to initiate and control the development, testing, regulatory approval or commercialization of such cell line or joint product, including the right to license and sublicense all applicable

intellectual property rights (including joint product rights) with respect thereto. The Primary Party will also bear all costs associated with the development of the applicable cell line or product unless the other party shares in such costs. The Company and Sorrento will split any revenue generated by such cell line or product. The ratio of such split between the parties is conditioned on the stage of development of the cell line or product and each party's contribution towards development costs.

Sorrento and the Company each will own an undivided interest in and to all rights, title and interest in and to the joint product rights. The Joint Development and License Agreement expires upon the later of three years or completion of the series of collaborative research and development efforts.

In connection with the Joint Development and License Agreement, Sorrento entered into a subscription and investment agreement with the Company under which the Company sold to Sorrento 2,461,538 shares of the Company's Class A common stock for gross proceeds of $8,000 (Note 13). Subsequently, Sorrento agreed to purchase 572,935 shares of the Company's Class A common stock for an additional $2,000 in gross proceeds.

Royalties and In-licensing Agreements

Founder License Agreement – In 2003, the Company entered into a licensing agreement with a founding shareholder of the Company for the exclusive license to the NK-92 cell line and related know-how for payment of certain royalties related to the sales of licensed products (the Founder License Agreement). In 2009 and 2010, the Founder License Agreement was amended for the sale and assignment of the licensed patents to the Company. As consideration for the sale and assignment of the licensed patents and technical information to the Company, the founding shareholder was to receive a one-time cash payment of $75, which was converted to a non-interest bearing note (the Founder Note) (Note 9). In addition, the Company is obligated to (i) pay low single digit percentage royalties of net sales of licensed products for therapeutic and diagnostic use; (ii) issue additional shares of common stock of the Company in conjunction with the closing of a financing of at least $1,000 after the 2013 Securities Purchase Agreement to ensure the founder retains no less than a 7% ownership interest of the total outstanding common shares of the Company on a fully diluted basis; (iii) pay the British Columbia Cancer Agency a low single digit percentage royalty on net sales on aNK cell-based products, a responsibility assumed by the Company for the founding shareholder; and (iv) issue a warrant (Founder Warrant) to purchase up to 66,667 additional shares of Class A common stock at a purchase price of $4.51 per share with a 10 year exercise term subject to the completion of five milestones pertaining to granting of a patent, completion of clinical trials and issuance of a commercial biologic license. In 2013, the first milestone, a claim granted for a certain patent application in the United States, was achieved and as a result 20,000 shares underlying the Founder Warrant became exercisable.

In March 2014, the Founder License Agreement was amended to (i) provide for payment to the founder of low single digit percentage royalties on net sales of licensed products for therapeutic and diagnostic use and mid-single digit percentage royalties from sublicenses for net sales of licensed products; (ii) exchange warrants held by the founder to purchase up to 84,315 shares of Class A common stock for a fully-vested incentive stock option to purchase up to 400,000 shares of Class A common stock at fair market value on the date of issuance upon the Company closing a private placement of stock or other securities of at least $3,000 (the Mandatory Exchange Financing); and (iii) remove the requirement for the founder to retain not less than a 7% ownership interest of the total outstanding common shares of the Company on a fully diluted basis. As of December 31, 2014, no royalties have been earned or paid.

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Fox Chase Cancer Center License Agreement – In 2004 and amended in 2008, the Company entered into an exclusive license agreement with Fox Chase Cancer Center (Fox Chase) for the exclusive, worldwide rights to certain patents and know-how pertaining to CD16 receptors bearing NK-92 cell lines. In consideration for this exclusive license granted, the Company agreed to pay Fox Chase (i) low single-digit percentage royalties on net sales of licensed products for therapeutic and diagnostic use; (ii) mid-twenties percentage royalties on any compensation the Company receives from sublicensees; and (iii) $20 upon the Company closing the next round of financing, which was paid after completion of the 2014 Securities Purchase Agreement (Note 12).

The Company recorded royalty expense of $127 and $169 for the years ended December 31, 2013 and 2014, respectively, related to the Fox Chase Cancer Center License Agreement. Royalty expense is included in royalties and cost of licensing in the statements of operations.

Rush University Medical Center License Agreement – In 2004, the Company entered into a 12-year licensing agreement with Rush University Medical Center for the exclusive rights to license and grant sublicenses of certain intellectual property related to clinical use of NK-92. The Company is required to pay low to mid-single digit percentage royalties on net sales depending upon the various fields of studies and other factors. The Company is required to pay a minimum annual royalty of $25. The Rush University Medical Center License Agreement also provides for payments in the aggregate amount of $2,500 upon the Company achieving various milestones, including upon (i) the completion of Phase II clinical trial associated with the licensed intellectual property; (ii) the approval by the Food and Drug Administration (the FDA) of a new drug application for a licensed product; and (iii) the first year that sales of the licensed product equals or exceeds $250,000. The Rush University Medical Center License Agreement terminates on the 12th anniversary of the first payment of royalties, at which point the license is deemed a perpetual, irrevocable, fully-paid royalty-free, exclusive license, and may be terminated earlier by either party for material breach.

During 2013 and 2014, the Company recorded royalty expense of $25 and $50 related to the Rush University Medical Center License Agreement. Royalty expense is included in royalties and cost of licensing in the statements of operations. No milestones were met during 2013 and 2014.

11. Out-Licensing Agreement

Intrexon License Agreement – In February 2010, the Company entered into a 17-year license agreement with Intrexon Corporation (Intrexon) pursuant to which the Company granted to Intrexon a non-exclusive, worldwide, sublicensable license to research and sell products under certain patents relating to modified NK-92 cells that express Intrexon's proprietary gene sequences for use as a therapeutic and prophylactic agent in humans in specified therapeutic areas. In consideration for the license agreement, Intrexon paid the Company a one-time fee of $350 and will pay the Company the following milestone payments: $50 upon the first IND filing; $100 upon the commencement of the first Phase II clinical trial; $350 upon the commencement of the first Phase III clinical trial; and $500 upon the first commercial sale relating to the licensed products. Intrexon is obligated to pay the Company a low single digit percentage royalty based on net sales of the licensed products by Intrexon and a mid-teen percentage royalty based on revenues received by Intrexon in connection with sublicenses of the licensed products. No milestone payments were due or received in 2013 or 2014.

12. Convertible Preferred Stock

The Company is authorized to issue 20,000,000 shares of $0.0001 par value preferred stock (Preferred Stock) of which 1,000 shares are designated Series B preferred stock and 4,000,000 shares are designated Series C

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preferred stock. No shares were designated as Series A preferred stock as of December 31, 2014 and 2013. The Company's board of directors is authorized to determine the series into which shares of Preferred Stock may be divided.

Conversion – In December 2014, the board of directors and the requisite shareholders of each class of stock approved the conversion of Class B common stock, Series B preferred stock and Series C preferred stock into Class A common stock (the Conversion). Each share of Series B preferred stock and Series C preferred stock converted into 1.00 share of Class A common stock.

Redomestication – In March 2014, the Company entered into a definitive merger and share exchange agreement pursuant to which the Company changed its domicile from the State of Illinois to the State of Delaware and the Illinois Company ceased to exist (Note 1). The holders of Series B preferred stock received one share of Series B preferred stock of the Delaware Company in exchange for one share of the Illinois Company. The holders of any options, warrants or other securities are subject to adjustment based on the ratio of one for fifteen.

The holders of Preferred Stock are entitled to one vote for each share of common stock into which the Preferred Stock could then be converted. For so long as the Preferred Stock remains outstanding, the Company may not take certain actions without the vote or consent of the majority of the holders of each class of outstanding Preferred Stock.

Series A Preferred Stock – The Series A preferred stock ranked senior to the Company's common stock and had a liquidation preference of $4.51 per share plus any declared but unpaid dividends. The holders of Series A preferred stock were entitled to receive dividends when, if and as declared by the board of directors. As of December 31, 2013 and prior to conversion in 2014, no dividends were declared. The holders of Series A preferred stock were entitled to one vote for each share of common stock into which the Series A preferred stock could then be converted.

The shares of Series A preferred stock were convertible into an equal number of shares of common stock, at the option of the holder, subject to certain adjustments for changes in capitalization and anti-dilution. Each share of Series A preferred stock would automatically convert into common stock immediately upon (i) the Company's sale of its common stock in a firm commitment underwritten public offering pursuant to a registration statement under the Securities Act in which the offering price is at least three times the liquidation preference of the Preferred Stock and the value of outstanding common stock on a fully diluted basis was at least $45,000 or (ii) the affirmative vote of more than 50% of the holders of the then-outstanding Series A preferred stock.

In conjunction with the closing of the 2013 Securities Purchase Agreement, all 219,308 shares of Series A preferred stock converted into 219,308 shares of Class A common stock.

Series B Preferred Stock – The holders of Series B preferred stock are entitled to receive dividends on an as-if-converted to common stock basis only when dividends are paid on shares of common stock. In the event of any liquidation, dissolution or winding up of the Company, the holders of Series B preferred stock are entitled to receive any assets to be distributed on a pro rata basis among the holders of common stock on an as-if-converted to common stock basis. The initial conversion amount was equal to 509.963 shares of Class A common stock per share of Series B preferred stock. On the date the Company received gross proceeds from the issuance of its securities of at least $3,000 (the Private Placement), the conversion amount would be adjusted so that the Series B preferred stock would be convertible into at least 42.5% of the fully-diluted number of shares of common stock outstanding immediately prior to the time of the closing of the Private Placement. Any time after such Private

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Placement and prior to such time the common stock is listed or quoted on a trading market, if the Company sells or grants any common stock or common stock equivalents (the Dilutive Issuance), then the conversion amount is adjusted so that the Series B preferred stock would be convertible into at least 26.0% of the fully-diluted number of shares of common stock outstanding following such Dilutive Issuance.

In June 2013, the Company entered into the 2013 Securities Purchase Agreement whereby the Company issued the 2013 Promissory Note plus 1,000 shares of Series B preferred stock for aggregate proceeds of $1,000 (Note 9).

In December 2014, all outstanding shares of Series B Preferred Stock converted into 5,132,548 shares of Class A common stock.

Series C Preferred Stock – The holders of Series C preferred stock are not entitled to receive dividends. In the event of any liquidation, dissolution or winding up of the Company, the holders of Series C preferred stock are entitled to receive a preferential amount equal to the greater of $0.0001 per share or an amount per share as would be payable had all shares of Series C preferred stock been converted into common stock immediately prior to a liquidation event. The initial conversion amount was equal to one share of Class A common stock per share of Series C preferred stock. Each share of Series C preferred stock would convert automatically into a share of Class A common stock following: (i) any public offering; (ii) a consolidation or merger with a corporation that is publicly traded; (iii) a consolidation or merger if the proceeds are at least equal to the purchase price of the Series C preferred stock; or (iv) upon the vote or written consent of the holders of a majority of the Series C preferred stock.

In April 2014, the Company sold 2,691,615 Units in a private placement offering for gross proceeds of $6,460 under a securities purchase agreement (the 2014 Securities Purchase Agreement). In addition, 416,667 Units were issued in conjunction with conversion of the 2013 Promissory Note (Note 9). Each Unit consists of one share of the Company’s Series C preferred stock and a warrant to purchase 1/4 share of Class A common stock at an initial exercise price of $3.00 per share (the Unit). The warrant expires three years following the date the Company becomes required to file reports under the Exchange Act.

In December 2014, all outstanding shares of Series C Preferred Stock converted into 3,108,282 shares of Class A common stock.

The 2014 Securities Purchase Agreement qualified as a Mandatory Exchange Financing (Note 9).

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The following summarizes changes in securities in conjunction with the 2014 Securities Purchase Agreement:

	Class A common stock	Class B common stock	Series C preferred stock	Warrants to purchase Class A common stock	Options to purchase Class A common stock
Share balance in April 2014 prior to 2014 Securities Purchase Agreement	**625,652**	**952,530**	**—**	**412,553**	**1,650,933**
Exchange of Founder Warrant (Note 10)	—	—	—	(84,315)	400,000
Conversion of 2013 Promissory Note (Note 9)	—	—	416,667	104,167	—
Conversion of 2009 Convertible Notes (Note 9)	532,125	—	—	—	—
Exchange of placement agent warrants associated with 2009 Convertible Notes (Note 9)	1,648,722	—	—	—	—
Exchange of Other Creditor debt (Note 9)	186,459	—	—	—	—
Exchange of Side Agreement Notes (Note 9)	103,884	—	—	—	—
Sale of Units in 2014 Securities Purchase Agreement (Note 12)	—	—	2,691,615	672,904	—
Cash commission to placement agent paid in Class A common stock (Note 9)	18,750	—	—	—	—
Exchange of placement agent warrant for stock (Note 9)	—	412,180	—	(104,463)	—
Issuance of placement agent warrant associated with 2014 Securities Purchase Agreement (Note 13)	—	—	—	107,665	—
Share balance after closing of 2014 Securities Purchase Agreement	**3,115,592**	**1,364,710**	**3,108,282**	**1,108,511**	**2,050,933**

13. Common Stock and Common Stock Warrants

Conversion – In December 2014, the Board of Directors and the requisite shareholders of each class of stock approved the conversion of Company stock to Class A common stock (the Conversion). Each share of Class B common stock and Series C preferred stock converted into 1.00 share of Class A common stock.

Redomestication – In connection with the Redomestication, the holders of Class A and Class B common stock received one share of Class A and Class B common stock of the Delaware Company, respectively, in exchange for fifteen shares of the Illinois Company (Note 1).

Class A Common Stock – In December 2014, the Company issued 2,461,538 shares of Class A common stock at $3.25 per share for gross proceeds of $8,000 in a private placement transaction with Sorrento (Note 10). Subsequently in December 2014, the Company entered into a private placement offering and sold 14,178,916 shares of Class A common stock at $3.4908 per share for gross proceeds of $49,495 of which Sorrento purchased 572,935 shares for $2,000. Related stock issuance costs totaled $159. In conjunction with the offering, the Company amended its Bylaws to increase the size of the board of directors to nine.

In conjunction with the 2013 Securities Purchase Agreement, 210,336 shares of Class A common stock were issued for conversion of certain debt and payables totaling $950, and 219,308 shares were issued in exchange for

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all outstanding shares of Series A preferred stock. In conjunction with the 2014 Securities Purchase Agreement, the placement agent agreed to exchange $45 of its cash commission for 18,750 shares of Class A common stock.

Class B Common Stock – In December 2013, the Company sold 4,068,189 shares of Class B common stock to officers (Note 4). In March 2014, the Company issued 412,180 shares of Class B common stock to a placement agent in exchange for an outstanding warrant.

The Class B common stock has all the same powers, rights and limitations of the Class A common stock except the Class B common stock has no voting rights. In December 2014, all outstanding shares of Class B common stock converted into 4,480,369 shares of Class A common stock.

Common Stock Warrants – In 2005, the Company issued warrants to various individuals to purchase 107,353 shares of Class A common stock in connection with the Series A preferred stock financing. The warrants were exercisable at $4.51 per share and expired in December 2014. During 2005, 1,667 shares underlying these warrants were exercised for shares of Class A common stock.

In 2008, the Company issued warrants to purchase 70,592 shares of Class A common stock as compensation for services provided to the Company. The warrants are exercisable at $4.51 per share and expire at the earlier of (i) March 2018; (ii) an initial public offering of the Company; or (iii) a sale or merger of the Company. In March 2014, in conjunction with the amendment to the Founder License Agreement, the warrant held by the founder to purchase 84,315 shares of Class A common stock was exchanged for a fully-vested stock option to purchase up to 400,000 shares of Class A common stock (Note 10).

In 2009, the Company issued to a creditor a warrant to purchase 3,132 shares of Class A common stock. The warrant was exercisable at $4.51 per share and expired in 2014.

In 2010, the Company issued, in conjunction with a termination and release agreement, a warrant to purchase 62,016 shares of Class A common stock. The warrant was initially exercisable at $4.51 per share and is currently exercisable at $3.25 per share. The warrant expires in February 2020. The warrant includes a provision that for a period through two years after a reverse merger, the exercise price of the warrant is protected against down-round financing unless 66.67% of shareholders consent to the new transaction. Pursuant to ASC Subtopic 815-15 and ASC Subtopic 815-40, the fair value of the warrant of $439 was recorded as a derivative liability on the issuance date. The fair value of the warrant was estimated at the issuance date and is revalued at each reporting period, using a Monte Carlo simulation. At December 31, 2013 and 2014, the Company recorded a derivative liability of approximately $19 and $177, respectively. The change in fair value of the derivative liability is included in other income (expense) in the statements of operations.

In June 2013, the Company engaged a placement agent in connection with the 2013 Securities Purchase Agreement (Note 9). The placement agent received a warrant to purchase 104,463 shares of Class A common stock (the Initial Warrant). On the date of a Mandatory Exchange Financing, the Initial Warrant would automatically be exchanged into shares of common stock equal to 2.5% of the fully-diluted number of shares of Class B common stock outstanding upon the closing of the Private Placement (Note 12). In March 2014, the placement agent agreement was amended to exchange the Initial Warrant for 412,180 shares of Class B common stock and a new warrant for 107,665 shares of Class A common stock based on 4% of the number of shares of stock issued to investors introduced to the Company by the placement agent in the 2014 Securities Purchase Agreement (the New Warrant). The New Warrant has the same terms as warrants issued as part of the 2014 Securities Purchase Agreement.

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The following table summarizes warrants outstanding at December 31, 2014:

2008 warrants	52,944
2010 warrants	62,016
2013 warrants	107,665
2014 warrants	777,071
Total	999,696

Common Stock Reserved for Future Issuance – At December 31, 2014, the Company has reserved authorized shares of Class A common stock for future issuance as follows:

Conversion of Class A common stock warrants	999,696
Class A common stock options outstanding under 2004 Plan	268
Class A common stock options outstanding under 2014 Plan	2,775,001
Authorized for future option grants remaining under 2014 Plan	2,705,000
	6,479,965

14. Stock-Based Compensation

2004 Stock Option Plan – In April 2004, the Company adopted the 2004 Stock Option Plan (the 2004 Plan) under which 44,124 shares of common stock were reserved for issuance under the 2004 Plan. The 2004 Plan provides for the granting of stock options to employees, directors and consultants of the Company. Options granted under the 2004 Plan may be either incentive stock options (ISOs) or nonqualified stock options (NSOs). NSOs may be granted to the Company employees and consultants. No further shares are available for grant under the 2004 Plan.

The following table summarizes stock option transactions under the 2004 Plan:

	Number of Shares	Weighted-Average Exercise Price
Outstanding at December 31, 2012	933	$ 0.75
Options granted	—	
Options forfeited	—	
Options exercised	—	
Outstanding at December 31, 2013	933	$ 0.75
Options granted	—	
Options forfeited	(665)	$ 0.75
Options exercised	—	
Outstanding at December 31, 2014	268	$ 0.75
Exercisable at December 31, 2014	268	

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2014 Equity Incentive Plan

In March 2014, the Company's board of directors and stockholders approved the 2014 Equity Incentive Plan (2014 Plan) under which 6,000,000 shares of Class A common stock are reserved for the granting of incentive stock options, nonstatutory stock options, stock appreciation rights, restricted stock, restricted stock units and performance awards to employees, directors and consultants. Recipients of stock awards are eligible to purchase shares of the Company's common stock at an exercise price equal to no less than the estimated fair market value of such stock on the date of grant. The maximum term of awards granted under the 2014 Plan is ten years. Stock awards are generally not exercisable prior to the applicable vesting date, unless otherwise accelerated under the terms of the applicable stock plan agreement. Unvested shares of the Company's common stock issued in connection with an early exercise allowed by the Company may be repurchased by the Company upon termination of the optionee's service with the Company.

The following table summarizes stock option transactions under the 2014 Plan:

	Number of Shares	Weighted-Average Exercise Price	Aggregate Intrinsic Value	Weighted-Average Remaining Contractual Life (in years)
Outstanding at December 31, 2013	—			
Options granted	3,225,000	$ 1.42		
Options forfeited	—			
Options exercised	(449,999)	$ 0.40		
Outstanding at December 31, 2014	2,775,001	$ 1.58	$ 5,297	9.67
Vested and Exercisable at December 31, 2014	920,626	$ 0.60	$ 2,662	9.57

The following table provides a summary of options outstanding and vested as of December 31, 2014:

Exercise Prices	Number Outstanding	Weighted-Average Life (in Years)	Number Exercisable	Weighted-Average Life (in Years)
$0.40	1,000,001	9.21	437,501	9.21
$0.78	720,000	9.90	483,125	9.90
$3.25	1,055,000	9.95	—	—
	2,775,001	9.67	920,626	9.57

The aggregate intrinsic value of stock options exercised during the years ended December 31, 2014 was $192.

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The following table presents stock-based compensation as included in the Company's statement of operations:

	Year Ended December 31,	
	2013	2014
Stock-based compensation expense:		
Exercise of Class B common stock (Note 4)	$884	$ —
Employee stock options	—	485
Non-employee stock options	—	76
Restricted stock award	—	228
	$884	$789
Stock-based compensation expense in operating expenses:		
Research and development	$251	$222
Selling, general and administrative	633	567
	$884	$789

The Company uses a Black-Scholes option-pricing model to determine the fair value of stock-based compensation under ASC Topic 718, *Stock Compensation*. The assumptions used for employee stock options are presented in the table below:

	Year Ended December 31, 2014	
	Employee Grants	Non-Employee Grants
Expected term (years)	5.00-5.64	9.22-9.71
Risk-free interest rate	1.58%-1.89%	2.17%
Expected volatility	81%-91%	81%
Dividend yield	0.00%	0.00%
Weighted-average grant date fair value	$0.98	$0.34

The assumed dividend yield was based on the Company's expectation of not paying dividends in the foreseeable future. The estimated volatility is based on a weighted-average calculation of a peer group of comparable companies whose share prices are publicly available. The risk-free interest rate assumption was based on the U.S. Treasury's rates for U.S. Treasury zero-coupon bonds with maturities similar to those of the expected term of the award being valued. The weighted-average expected life of options was estimated using the average of the contractual term and the weighted-average vesting term of the options.

The Company recorded total employee stock-based compensation expense related to the 2014 Plan of $485 for the year ended December 31, 2014. The total unrecognized compensation cost related to non-vested stock options as of December 31, 2014 was $164, which is expected to be recognized over a weighted-average period of 1.1 years.

The Company records equity instruments issued to non-employees as expense at the fair value over the related service period as determined in accordance with the authoritative guidance and periodically revalues the equity instruments as they vest. The Company did not grant any stock options to non-employees during the year ended December 31, 2013. During the year ended December 31, 2014, the Company granted options to purchase a total of 125,000 shares of common stock to non-employees under the 2014 Equity Incentive Plan. As of December 31, 2014, 43,750 non-employee options were vested and outstanding. In the year ended December 31, 2014, the

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Company recorded stock-based compensation expense related to non-employee consultants of $76 as an operating expense in selling, general and administrative.

Restricted Stock Award – In 2014, the Company issued a restricted stock award for 70,000 shares of Class A common stock that vests based on the holder achieving certain performance milestones. The holder met those performance milestones during the year, and the Company recognized stock compensation expense of $228 related to the restricted stock award.

15. Fair Value Measurement

The carrying amounts of certain financial instruments, including cash and cash equivalents, accounts receivable, prepaid expenses, accounts payable, accrued expenses and notes payable approximate their respective fair values due to the short-term nature of such instruments.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The Company evaluates its financial assets and liabilities subject to fair value measurements on a recurring basis to determine the appropriate level in which to classify them for each reporting period. This determination requires significant judgments to be made.

The following table summarizes the conclusions reached:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Warrant derivative liability at December 31, 2013	$ —	$ —	$ 19
Warrant derivative liability at December 31, 2014	$ —	$ —	$ 177

The Company used Level 3 inputs for its valuation methodology for the warrant derivative liability. The estimated fair value was determined using a Monte Carlo option pricing model based on various assumptions. The Company's warrant derivative liability is adjusted to reflect estimated fair value at each reporting period, with any decrease or increase in the estimated fair value recorded in other income or expense as an adjustment to fair value of derivative liability. The assumptions used in valuing these warrants are presented in the table below.

	December 31,	
	2013	2014
Expected dividend yield	0%	0%
Expected volatility	92.0%	79.5%
Risk-free interest rate	2.15%	1.67%

In addition, as of the valuation dates, management assessed the probabilities of future financings assumptions in the Monte Carlo valuation models. The Company also applied a discount for lack of marketability to the valuation of the derivative liability based on such trading restrictions due to the shares not being registered.

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Activity for the warrant derivative liability measured at fair value using significant unobservable inputs (Level 3) is presented in the table below:

	Warrant Derivative Liability
Balance January 1, 2013	$ 703
Adjustment to estimated fair value	(684)
Balance at December 31, 2013	19
Adjustment to estimated fair value	158
Balance at December 31, 2014	$ 177

16. Income Taxes

Income tax expense for the year ended December 31, 2013 and 2014 consists of the following:

	2013	2014
Current:		
State	$ 1	$ 1
Federal	—	—
Total	1	1
Deferred:		
State	—	—
Federal	—	—
Total	—	—
Income tax provision	$ 1	$ 1

The components that comprise the Company's net deferred tax assets at December 31 consist of the following:

	2013	2014
Deferred tax assets:		
Accrued compensation	$ 235	$ 196
Accrued legal expenses	18	2
Accrued interest	330	—
Other accrued liabilities	85	10
Depreciation and amortization	11	—
Total deferred tax assets	679	208
Deferred tax liabilities:		
Depreciation and amortization	—	(46)
Total deferred tax liabilities	—	(46)
Net deferred tax assets	679	162
Valuation allowance	(679)	(162)
	$ —	$ —

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A reconciliation of the federal statutory income tax rate to the Company's effective income tax rate is as follows:

	Year Ended December 31,	
	2013	2014
Tax computed at federal statutory rate	35.0%	34.0%
State income taxes, net of federal tax benefit	12.0%	4.8%
Other	0.2%	(6.8)%
Section 382/383 NOL	(32.3)%	(40.0)%
Research and development credits	0.0%	0.7%
Stock-based compensation	0.0%	(1.1)%
Warrant derivative liability adjustment	(20.1)%	0.0%
Valuation allowance	5.2%	8.4%
Provision for income taxes	0.0%	0.0%

Pursuant to Internal Revenue Code (IRC) Sections 382 and 383, annual use of the Company's net operating loss and research and development credit carryforwards may be limited in the event that a cumulative change in ownership of more than 50% occurs within a three-year period. The Company has not completed an IRC Section 382/383 analysis regarding the limitation of net operating loss and research and development credit carryforwards. Until such an analysis is completed, the Company has removed the deferred tax assets for net operating losses and federal and state research and development credits of $1,503 and $3,973 from its deferred tax asset schedule at December 31, 2013 and 2014, respectively. The Company also recorded a corresponding decrease to its valuation allowance. When this analysis is finalized, the Company plans to update its unrecognized tax benefits accordingly. The Company does not expect this analysis to be completed within the next 12 months and, as a result, the Company does not expect that the unrecognized tax benefits will change within 12 months of this reporting date. Due to the existence of the valuation allowance, future changes in the Company's unrecognized tax benefits will not impact the Company's effective tax rate.

In assessing the realization of deferred tax assets, management 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 those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical operating results and the uncertainty of the economic conditions, the Company has recorded a full valuation allowance of $162 at December 31, 2014. The change in the valuation allowance for the year ended December 31, 2014 was a decrease of $517.

The Company has not incurred any material interest or penalties as of the current reporting date with respect to income tax matters. The Company does not expect that there will be unrecognized tax benefits of a significant nature that will increase or decrease within 12 months of the reporting date. The Company is subject to U.S. federal income tax as well as income tax in California and Illinois. The federal returns for tax years 2011 through 2014 remain open to examination; the California returns remain subject to examination for tax years 2010 through 2014.

At December 31, 2014, the Company had federal net operating losses of approximately $10,000 and state tax net operating losses of approximately $6,300 in California, $2,400 in Illinois and $1,000 in Massachusetts. The

federal loss carryforwards will begin to expire in 2024. California, Illinois and Massachusetts loss carryforwards begin to expire in 2030, 2015 and 2033, respectively.

17. Subsequent Events

The Company evaluated subsequent events through May 14, 2015, the date on which the December 31, 2014 financial statements were originally issued.

Supplemental Agreement and General Release – In March 2015, the Company entered into a Supplemental Agreement and General Release (the Supplemental Agreement) with a former officer related to the Settlement Agreement (Note 9). As a result, (i) the Company agreed to pay $133 in exchange for retiring the note and (ii) the former officer agreed to exercise a warrant to purchase 17,648 shares of Class A common stock at an exercise price of $4.51 per share.

Acquisition of Inex Bio, Inc. – In March 2015, the Company entered into a Stock Purchase Agreement to acquire all of the shares of Inex Bio it did not previously own for $8,000 in cash. In addition, the sellers received warrants to purchase up to 1,729,729 shares of the Company's Class A common stock at a price of $3.70 per share. The warrants expire fifteen days after the closing date of the Stock Purchase Agreement. In April 2015, the Company received $6,400 for the full exercise of the warrants. As a result of this transaction, Inex Bio is now a wholly-owned subsidiary of the Company.

Stock-based Awards to an Officer – In March 2015, the Company granted to an officer an option to purchase 1,000,000 shares of the Company's Class A common stock at an exercise price of $4.07 per share. The option vests in equal monthly installments over a period of four years from the date of grant. In March 2015, the board of directors approved the issuance of a warrant to purchase shares of the Company's Class A common stock to an officer of the Company. The warrant has a four year term and an exercise price of $3.70 per share. The maximum number of shares underlying the warrant is 9,500,000 of which 4,000,000 vest over a 40-month service period and the remaining 5,500,000 vest based on achievement of various milestones.

The Company updated its evaluation of subsequent events through June 19, 2015, the date on which the December 31, 2014 financial statements were reissued. There are no additional significant events that require disclosure in these financial statements, except as follows:

Amended and Restated Certificate of Incorporation – In June 2015, the Board of Directors and the requisite shareholders approved the recapitalization of the Company's Class A common stock into common stock. Each share of Class A common stock was recapitalized into 1.00 share of common stock. Additionally, the number of authorized shares of common stock was increased from 80,000,000 to 100,000,000.

Sale of common stock – In June 2015, the Company sold 1,997,675 shares of common stock in a private placement offering for net proceeds of $71,004.

Spinout of Bank Biologics and Coneksis – On June 9, 2015, the Company spun out its business related to testing and diagnostic products and services into the entity, Brink Biologics, Inc. (d/b/a Bank Biologics) in exchange for all of the issued and outstanding shares of Bank Biologics that were subsequently distributed by a dividend to the Company's stockholders of record on June 9, 2015 on a pro rata basis. Under the spin-out arrangement, the Company transferred to Bank Biologics all of the Company's existing revenue-earning, non-exclusive license agreements that allow third parties to use the Company's cell lines and intellectual property for non-clinical laboratory testing. In addition, the Company transferred or licensed to Bank Biologics the Company's other

assets associated with testing and diagnostics products and services. The Company granted to Bank Biologics worldwide, exclusive licenses to the use of certain cell lines limited to the field of *in vitro* and *in vivo* testing and diagnostic products and services, trademarks, intellectual property, and patents, including the Company's rights under its license agreement with Fox Chase Cancer Center. As part of the agreement, the Company also has a non-exclusive license to any results and data arising from Bank Biologics' use of the Company's cell lines and intellectual property for our use for internal research purposes and outside of Bank Biologics' field. In consideration for the license grants, Bank Biologics is obligated to pay the Company a low single-digit royalty on amounts received for the sale of licensed products and services, as well as a low single-digit percentage share of other revenue received by Bank Biologics from the grant of sublicenses under the Company's rights. Bank Biologics and the Company have the right to terminate the license agreement under certain conditions. Also, as part of the spin-out arrangement, the Company has agreed to provide certain services to Bank Biologics for a transitional period on a fee-for-service basis. Had the Company consummated the spin out as of the beginning of the year, for the three months ended March 31, 2015, the Company's revenue would have been $5 and royalty and cost of licensing expense would have been $33. Additionally, the balance sheet as of March 31, 2015 would have balances of accounts receivable of $15, accounts payable of $1,275, accrued expenses of $302, and deferred revenue of $244.

In June 2015, the Company also spun out its business related to veterinary oncology into the entity, Coneksis, Inc. (Coneksis) in exchange for all of the issued and outstanding shares of Coneksis that were subsequently distributed by a dividend to the Company's stockholders of record on June 9, 2015 on a pro rata basis. In connection with the spin-out arrangement, the Company granted to Coneksis worldwide, exclusive licenses for use of certain cell lines in the field of veterinary medical research and therapeutics, trademarks, intellectual property, and patents, including the Company's rights under its license agreement with Fox Chase Cancer Center. As part of the agreement, the Company also has a non-exclusive license to any results and data arising from Coneksis' use of the Company's cell lines and intellectual property for our use for internal research purposes and outside of Coneksis' field. In consideration for the license grants, Coneksis is obligated to pay the Company a low single-digit royalty on amounts received for the sale of licensed products and services, as well as a low single-digit percentage share of other revenue received by Coneksis from the grant of sublicenses under the Company's rights. Coneksis and the Company have the right to terminate the license agreement under certain conditions. Also, as part of the spin-out arrangement, the Company has agreed to provide certain services to Coneksis for a transitional period on a fee-for-service basis. Had the Company consummated the spin out as of the beginning of the year, there would have been no material impact to the statement of operations for the three months ended March 31, 2015 or the balance sheet as of March 31, 2015.

Repurchase of common stock – On June 9, 2015, the Company repurchased 135,000 shares of common stock from an employee for $4,798. Subsequent to this repurchase, the Company retired these shares.

Agreements with Affiliates of NantWorks – Our chairman and chief executive officer founded and has a controlling interest in NantWorks, which is a collection of multiple companies in the healthcare and technology space. The Company has entered into arrangements with certain affiliates of NantWorks, as described below, to facilitate the development of new genetically modified NK cells for the Company's product pipeline.

In June 2015, the Company entered into an agreement with NantOmics, LLC (NantOmics) to obtain genomic sequencing and proteomic analysis services, as well as related data management and bioinformatics services, exclusively from NantOmics. The Company is obligated to pay NantOmics a fixed, per sample fee, determined based on the type of services being provided. The agreement has an initial term of five years and renews automatically for successive one year periods, unless terminated earlier.

Conkwest, Inc.
Notes to the Financial Statements
As of and for the years ended December 31, 2013 and 2014
(in thousands, except share and per share amounts)

In June 2015, the Company entered into an agreement with NanoCav, LLC (NanoCav) pursuant to which the Company obtained access to NanoCav's virus-free cell transfection technologies on a non-exclusive basis. Under the agreement, NanoCav will conduct certain, mutually-agreed feasibility studies, on a fee for service basis, to evaluate the use of its cell transfection technologies with the Company's aNK cells. The agreement has an initial term of five years and renews automatically for successive one year periods, unless terminated earlier.

In June 2015, the Company also entered into a supply agreement with NantCell, Inc. (NantCell) pursuant to which the Company has the right to purchase NantCell's proprietary bioreactors, made according to specifications mutually agreed to with NantCell. The Company also has the right to purchase reagents and consumables associated with such equipment from NantCell. The Company made a nonrefundable, upfront payment to NantCell, which is creditable against the Company's future equipment purchases under the agreement. The agreement has an initial term of five years and renews automatically for successive one year periods unless terminated earlier.

Conkwest, Inc.
Condensed Consolidated Balance Sheets
(in thousands, except share and per share amounts)

	As of December 31, 2014	As of March 31, 2015 (Unaudited)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 59,104	$ 49,854
Accounts receivable, net	145	40
Prepaid expenses and other current assets	124	58
Total current assets	59,373	49,952
Investment in Inex Bio, Inc.	249	—
Property and equipment, net	211	224
Intangible assets, net	835	1,710
Other assets	160	252
Total assets	$ 60,828	$ 52,138
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,131	$ 1,231
Accrued expenses	311	307
Notes payable	265	—
Warrant derivative liability	177	1,060
Deferred revenue	521	457
Total liabilities	2,405	3,055
Commitments and contingencies (See Note 5)		
Stockholders' equity		
Class A common stock, $0.0001 par value; 138,977,165 and 75,470,414 shares authorized; 32,997,244 and 33,089,891 issued and outstanding as of December 31, 2014 and March 31, 2015	3	3
Additional paid-in capital	71,161	66,747
Accumulated deficit	(12,741)	(17,667)
Total stockholders' equity	58,423	49,083
Total liabilities and stockholders' equity	$ 60,828	$ 52,138

The accompanying notes are an integral part of these condensed consolidated financial statements.

Conkwest, Inc.
Condensed Consolidated Statements of Operations
(in thousands, except share and per share amounts)
(Unaudited)

	Three Months Ended March 31,	
	2014	2015
Revenue	$ 286	$ 120
Operating expenses:		
Royalties and cost of licensing	122	60
Research and development	120	603
Selling, general and administrative	939	3,368
Total operating expenses	1,181	4,031
Loss from operations	(895)	(3,911)
Other income (expense):		
Other income	—	133
Interest income (expense), net	(239)	32
Fair value adjustment	(23)	(883)
Total other expense	(262)	(718)
Loss before income taxes	(1,157)	(4,629)
Income tax expense	(1)	(1)
Net loss	$ (1,158)	$ (4,630)
Net loss per share:		
Basic and diluted	$ (0.74)	$ (0.14)
Weighted-average number of shares during the period:		
Basic and diluted	1,555,900	33,020,592

The accompanying notes are an integral part of these condensed consolidated financial statements.

Conkwest, Inc.
Condensed Consolidated Statements of Stockholders' Equity
(in thousands, except share and per share amounts)
(Unaudited)

	Class A Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total
	Shares	Amount			
Balance at December 31, 2014	32,997,244	$ 3	$ 71,161	$ (12,741)	$58,423
Exercise of Class A common stock	74,999	—	30	—	30
Exercise of warrants	17,648	—	80	—	80
Stock-based compensation expense	—	—	1,776	—	1,776
Warrants issued in conjunction with Inex Bio acquistion	—	—	416	—	416
Inex Bio purchase adjustment	—	—	(6,716)	(296)	(7,012)
Net loss	—	—	—	(4,630)	(4,630)
Balance at March 31, 2015	33,089,891	$ 3	$ 66,747	$ (17,667)	$49,083

The accompanying notes are an integral part of these condensed consolidated financial statements.

Conkwest, Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands, except share and per share amounts)
(Unaudited)

	Three Months Ended March 31,	
	2014	2015
Cash flows used in operating activities:		
Net loss	$(1,158)	$ (4,630)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	47	53
Stock-based compensation expense	135	1,776
Change in fair value of warrant derivative liability	23	883
Amortization of debt discount	176	—
Forgiveness of note receivable from related party	115	—
Loss incurred by Inex Bio	—	28
Gain on settlement of note payable	—	(133)
Changes in operating assets and liabilities, net of effects of acquisition:		
Accounts receivable	87	105
Notes receivable from related party	(1)	—
Other current assets	32	71
Other assets	44	(87)
Accounts payable	318	99
Accrued expenses	177	(3)
Deferred revenue	(86)	(64)
Net cash used in operating activities	(91)	(1,902)
Cash flows used in investing activities:		
Purchases of property and equipment	(2)	(38)
Purchase of Inex Bio Inc., net of cash acquired	—	(7,237)
Investment in intangible assets	—	(51)
Net cash used in investing activities	(2)	(7,326)
Cash flows provided by (used in) financing activities:		
Finance issuance costs	(165)	—
Payments on notes payable	—	(132)
Proceeds from exercise of stock options and warrants	—	110
Net cash used in financing activities	(165)	(22)
Net decrease in cash and cash equivalents	(258)	(9,250)
Cash and cash equivalents, beginning of period	351	59,104
Cash and cash equivalents, end of period	$ 93	$49,854
Cash paid during the period for:		
Income taxes	$ 1	$ 1
Supplemental disclosure of non-cash investing and financing activities:		
Conversion of debt and payables into Class A common stock	$ 17	$ —
Issuance of warrants in Inex Bio, Inc. acquisition	$ —	$ 416
Change in par value from $0.001 to $0.0001	$ 1	$ —

The accompanying notes are an integral part of these condensed consolidated financial statements.

Conkwest, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements
(in thousands, except share and per share amounts)

1. Description of Business and Basis of Presentation

Organization

Conkwest, Inc., (the Company) was incorporated in Illinois on October 7, 2002 under the name ZelleRx Corporation. On January 22, 2010, the Company changed its name to Conkwest, Inc. The Company is a biotechnology company headquartered in Cardiff-by-the-Sea, California with certain operations in Culver City, California. The Company is commercially developing targeted direct-acting immunotherapeutic agents for a variety of clinical conditions.

The Company holds the exclusive right to commercialize activated natural killer (aNK) cells, a commercially viable natural killer cell-line, and a variety of genetically modified derivatives capable of killing cancer and virally infected cells. The Company owns corresponding U.S. and foreign composition and methods-of-use patents and applications covering the clinical use of aNK cells as a therapeutic to treat a spectrum of clinical conditions.

The Company also licensed exclusive commercial rights to a portfolio of CD16 bearing aNK cells along with the corresponding U.S. and foreign composition and methods-of-use patents and applications covering the non-clinical use in laboratory testing of monoclonal antibodies as well as clinical use as a therapeutic to treat cancers in combination with antibody products. The Company has licensed or sub-licensed its cell lines and intellectual property to numerous pharmaceutical and biotechnology companies for such non-clinical uses.

The Company retains exclusive worldwide rights to clinical and research data, intellectual property and know-how developed with the Company’s aNK cells, as well as the only clinical grade master cell bank.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Inex Bio, Inc. (Note 3), and have been prepared in accordance with accounting principles generally accepted in the United States of America. All intercompany accounts and transactions have been eliminated in consolidation.

Domicile Change

In March 2014, the Company entered into a definitive merger and share exchange agreement pursuant to which the Company redomesticated from the State of Illinois to the State of Delaware and the Illinois Company ceased to exist (the Redomestication). In connection with the Redomestication, the holders of Class A and Class B common stock received one share of Class A and Class B common stock of the Delaware Company, respectively, in exchange for fifteen shares of the Illinois Company. The holders of Series B preferred stock received one share of Series B preferred stock of the Delaware Company in exchange for one share of the Illinois Company. The holders of any options, warrants or other securities are subject to adjustment based on the ratio of one for fifteen. All share numbers and per share prices in the accompanying financial statements have been adjusted to reflect the 1 for 15 exchange.

Liquidity

As of March 31, 2015, the Company had an accumulated deficit of approximately $17,667. The Company also had negative cash flow from operations of approximately $1,902 during the three months ended March 31, 2015. The Company expects that it will likely need additional capital to further fund development of, and seek regulatory approvals for, its product candidates, and begin to commercialize any approved products.

Conkwest, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements
(in thousands, except share and per share amounts)

The Company is currently focused primarily on the development of immunotherapeutic treatments for cancers and debilitating viral infections using targeted cancer killing cell lines, and believes such activities will result in the Company's continued incurrence of significant research and development and other expenses related to those programs. If the clinical trials for any of the Company's product candidates fail or produce unsuccessful results and those product candidates do not gain regulatory approval, or if any of the Company's product candidates, if approved, fails to achieve market acceptance, the Company may never become profitable. Even if the Company achieves profitability in the future, it may not be able to sustain profitability in subsequent periods. The Company intends to cover its future operating expenses through cash and cash equivalents on hand and through a combination of equity offerings, debt financings, government or other third-party funding, marketing and distribution arrangements and other collaborations, strategic alliances and licensing arrangements. The Company cannot be sure that additional financing will be available when needed or that, if available, financing will be obtained on terms favorable to the Company or its stockholders.

While the Company expects its existing cash and cash equivalents will enable it to fund operations and capital expenditure requirements for at least the next twelve months, having insufficient funds may require it to delay, reduce, limit or terminate some or all of its development programs or future commercialization efforts or grant rights to develop and market product candidates that the Company might otherwise prefer to develop and market itself. Failure to obtain adequate financing eventually could adversely affect the Company's ability to operate as a going concern. If the Company raises additional funds from the issuance of equity securities, substantial dilution to existing stockholders may result. If the Company raises additional funds by incurring debt financing, the terms of the debt may involve significant cash payment obligations as well as covenants and specific financial ratios that may restrict the Company's ability to operate its business.

Unaudited Interim Financial Information

The accompanying unaudited financial statements and notes have been prepared in accordance with accounting principles generally accepted in the United States (US GAAP) as contained in the Financial Accounting Standards Board (the FASB) Accounting Standards Codification (the Codification or ASC) for interim financial information. In the opinion of management, the interim financial information includes all adjustments of a normal recurring nature necessary for a fair presentation of the results of operations, financial position and cash flows. The results of operations for the three months ended March 31, 2015 are not necessarily indicative of the results for the full year or the results for any future periods. These financial statements should be read in conjunction with the audited financial statements and related notes for the year ended December 31, 2014 appearing elsewhere in this prospectus.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, the Company evaluates its estimates, including those related to the recoverability of patent costs included in intangible assets, valuation of warrants, stock-based compensation, the valuation allowance for deferred tax assets, allowance for doubtful accounts and business combinations. The Company bases its estimates on historical experience and on various other market-specific and relevant assumptions that it believes to be reasonable under the circumstances. Actual results could differ from those estimates.

Conkwest, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements
(in thousands, except share and per share amounts)

Intangible Assets

Intangible assets consist of costs incurred in connection with patent applications (principally legal fees), patent purchases, trademarks related to the Company's aNK cells and technology acquired in the acquisition of Inex Bio. The Company calculates amortization expense for its patents and acquired technology using the straight-line method over the estimated useful lives, generally 5-15 years. Other intangibles, consisting of trademarks and copyrights, are considered to have indefinite lives and are not amortized but reviewed for impairment annually, or sooner under certain circumstances.

The Company has no historical data to support a probable future economic benefit for patent applications, filing and prosecution costs other than for the Company's aNK cells. Therefore, these patent-related costs are expensed as incurred and are included in selling, general and administrative in the statements of operations. The Company capitalizes patent application costs for those patents that are generating revenue currently. Should the Company experience a legal cost to defend a patent in the future, that cost would be capitalized only when it is part of the cost of retaining and obtaining the future economic benefit of the patent. Costs related to an unsuccessful outcome would be expensed.

Fair Value of Financial Instruments

The accounting standard for fair value measurements provides a framework for measuring fair value and requires disclosures regarding fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, based on the Company's principal or, in absence of a principal, most advantageous market for the specific asset or liability.

The Company uses a three-tier fair value hierarchy to classify and disclose all assets and liabilities measured at fair value on a recurring basis, as well as assets and liabilities measured at fair value on a non-recurring basis, in periods subsequent to their initial measurement. The hierarchy requires the Company to use observable inputs when available, and to minimize the use of unobservable inputs, when determining fair value.

The three tiers are defined as follows:

- Level 1—Observable inputs that reflect quoted market prices (unadjusted) for identical assets or liabilities in active markets;
- Level 2—Observable inputs other than quoted prices in active markets that are observable either directly or indirectly in the marketplace for identical or similar assets and liabilities; and
- Level 3—Unobservable inputs that are supported by little or no market data, which require the Company to develop its own assumptions.

Revenue Recognition and Deferred Revenue

The Company derives substantially all of its revenue from non-exclusive license agreements with numerous pharmaceutical and biotechnology companies granting them the right to use the Company's cell lines and intellectual property for non-clinical use. These license agreements generally include upfront fees and annual research license fees for such use, as well as commercial fees for sales of the licensees' products developed or manufactured using the Company's intellectual property and cell lines. The Company's license agreements also may include milestone payments, although to date, the Company has not generated any revenue from milestone payments. The Company recognizes revenue when (i) persuasive evidence of an arrangement exists; (ii) delivery of the products and/or services has occurred; (iii) the fees are fixed or determinable; and (iv) collectibility is reasonably assured.

Conkwest, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements
(in thousands, except share and per share amounts)

When entering into an arrangement, the Company first determines whether the arrangement includes multiple deliverables and is subject to accounting guidance in Accounting Standards Codification (ASC) Subtopic 605-25, *Multiple-Element Arrangements*. If the Company determines that an arrangement includes multiple elements, it determines whether the arrangement should be divided into separate units of accounting and how the arrangement consideration should be measured and allocated among the separate units of accounting.

An element qualifies as a separate unit of accounting when the delivered element has standalone value to the customer. The Company's agreements do not include a general right of return relative to delivered elements. Any delivered elements that do not qualify as separate units of accounting are combined with other undelivered elements within the arrangement as a single unit of accounting. If the arrangement constitutes a single combined unit of accounting, the Company determines the revenue recognition method for the combined unit of accounting and recognizes the revenue over the period from inception through the date the last deliverable within the single unit of accounting is delivered.

License rights and non-contingent deliverables, such as knowledge transfer, do not have standalone value as they are not sold separately and they cannot be resold and, consequently are considered a single unit of accounting.

Therefore, license revenue in the form of upfront payments is deferred and recognized over the applicable relationship period, which historically has been the estimated period of the Company's substantive performance obligations or the period the rights granted are in effect.

The Company recognizes a milestone payment when earned if it is substantive and the Company has no ongoing performance obligations related to the milestone. A milestone payment is considered substantive if it 1) is commensurate with either the Company's performance to achieve the milestone or the enhanced value of the delivered item as a result of a specific outcome resulting from the Company's performance to achieve the milestone; 2) relates solely to past performance; and 3) is reasonable relative to all of the deliverables and payment terms, including other potential milestone consideration, within the arrangement.

The Company records any amounts received prior to satisfying the revenue recognition criteria as deferred revenue in the accompanying balance sheets.

Stock-Based Compensation

The Company measures and recognizes compensation expense for all stock-based payment awards made to employees, officers and directors based on the estimated fair values of the awards as of the grant date. The Company records the value of the portion of the award that is ultimately expected to vest as expense over the requisite service period.

The Company also accounts for equity instruments issued to non-employees using a fair value approach under ASC Subtopic 505-50, *Equity-Based Payments to Non-Employees*. The Company values equity instruments and stock options granted using the Black-Scholes option-pricing model. The value of non-employee stock-based compensation is subject to periodic adjustments as the underlying equity instruments vest and is recognized as an expense over the term of the related financing or the period over which services are received.

Basic and Diluted Net Loss per Share of Common Stock

Basic net loss per share is calculated by dividing the net loss by the weighted-average number of common shares outstanding for the period. Diluted loss per share is computed similarly to basic loss per share except that the

(in thousands, except share and per share amounts)

denominator is increased to include the number of additional shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive.

For all periods presented, potentially dilutive securities are excluded from the computation of fully diluted loss per share as their effect is anti-dilutive. The following table details those securities which have been excluded from the computation of potentially dilutive securities:

	Three Months Ended March 31,	
	2014	2015
Series B convertible preferred stock	1,741,367	—
Class B common shares not exercised	3,115,659	—
Outstanding options	1,650,933	5,405,270
Outstanding warrants	261,423	12,211,777
Total	6,769,382	17,617,047

Amounts in the table above reflect the common stock equivalents of the noted instruments.

Comprehensive Loss

The Company has no items of comprehensive income or loss other than net loss.

Segment and Geographic Information

Operating segments are defined as components of an enterprise (business activity from which it earns revenue and incurs expenses) for which discrete financial information is available and regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company's chief operating decision maker (CODM) is its Chief Executive Officer. The Company views its operations and manages its business as a single operating and reporting segment.

3. Investment in Inex Bio, Inc.

In April 2012, the Company entered into a License Agreement with Inex Bio, Inc. (Inex Bio), a Republic of Korea corporation focused on cell therapy development (the Inex License Agreement). Under the Inex License Agreement, the Company provided Inex Bio with an exclusive license to the Company's technology to be used in products only in certain Asian countries. In exchange for the Inex License Agreement, the Company received a $300 up-front license fee. In addition, the Company was to receive milestone payments of up to $775 based upon completion of clinical trials and a 5% royalty on net sales of products using the aNK cells. No milestone payments were due or received for the three months ended March 31, 2014 or 2015.

In May 2012, the Company acquired 57,000 shares of Inex Bio for $249, which represented 22.2% of the outstanding shares and 17.4% of the fully-diluted shares of Inex Bio. The Company accounted for its investment under the cost method since management could not exert significant influence over Inex Bio because (i) Inex Bio is located in South Korea and the Company had limited interaction with investee management; (ii) there was no interchange of managerial personnel; and (iii) the other investor was a public company in South Korea that is more closely involved in the management of Inex Bio. The Company reviewed its investment for impairment in accordance with ASC Topic 320, *Investments—Debt and Equity Securities*. There was no impairment of the investment at December 31, 2014.

Conkwest, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements
(in thousands, except share and per share amounts)

In February and March 2015, Inex Bio Holdings, LLC (Holdings), an entity wholly owned by the Company's majority shareholders acquired 220,000 shares or 67.3% of Inex Bio. The Company's majority shareholders, as a group, hold more than 50% of the voting ownership interest in both the Company and in Holdings. As such, the Company and Holdings are considered entities under common control.

On March 30, 2015, the Company entered into a Stock Purchase Agreement with InexBio Holdings, LLC and certain other parties, or the purchase agreement, pursuant to which the Company acquired all the remaining outstanding shares of Inex Bio not previously owned by the Company for cash consideration of $8.0 million and the issuance of 1,729,729 warrants to purchase the Company's Class A common stock with an exercise price of $3.70 per share. Cambridge, an entity in which the Company's chief executive officer is the sole member of its general partner, and Eragon Ventures, LLC, an entity of which one of the Company's directors is a non-controlling member, together indirectly own a substantial equity interest in Holdings.

The Company accounted for the purchase of the remaining shares of Inex Bio as a transaction between entities under common control. The Company recorded the assets and liabilities transferred at the historical cost of the parent, Holdings, at the date of the transfer. The Company reports results of operations for the three months ended March 31, 2015 as though the transfer had occurred at the beginning of the period. As a result of this transaction, Inex Bio is now a wholly-owned subsidiary of the Company.

The following table summarizes the assets acquired and liabilities assumed:

	March 31, 2015
Cash	$ 763
Intangible assets—technology	851
Other assets	12
Accounts payable	(1)
Total assets acquired and liabilities assumed	$ 1,625

4. Notes Payable

2013 Promissory Note—In June 2013, the Company entered into a Securities Purchase Agreement (the 2013 Securities Purchase Agreement) whereby the Company issued to an institutional investor a $1,000 note payable (the 2013 Promissory Note) plus 1,000 shares of Series B preferred stock (Note 12) for aggregate proceeds of $1,000. The 2013 Promissory Note accrued interest at 5% per annum and was scheduled to mature on June 20, 2014. The 2013 Promissory Note was secured by all of the assets of the Company.

The Company allocated the proceeds under the 2013 Securities Purchase Agreement to the 2013 Promissory Note and Series B preferred stock based on their relative fair values, which resulted in $364 and $636 being allocated to the 2013 Promissory Note and Series B preferred stock, respectively. The Company recorded a debt discount of $636, which was being amortized to interest expense over the term of the 2013 Promissory Note using the effective interest method.

In April 2014, the Company entered into the 2014 Securities Purchase Agreement (Note 12) at which time the holder of the 2013 Promissory Note agreed to convert the $1,000 principal into 416,667 shares of Series C preferred stock plus a warrant to purchase 104,167 shares of Class A common stock having the same terms as the warrants issued in the 2014 Securities Purchase Agreement. The Company paid accrued interest of $39 in cash.

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Other Notes and Payables—The 2013 Securities Purchase Agreement was a qualified financing. As a result, certain holders of notes payable and accounts payable totaling $950 (Converting Creditors) converted their outstanding payable balances into Class A common stock at a conversion price of $4.51 per share. The Series A preferred stock holders and Converting Creditors also entered into a shareholder lock up agreement.

2009 Convertible Notes—In 2009, the Company executed a Bridge Loan Agreement to sell and issue $426 of convertible promissory notes (the 2009 Convertible Notes). The 2009 Convertible Notes accrued interest at 15% per annum until maturity on September 30, 2010 (the Maturity Date). After the Maturity Date, the 2009 Convertible Notes accrued interest at 24% per annum. The 2009 Convertible Notes were convertible at the option of the holders into securities issued in the Company's next financing. The 2009 Convertible Notes were secured by all of the Company's assets. At December 31, 2013, there was $426 of principal and $396 of accrued interest outstanding on the 2009 Convertible Notes. As discussed below, the 2009 Convertible Notes were exchanged for shares of Class A common stock, and there was no balance outstanding on the 2009 Convertible Notes at December 31, 2014.

Each holder of the 2009 Convertible Notes also received a warrant to purchase shares of Class A common stock (2009 Warrants). The 2009 Warrants are exercisable only if and to the extent that the holder subscribed to the next financing for a number of shares equal to 300% of the number of shares issued to the holder in the next financing.

The exercise price of the 2009 Warrants initially is the purchase price for the shares in the next financing. However, for up to two years after the date that the Company becomes a public company, the exercise price is adjusted to a price equal to the price of the new equity securities should the Company enter into any new equity transaction whereby the price of the equity in the new transaction is lower than the exercise price of the 2009 Warrants.

In conjunction with the 2013 Securities Purchase Agreement, each holder of the 2009 Convertible Notes entered into a consent, amendment and exchange agreement (the Exchange Agreement). The Exchange Agreement (i) modified the Maturity Date to June 20, 2014; (ii) caused each holder to execute a subordination and shareholder lock-up agreement, and; (iii) upon a Mandatory Exchange Financing, automatically exchanged the outstanding principal and accrued interest under the 2009 Convertible Notes and the 2009 Warrants for shares of Class A common stock at an exchange rate of three times the principal amount of the 2009 Convertible Notes divided by the per share price of the Mandatory Exchange Financing. In April 2014, the 2014 Securities Purchase Agreement qualified as a Mandatory Exchange Financing and the $426 principal balance plus $422 accrued interest on the 2009 Convertible Notes and the 2009 Warrants were exchanged for 532,125 shares of the Company's Class A common stock.

In connection with the sale of the 2009 Convertible Notes, the Company used a placement agent. The placement agent received a corporate advisory warrant (the CA Warrant) for common stock equal to 20% of the issued and outstanding common stock of the Company on a fully diluted basis immediately following the final closing of the bridge financing. The CA Warrant had an exercise price of $4.51 per share and was to expire on September 30, 2019. The placement agent also received a warrant for common stock for the number of shares equal to 9% of the number of warrant shares issued to the holders who subscribe to the next financing (the PA Warrant). The initial exercise price of the PA Warrant is equal to the price of the next financing.

In conjunction with the 2013 Securities Purchase Agreement, the placement agent agreed to exchange the CA Warrant and PA Warrant into shares of Class A common stock equal to 10% of the shares of fully-diluted stock outstanding immediately following the closing of a Mandatory Exchange Financing less certain exempted issuances.

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At the 2014 Securities Purchase Agreement closing, the CA Warrant and PA Warrant were exchanged for 1,648,722 shares of the Company's Class A common stock.

The Company also issued to the placement agent 18,750 shares of Class A common stock in exchange for a cash commission.

Settlement Agreement—In 2007, the Company entered into a settlement agreement with a former officer of the Company (the Settlement Agreement). The Settlement Agreement included a cash payment to the former officer of $265 payable upon the Company's receipt of any debt or equity financing. As part of the 2009 Convertible Notes financing, the Settlement Agreement was amended so that the $265 will convert into Class A common stock at a conversion price of $4.51 per share on the second anniversary of Company being a publicly traded company. In March 2015, the Company entered into a Supplemental Agreement and General Release (the Supplemental Agreement) with the former officer related to the Settlement Agreement. As a result, (i) the Company agreed to pay $132 in exchange for retiring the note and (ii) the former officer agreed to exercise a warrant to purchase 17,648 shares of Class A common stock at an exercise price of $4.51. The $133 difference between the carrying value of the note payable and the amount paid to retire the note is reflected in other income on the condensed consolidated statement of operations.

Founder Note—As of December 31, 2013, the Company owed a founder of the Company $23 associated with a license agreement and miscellaneous other obligations. In April 2014, the outstanding balance was paid in full.

Other Notes and Creditors—As part of the 2009 Convertible Notes financing, certain other note holders and creditors with obligations totaling $194 (Other Creditors) executed agreements either to defer payment for three years or convert the obligations into Class A common stock upon the Company closing a financing of at least $1,200 at a conversion price of $4.51 per share. In conjunction with the 2013 Securities Purchase Agreement, Other Creditors holding $20 of principal plus $29 of accrued interest elected to convert their obligations into 10,913 shares of Class A common stock.

Other Creditors holding $50 of principal entered into exchange agreements whereby, upon the Company completing a Mandatory Exchange Financing, the balance plus any accrued interest is automatically exchanged for shares of Class A common stock at an exchange rate of three times the amount owed divided by the per share price of the Mandatory Exchange Financing. At the close of the 2014 Securities Purchase Agreement, the $50 principal plus accrued interest of $50 were exchanged for 124,688 shares of Class A common stock. In April 2014, an Other Creditor with $95 of outstanding principal and interest agreed to sell its note to a third party who agreed to exchange the note for 61,771 shares of Class A common stock. Other Creditors with $29 of outstanding principal plus $13 of accrued interest were repaid in cash in April 2014.

Side Agreement Notes—Payables and debt totaling $249 were sold by certain creditors to existing investors (the Side Agreements). In conjunction with the Side Agreements, the Company issued to the investors convertible notes pursuant to an exchange agreement whereby upon the Company completing a Mandatory Exchange Financing, the outstanding balance under the convertible notes are automatically exchanged for shares of Class A common stock at an exchange rate of the amount divided by the per share price of the Mandatory Exchange Financing (the Side Agreement Notes). At the close of the 2014 Securities Purchase Agreement, the $249 balance of the convertible notes was exchanged for 103,884 shares of Class A common stock.

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5. Commitments and Contingencies

Contingencies

In March 2009, the Company received a final rejection in one of the Company's original patent applications pertaining to methods of use claims for NK-92 from the U.S. Patent and Trademark Office (the USPTO). The Company appealed this decision with the USPTO Board of Appeals and, in the fall of 2013, the Board of Appeals reversed the Examiner's rejection of the claim to certain methods of use with NK-92, but affirmed the Examiner's rejection of the remaining patent claims. In December 2013, the Company brought an action in the U.S. District Court for the Eastern District of Virginia to review the decision of the USPTO. A trial before the district court judge is being scheduled, likely for the fourth quarter of 2015.

Such litigation and administrative proceedings could result in revocation or amendment of the Company's patents such that they do not cover the Company's product candidates. They may also put the Company's pending patent applications at risk of not issuing, or issuing with limited and potentially inadequate scope to cover the Company's product candidates. The Company is unable to predict the outcome of the matter, but such a loss of patent protection could have a material adverse impact on the Company's business.

Operating Lease

The Company leases office space in Cardiff-by-the-Sea, California under a non-cancelable operating lease that expires in August 2016 and leases a research facility in Boston, Massachusetts on a month-to-month basis.

Rent expense for the three months ended March 31, 2014 and 2015 was $47 and $69, respectively.

Collaborative Arrangement

A collaborative arrangement is a contractual arrangement that involves a joint operating activity. These arrangements involve two or more parties who are (i) active participants in the activity, and (ii) exposed to significant risks and rewards dependent on the commercial success of the activity.

Joint Development and License Agreement—In December 2014, the Company entered into a Joint Development and License Agreement (the Joint Development and License Agreement) with Sorrento Therapeutics, Inc. (Sorrento). Under the Joint Development and License Agreement, the Company and Sorrento agreed to exclusively collaborate on research, development and commercialization with respect to certain technologies and intellectual property rights as may be agreed between the parties for the purpose of jointly developing therapeutic applications of certain effector cell lines.

To fund the Company's joint research and development efforts, Sorrento agreed to make research credit payments to the Company in the aggregate amount of $2,000 payable in December 2015 and 2016, reduced by certain expenses for which the Company is responsible under the agreements. The research credit payments will be paid in the form of full-time employee expense credits by Sorrento to work on behalf of the Company and for the Company's portion of any development costs and a laboratory credit for in maintaining a laboratory on Sorrento's premises.

For each cell line or product to be developed by the parties pursuant to the Joint Development and License Agreement, one party (the Primary Party), as mutually agreed upon by a designated steering committee comprised of three representatives from each party when a statement of work is agreed to by the parties, will have the right and authority to initiate and control the development, testing, regulatory approval or

commercialization of such cell line or joint product, including the right to license and sublicense all applicable intellectual property rights (including joint product rights) with respect thereto. The Primary Party will also bear all costs associated with the development of the applicable cell line or product unless the other party shares in such costs. The ratio of such split between the parties is conditioned on the stage of development of the cell line or product and each party's contribution towards development costs.

Sorrento and the Company each will own an undivided interest in and to all rights, title and interest in and to the joint product rights. The Joint Development and License Agreement expires upon the later of three years or completion of the series of collaborative research and development efforts.

In connection with the Joint Development and License Agreement, Sorrento entered into a subscription and investment agreement with the Company under which the Company sold to Sorrento 2,461,538 shares of the Company's Class A common stock for gross proceeds of $8,000 (Note 13). Subsequently, Sorrento agreed to purchase 572,935 shares of the Company's Class A common stock for an additional $2,000 in gross proceeds.

Royalties and In-licensing Agreements

Founder License Agreement—In 2003, the Company entered into a licensing agreement with a founding shareholder of the Company for the exclusive license to the NK-92 cell line and related know-how for payment of certain royalties related to the sales of licensed products (the Founder License Agreement). In 2009 and 2010, the Founder License Agreement was amended for the sale and assignment of the licensed patents to the Company. As consideration for the sale and assignment of the licensed patents and technical information to the Company, the founding shareholder was to receive a one-time cash payment of $75, which was converted to a non-interest bearing note (the Founder Note) (Note 9). In addition, the Company is obligated to (i) pay low single digit percentage royalties of net sales of licensed products for therapeutic and diagnostic use; (ii) issue additional shares of common stock of the Company in conjunction with the closing of a financing of at least $1,000 after the 2013 Securities Purchase Agreement to ensure the founder retains no less than a 7% ownership interest of the total outstanding common shares of the Company on a fully diluted basis; (iii) pay the British Columbia Cancer Agency a low single digit percentage royalty on net sales on aNK cell-based products, a responsibility assumed by the Company for the founding shareholder; and (iv) issue a warrant (Founder Warrant) to purchase up to 66,667 additional shares of Class A common stock at a purchase price of $4.51 per share with a10 year exercise term subject to the completion of five milestones pertaining to granting of a patent, completion of clinical trials and issuance of a commercial biologic license. In 2013, the first milestone, a claim granted for a certain patent application in the United States, was achieved and as a result 20,000 shares underlying the Founder Warrant became exercisable.

In March 2014, the Founder License Agreement was amended to (i) provide for payment to the founder of low single digit percentage royalties on net sales of licensed products for therapeutic and diagnostic use and mid-single digit percentage royalties from sublicenses for net sales of licensed products; (ii) exchange warrants held by the founder to purchase up to 84,315 shares of Class A common stock for a fully-vested incentive stock option to purchase up to 400,000 shares of Class A common stock at fair market value on the date of issuance upon the Company closing a private placement of stock or other securities of at least $3,000 (the Mandatory Exchange Financing); and (iii) remove the requirement for the founder to retain not less than a 7% ownership interest of the total outstanding common shares of the Company on a fully diluted basis. As of March 31, 2015, no royalties have been earned or paid.

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Fox Chase Cancer Center License Agreement—In 2004 and amended in 2008, the Company entered into an exclusive license agreement with Fox Chase Cancer Center (Fox Chase) for the exclusive, worldwide rights to certain patents and know-how pertaining to CD16 receptors bearing NK-92 cell lines. In consideration for this exclusive license granted, the Company agreed to pay Fox Chase (i) low single-digit percentage royalties on net sales of licensed products for therapeutic and diagnostic use; and (ii) mid-twenties percentage royalties on any compensation the Company receives from sublicensees.

The Company recorded royalty expense of $70 and $24 for the three months ended March 31, 2014 and 2015, respectively, related to the Fox Chase Cancer Center License Agreement. Royalty expense is included in royalties and cost of licensing in the condensed consolidated statements of operations.

Rush University Medical Center License Agreement—In 2004, the Company entered into a 12-year licensing agreement with Rush University Medical Center for the exclusive rights to license and grant sublicenses of certain intellectual property related to clinical use of NK-92. The Company is required to pay low to mid-single digit percentage royalties on net sales depending upon the various fields of studies and other factors. The Company is required to pay a minimum annual royalty of $25. The Rush University Medical Center License Agreement also provides for payments in the aggregate amount of $2,500 upon the Company achieving various milestones, including upon (i) the completion of Phase II clinical trial associated with the licensed intellectual property; (ii) the approval by the Food and Drug Administration (the FDA) of a new drug application for a licensed product; and (iii) the first year that sales of the licensed product equals or exceeds $250,000. The Rush University Medical Center License Agreement terminates on the 12th anniversary of the first payment of royalties, at which point the license is deemed a perpetual, irrevocable, fully-paid royalty-free, exclusive license, and may be terminated earlier by either party for material breach.

During the three months ended March 31, 2014 and 2015, the Company recorded royalty expense of $31 and $6 related to the Rush University Medical Center License Agreement. Royalty expense is included in royalties and cost of licensing in the condensed consolidated statements of operations. No milestones were met during the three months ended March 31, 2014 or 2015.

6. Out-Licensing Agreement

Intrexon License Agreement—In February 2010, the Company entered into a 17-year license agreement with Intrexon Corporation (Intrexon) pursuant to which the Company granted to Intrexon a non-exclusive, worldwide, sublicensable license to research and sell products under certain patents relating to modified NK-92 cells that express Intrexon's proprietary gene sequences for use as a therapeutic and prophylactic agent in humans in specified therapeutic areas. In consideration for the license agreement, Intrexon paid the Company a one-time fee of $350 and will pay the Company the following milestone payments: $50 upon the first IND filing; $100 upon the commencement of the first Phase II clinical trial; $350 upon the commencement of the first Phase III clinical trial; and $500 upon the first commercial sale relating to the licensed products. Intrexon is obligated to pay the Company a low single digit percentage royalty based on net sales of the licensed products by Intrexon and a mid-teen percentage royalty based on revenues received by Intrexon in connection with sublicenses of the licensed products. No milestone payments were due or received in the three months ended March 31, 2014 or 2015.

7. Stockholders' Equity

Conversion—In June 2015, the board of directors and the requisite shareholders approved the conversion of Class A common stock to common stock. Each share of Class A common stock converted into 1.00 share of common stock.

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Class A Common Stock—In December 2014, the Company issued 2,461,538 shares of Class A common stock at $3.25 per share for gross proceeds of $8,000 in a private placement transaction with Sorrento (Note 5). Subsequently in December 2014, the Company entered into a private placement offering and sold 14,178,916 shares of Class A common stock at $3.4908 per share for gross proceeds of $49,495 of which Sorrento purchased 572,935 shares for $2,000. Related stock issuance costs totaled $159. In conjunction with the offering, the Company amended its Bylaws to increase the size of the board of directors to nine.

In conjunction with the 2013 Securities Purchase Agreement, 210,336 shares of Class A common stock were issued for conversion of certain debt and payables totaling $950, and 219,308 shares were issued in exchange for all outstanding shares of Series A preferred stock. In conjunction with the 2014 Securities Purchase Agreement, the placement agent agreed to exchange $45 of its cash commission for 18,750 shares of Class A common stock.

Common Stock Warrants—In 2010, the Company issued, in conjunction with a termination and release agreement, a warrant to purchase 62,016 shares of Class A common stock. The warrant was initially exercisable at $4.51 per share and is currently exercisable at $3.25 per share. The warrant expires in February 2020. The warrant includes a provision that for a period through two years after a reverse merger, the exercise price of the warrant is protected against down-round financing unless 66.67% of shareholders consent to the new transaction. Pursuant to ASC Subtopic 815-15 and ASC Subtopic 815-40, the fair value of the warrant of $439 was recorded as a derivative liability on the issuance date. The fair value of the warrant was estimated at the issuance date and is revalued at each reporting period, using a Monte Carlo simulation. At December 31, 2014 and March 31, 2015, the Company recorded a derivative liability of approximately $177 and $1,060, respectively. The change in fair value of the derivative liability is included in other income (expense) in the statements of operations. In April 2015, the warrant was exercised.

In March 2015, the board of directors approved the issuance of a stock option and a warrant to purchase Class A common stock to an officer of the Company (Note 8).

8. Stock-Based Compensation

2004 Stock Option Plan—In April 2004, the Company adopted the 2004 Stock Option Plan (the 2004 Plan) under which 44,124 shares of common stock were reserved for issuance under the 2004 Plan. The 2004 Plan provides for the granting of stock options to employees, directors and consultants of the Company. Options granted under the 2004 Plan may be either incentive stock options (ISOs) or nonqualified stock options (NSOs). NSOs may be granted to the Company employees and consultants. No further shares are available for grant under the 2004 Plan.

2014 Equity Incentive Plan—In March 2014, the Company's board of directors and stockholders approved the 2014 Equity Incentive Plan (2014 Plan) under which 6,000,000 shares of Class A common stock are reserved for the granting of incentive stock options, nonstatutory stock options, stock appreciation rights, restricted stock, restricted stock units and performance awards to employees, directors and consultants. Recipients of stock awards are eligible to purchase shares of the Company's common stock at an exercise price equal to no less than the estimated fair market value of such stock on the date of grant. The maximum term of awards granted under the 2014 Plan is ten years. Stock awards are generally not exercisable prior to the applicable vesting date, unless otherwise accelerated under the terms of the applicable stock plan agreement. Unvested shares of the Company's common stock issued in connection with an early exercise allowed by the Company may be repurchased by the Company upon termination of the optionee's service with the Company.

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Stock-based Awards to an Officer—In March 2015, the Company granted to an officer an option to purchase 1,000,000 shares of the Company's Class A common stock at an exercise price of $4.07 per share. The option vests in equal monthly installments over a period of four years from the date of grant. In March 2015, the board of directors approved the issuance of a warrant to purchase Class A common stock to an officer of the Company. The warrant has a four year term and an exercise price of $3.70 per share. The maximum number of shares underlying the warrant is 9,500,000 of which 4,000,000 vest over a 40-month service period beginning on April 1, 2015 and the remaining 5,500,000 vest based on the achievement of various milestones. No shares under the stock option or warrant were exercisable at March 31, 2015.

The following table presents stock-based compensation as included in the Company's condensed consolidated statement of operations:

	Three Months Ended March 31,	
	2014	2015
Stock-based compensation expense:		
Employee stock options	135	1,088
Non-employee stock options	—	688
	$ 135	$ 1,776
Stock-based compensation expense in operating expenses:		
Research and development	$ —	$ 189
Selling, general and administrative	135	1,587
	$ 135	$ 1,776

9. Fair Value Measurement

The carrying amounts of certain financial instruments, including cash and cash equivalents, accounts receivable, prepaid expenses, accounts payable, accrued expenses and notes payable approximate their respective fair values due to the short-term nature of such instruments.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The Company evaluates its financial assets and liabilities subject to fair value measurements on a recurring basis to determine the appropriate level in which to classify them for each reporting period. This determination requires significant judgments to be made.

The following table summarizes the conclusions reached:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Warrant derivative liability at December 31, 2014	$ —	$ —	$ 177
Warrant derivative liability at March 31, 2015	$ —	$ —	$ 1,060

The Company used Level 3 inputs for its valuation methodology for the warrant derivative liability. The estimated fair value was determined using a Monte Carlo option pricing model based on various assumptions.

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The Company's warrant derivative liability is adjusted to reflect estimated fair value at each reporting period, with any decrease or increase in the estimated fair value recorded in other income or expense as an adjustment to the fair value of warrant derivative liability. The assumptions used in valuing these warrants are presented in the table below.

	Three Months Ended March 31,	
	2014	2015
Expected dividend yield	0%	0%
Expected volatility	91.0%	80.0%
Risk-free interest rate	2.23%	1.37%

In addition, as of the valuation dates, management assessed the probabilities of future financings assumptions in the Monte Carlo valuation models. The Company also applied a discount for lack of marketability to the valuation of the warrant derivative liability based on such trading restrictions due to the shares not being registered.

Activity for the warrant derivative liability measured at fair value using significant unobservable inputs (Level 3) is presented in the table below:

	Warrant Derivative Liability
Balance January 1, 2015	$ 177
Adjustment to estimated fair value	883
Balance at March 31, 2015	$ 1,060

10. Subsequent Events

The Company evaluated subsequent events through June 19, 2015, the date on which the March 31, 2015 consolidated financial statements were available to be issued. There are no significant events that require disclosure in these condensed consolidated financial statements, except as follows:

Amended and Restated Certificate of Incorporation—In June 2015, the Board of Directors and the requisite shareholders approved the conversion of Class A common stock to common stock. Each share of Class A common stock converted into 1.00 share of common stock. Additionally, the number of authorized shares of common stock was increased from 80,000,000 to 100,000,000.

Sale of common stock—In June 2015, the Company sold 1,997,675 shares of common stock in a private placement offering for net proceeds of $71,004.

Spinout of Bank Biologics and Coneksis—On June 9, 2015, the Company spun out its business related to testing and diagnostic products and services into the entity, Brink Biologics, Inc. (d/b/a Bank Biologics) in exchange for all of the issued and outstanding shares of Bank Biologics. Under the spin-out arrangement, the Company transferred to Bank Biologics all of the Company's existing revenue-earning, non-exclusive license agreements that allow third parties to use the Company's cell lines and intellectual property for non-clinical laboratory testing. In addition, the Company transferred or licensed to Bank Biologics the Company's other assets

associated with testing and diagnostics products and services. The Company granted to Bank Biologics worldwide, exclusive licenses to the use of certain cell lines limited to the field of *in vitro* and *in vivo* testing and diagnostic products and services, trademarks, intellectual property, and patents, including the Company's rights under its license agreement with Fox Chase Cancer Center. As part of the agreement, the Company also has a non-exclusive license to any results and data arising from Bank Biologics' use of the Company's cell lines and intellectual property for the Company's use for internal research purposes and outside of Bank Biologics' field. In consideration for the license grants, Bank Biologics is obligated to pay the Company a low single-digit royalty on amounts received for the sale of licensed products and services, as well as a low single-digit percentage share of other revenue received by Bank Biologics from the grant of sublicenses under the Company's rights. Bank Biologics and the Company have the right to terminate the license agreement under certain conditions. Also, as part of the spin-out arrangement, the Company has agreed to provide certain services to Bank Biologics for a transitional period on a fee-for-service basis. Had the Company consummated the spin out as of the beginning of the year, for the three months ended March 31, 2015, the Company's revenue would have been $5 and royalty and cost of licensing expense would have been $33. Additionally, the balance sheet as of March 31, 2015 would have accounts receivable of $15, accounts payable of $1,275, accrued expenses of $302, and deferred revenue of $244.

On June 9, 2015, the Company spun out its business related to veterinary oncology into the entity, Coneksis, Inc. (Coneksis) in exchange for all of the issued and outstanding shares of Coneksis. In connection with the spin-out arrangement, the Company granted to Coneksis worldwide, exclusive licenses for use of certain cell lines in the field of veterinary medical research and therapeutics, trademarks, intellectual property, and patents, including the Company's rights under its license agreement with Fox Chase Cancer Center. As part of the agreement, the Company also has a non-exclusive license to any results and data arising from Coneksis' use of the Company's cell lines and intellectual property for the Company's use for internal research purposes and outside of Coneksis' field. In consideration for the license grants, Coneksis is obligated to pay the Company a single-digit royalty on amounts received for the sale of licensed products and services, as well as a single-digit percentage share of other revenue received by Coneksis from the grant of sublicenses under the Company's rights. Coneksis and the Company have the right to terminate the license agreement under certain conditions. Also, as part of the spin-out arrangement, the Company has agreed to provide certain services to Coneksis for a transitional period on a fee-for-service basis. Had the Company consummated the spin out as of the beginning of the year, there would have been no material impact to the statement of operations for the three months ended March 31, 2015 or the balance sheet as of March 31, 2015.

Repurchase of common stock – In June 2015, the Company repurchased 135,000 shares of common stock from an employee for $4,798. Subsequent to this repurchase, the Company retired these shares.

Agreements with Affiliates of NantWorks – Our chairman and chief executive officer founded and has a controlling interest in NantWorks, which is a collection of multiple companies in the healthcare and technology space. The Company has entered into arrangements with certain affiliates of NantWorks, as described below, to facilitate the development of new genetically modified NK cells for the Company's product pipeline.

In June 2015, the Company entered into an agreement with NantOmics, LLC (NantOmics) to obtain genomic sequencing and proteomic analysis services, as well as related data management and bioinformatics services, exclusively from NantOmics. The Company is obligated to pay NantOmics a fixed, per sample fee, determined based on the type of services being provided. The agreement has an initial term of five years and renews automatically for successive one year periods, unless terminated earlier.

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In June 2015, the Company entered into an agreement with NanoCav, LLC (NanoCav) pursuant to which the Company obtained access to NanoCav's virus-free cell transfection technologies on a non-exclusive basis. Under the agreement, NanoCav will conduct certain, mutually-agreed feasibility studies, on a fee for service basis, to evaluate the use of its cell transfection technologies with the Company's aNK cells. The agreement has an initial term of five years and renews automatically for successive one year periods, unless terminated earlier.

In June 2015, the Company also entered into a supply agreement with NantCell, Inc. (NantCell) pursuant to which the Company has the right to purchase NantCell's proprietary bioreactors, made according to specifications mutually agreed to with NantCell. The Company also has the right to purchase reagents and consumables associated with such equipment from NantCell. The Company made a nonrefundable, upfront payment to NantCell, which is creditable against the Company's future equipment purchases under the agreement. The agreement has an initial term of five years and renews automatically for successive one year periods unless terminated earlier.

Shares

Common Stock

Joint Book-Running Managers

BofA Merrill Lynch **Citigroup** **Jefferies** **Piper Jaffray**

Co-Manager

MLV & Co.

, 2015

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth an itemization of all estimated expenses, all of which the Registrant will pay, in connection with the issuance and distribution of the securities being registered:

	Amount Paid or to be Paid
SEC registration fee	$ 20,045
FINRA filing fee	26,375
The NASDAQ Global Select Market listing fee	150,000
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Transfer agent and registrar fees and expenses	*
Miscellaneous expenses	*
Total	$ *

* To be provided by amendment

Item 14. Indemnification of Directors and Officers

On completion of this offering, the Registrant's amended and restated certificate of incorporation will contain provisions that eliminate, to the maximum extent permitted by the General Corporation Law of the State of Delaware, the personal liability of the Registrant's directors and executive officers for monetary damages for breach of their fiduciary duties as directors or officers. The Registrant's amended and restated certificate of incorporation and bylaws will provide that the Registrant must indemnify its directors and executive officers and may indemnify its employees and other agents to the fullest extent permitted by the General Corporation Law of the State of Delaware.

Sections 145 and 102(b)(7) of the General Corporation Law of the State of Delaware provide that a corporation may indemnify any person made a party to an action by reason of the fact that he or she was a director, executive officer, employee or agent of the corporation or is or was serving at the request of a corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful, except that, in the case of an action by or in right of the corporation, no indemnification may generally be made in respect of any claim as to which such person is adjudged to be liable to the corporation.

The Registrant has entered into indemnification agreements with its directors and executive officers, in addition to the indemnification provided for in its amended and restated certificate of incorporation and bylaws, and intends to enter into indemnification agreements with any new directors and executive officers in the future.

The Registrant has purchased and currently intends to maintain insurance on behalf of each and any person who is or was a director or officer of the Registrant against any loss arising from any claim asserted against him or her and incurred by him or her in any such capacity, subject to certain exclusions.

The Underwriting Agreement (Exhibit 1.1 hereto) provides for indemnification by the underwriters of the Registrant and its executive officers and directors, and by the Registrant of the underwriters, for certain liabilities, including liabilities arising under the Securities Act of 1933, as amended, or the Securities Act.

See also the undertakings set out in response to Item 17 herein.

Item 15. Recent Sales of Unregistered Securities

Since May 1, 2012, the Registrant has issued and sold the following securities:

(1) In May 2012, the Registrant acquired 57,000 shares of Inex Bio Holdings, LLC, or Inex Bio, for $248,541, which represented 22.2% of the outstanding shares and 17.4% of the fully-diluted shares of Inex Bio. On March 30, 2015, we acquired all the remaining outstanding shares of Inex Bio not currently owned by us for cash consideration of $8,000,000 and the issuance of 1,729,729 warrants to purchase our Class A common stock with an exercise price of $3.70 per share. The warrants were subsequently exercised on April 6, 2015.

(2) On June 20, 2013, the Registrant entered into a securities purchase agreement with Bio IP Ventures LLC, pursuant to which the Registrant sold a secured promissory note in the principal amount of $1,000,000, and 1,000 shares of its Series B preferred stock at a per share price of $0.10, for an aggregate purchase price of $1,000,100. In connection with the April 2014 private placement described in paragraph (4) below, Bio IP Ventures LLC converted the $1,000,000 principal amount of its promissory note into 416,667 “units”. Each “unit” consisted of one share of Registrant’s Series C preferred stock and a warrant to purchase one quarter of a share of Registrant’s common stock at aggregate price of $2.40 per unit. In December 2014, the Series C preferred stock was converted into Class A common stock.

(3) On June 20, 2013, Bio IP Ventures LLC purchased notes from the Registrant’s existing creditors totaling $312,570. In April 2014, these notes were exchanged for 130,238 shares of the Registrant’s Class A common stock.

(4) On June 20, 2013, notes and other payables owed to various of the Registrant’s creditors totaling $949,665 were settled in exchange for 210,336 shares of the Registrant’s Class A common stock.

(5) On December 30, 2013, the Registrant entered into a series of restricted stock purchase agreements for its Class B common stock with certain of its officers and directors as follows: (a) Barry J. Simon, the Registrant’s president, chief executive officer and one of its directors, purchased 1,820,441 shares at a price per share of $0.375, resulting in aggregate proceeds to the Registrant of $682,665 paid in the form of a secured promissory note in the same amount, with interest accruing at the applicable federal rate and a maturity date of nine years from the date of the note, (b) Hans G. Klingemann, a director of the Registrant and its chief medical and scientific officer, purchased 1,155,484 shares at a price per share of $0.375 , resulting in aggregate proceeds to the Registrant of $433,307 paid in the form of a secured promissory note in the same amount, with interest accruing at the applicable federal rate and a maturity date of nine years from the date of the note, and (c) Steve Gorlin, the executive chairman of the Registrant’s board of directors, purchased 1,092,264 shares at a price per share of $0.375 for aggregate proceeds to the Registrant of $409,599, of which $230,000 was remitted in cash, and $179,599 was applied to the forgiveness of the Registrant’s indebtedness to Mr. Gorlin. The Class B common stock purchased by the officers and directors were subsequently converted into Class A common stock by the Registrant in December 2014.

(6) From March 17, 2014 through March 24, 2015, the Registrant granted to certain of its employees, consultants, directors and other service providers under the Registrant’s 2014 Equity Incentive Plan options to purchase an aggregate of 5,525,000 shares of its Class A common stock at exercise prices ranging from $0.40 to $3.70 per share, of which 524,998 have been exercised, and 5,000,002 remain outstanding, and issued 70,000 shares of its restricted common stock.

(7) From April 1, 2014 through April 11, 2014, the Registrant entered into a series of subscription agreements with accredited investors pursuant to which the Registrant sold an aggregate of 2,691,615 “units” consisting of 2,691,615 shares of Registrant’s Series C preferred stock and 672,904 warrants to

purchase shares of Registrant's common stock at aggregate price of $2.40 per unit. Palladium Capital Corp. acted as placement agent on the offering and received aggregate commissions of $493,739 and 18,750 shares of the Registrant's Series C preferred stock, which shares were later converted into Registrant's Class A common stock. In December 2014, all outstanding shares of Series C preferred stock were converted into Class A common stock.

(8) On April 1, 2014, notes and other payables owed to various of the Registrant's creditors totaling $1,339,203 were settled in exchange for 822,468 shares of the Registrant's Class A common stock.

(9) In April 2014 in conjunction with the closing of the 2014 securities purchase agreement, Palladium Capital Corp. received 412,180 shares of the Registrant's Class B common stock, which were later converted into the Registrant's Class A common stock, and a warrant to purchase 107,665 shares of Class A common stock at an exercise price of $3.00 per share in payment for acting as a placement agent on the 2013 securities purchase agreement.

(10) On December 18, 2014, the Registrant issued and sold to Sorrento Therapeutics, Inc., or Sorrento, an aggregate of 2,461,538 shares of its Class A common stock pursuant to a subscription and investment agreement at a price of $3.25 per share for an aggregate purchase price of $8,000,000. The subscription agreement for such transaction was amended on December 23, 2014 as described in paragraph (6) below, to sell an additional 572,935 shares of the Registrant's Class A common stock to Sorrento for an aggregate purchase price of $2,000,000.

(11) On December 23, 2014, the Registrant issued and sold to Cambridge Equities, LP, or Cambridge, an aggregate of 13,605,981 shares of our Class A common stock pursuant to a subscription and investment agreement at a price of $3.4908 per share for an aggregate purchase price of $47,495,481. In conjunction with the transaction, Sorrento amended its subscription and investment agreement entered into on December 18, 2014, as described in paragraph (5) above, to purchase an additional 572,935 shares of our Class A common stock for an aggregate purchase price of $2,000,000.

(12) On March 24, 2015, the Registrant issued to an officer a warrant to purchase a maximum of 9,500,000 shares of Class A common stock for an exercise price of $3.70 per share.

(13) From May 1, 2012 through June 19, 2015, the Registrant issued an aggregate of 962,771 shares of Class A common stock upon the exercise of options for aggregate consideration of $948,240.

(14) From June 10, 2015 through June 18, 2015, the Registrant entered into a series of subscription and investment agreements with accredited investors pursuant to which the Registrant sold an aggregate of 1,997,675 shares of Registrant's common stock at a price per share of $35.54 for aggregate proceeds of $71,004,041.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering. The Registrant believes these transactions were exempt from registration under the Securities Act in reliance upon Section 4(a)(2) of the Securities Act or Regulation D, Regulation S or Rule 701 promulgated under the Securities Act as transactions by an issuer not involving any public offering, outside the United States, or pursuant to benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed upon the stock certificates issued in these transactions. All recipients had adequate access, through their relationships with the Registrant or otherwise, to information about the Registrant.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits.

See the Exhibit Index immediately following the Signature Pages.

(b) Financial Statement Schedules.

All other schedules have been omitted because the information required to be presented in them is not applicable or is shown in the financial statements or related notes.

Item 17. Undertakings

The Registrant hereby undertakes to provide to the underwriters at the closing as specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933, as amended, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933, as amended, and will be governed by the final adjudication of such issue.

The Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, as amended, 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 of 1933, as amended, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Cardiff-by-the-Sea, State of California, on June 19, 2015.

Conkwest, Inc.

By: /s/ Patrick Soon-Shiong
Patrick Soon-Shiong
Chairman of the Board of Directors and Chief Executive Officer

Each person whose signature appears below constitutes and appoints Patrick Soon-Shiong and Barry J. Simon his true and lawful attorney in fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any or all amendments (including post effective amendments) to the Registration Statement, and to sign any registration statement for the same offering covered by this Registration Statement that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and all post effective amendments thereto, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, each acting alone, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Patrick Soon-Shiong Patrick Soon-Shiong	Chairman of the Board of Directors and Chief Executive Officer (Principal Executive Officer)	June 19, 2015
/s/ Barry J. Simon Barry J. Simon	President, Chief Operating Officer and Director	June 19, 2015
/s/ Richard Gomberg Richard Gomberg	Chief Financial Officer (Principal Financial and Accounting Officer)	June 19, 2015
/s/ Steve Gorlin Steve Gorlin	Vice Chairman of the Board of Directors	June 19, 2015
/s/ Henry Ji Henry Ji	Director	June 19, 2015
/s/ Hans G. Klingemann Hans G. Klingemann	Director	June 19, 2015
/s/ Richard Kusserow Richard Kusserow	Director	June 19, 2015

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Signature	Title	Date
/s/ John T. Potts, Jr. John T. Potts, Jr.	Director	June 19, 2015
/s/ Robert Rosen Robert Rosen	Director	June 19, 2015
/s/ John C. Thomas, Jr. John C. Thomas, Jr.	Director	June 19, 2015

EXHIBIT INDEX

Exhibit Number	Description
1.1*	Form of Underwriting Agreement, including Form of Lock-up Agreement.
3.1	Amended and Restated Certificate of Incorporation of the Registrant, as currently in effect.
3.2	Form of Amended and Restated Certificate of Incorporation of the Registrant, effective upon the completion of this offering.
3.3	Bylaws of the Registrant, as currently in effect.
3.4	Form of Amended and Restated Bylaws of the Registrant, effective upon the completion of this offering.
4.1	Nominating Agreement by and between the Registrant and Cambridge Equities, LP, dated June 18, 2015.
4.2	Form of Registration Rights Agreement by and between the Registrant and the Purchasers of Common Stock, dated June 2015.
4.3	Registration Rights Agreement by and between the Registrant and Cambridge Equities LP, dated December 23, 2014.
4.4	Registration Rights Agreement by and between the Registrant and Sorrento Therapeutics, Inc., dated December 13, 2014.
4.5	Form of Subscription and Securities Purchase Agreement among the Registrant and the Subscribers of Series C Preferred Stock, dated as of April 1, 2014.
4.6	Registration Rights Agreement, among the Registrant and the purchasers of Series B Preferred Stock, dated as of June 20, 2013.
4.7	Specimen common stock certificate of the Registrant.
5.1*	Opinion of Wilson Sonsini Goodrich & Rosati, Professional Corporation.
10.1+	Form of Indemnification Agreement between the Registrant and each of its directors and executive officers.
10.2+	2014 Equity Incentive Plan and forms of agreements thereunder.
10.3+*	2015 Equity Incentive Plan and forms of agreements thereunder, effective upon the completion of this offering.
10.4+*	Executive Incentive Compensation Plan, effective upon the completion of this offering.
10.5+	Executive Employment Agreement between the Registrant and Patrick Soon-Shiong, effective March 24, 2015.
10.6+	Executive Employment Agreement between the Registrant and Barry J. Simon, M.D., dated January 1, 2015.
10.7†	License Agreement between the Registrant and Brink Biologics, Inc., dated June 9, 2015.
10.8†	License Agreement between the Registrant and Coneksis, Inc., dated June 9, 2015.
10.9†	Joint Development and License Agreement between the Registrant and Sorrento Therapeutics, Inc., dated December 18, 2014.
10.10†	License Agreement between the Registrant and Intrexon Corporation, dated February 23, 2010.
10.11	UHN-ZelleRx License Agreement between University Health Network and the Registrant, dated May 9, 2005.
10.12†	License Agreement, as amended, between Fox Chase Cancer Center and the Registrant, dated as of July 10, 2004.
10.13†	Rush-ZelleRx License Agreement, between Rush University Medical Center and the Registrant, dated as of March 24, 2004.

Exhibit Number	Description
10.14†	License Agreement, as amended, between Hans G. Klingemann and the Registrant, dated February 10, 2003.
10.15	Form of Warrant to Purchase Common Stock issued pursuant to the Securities Purchase Agreement dated April 1, 2014.
10.16	Common Stock Purchase Warrant issued March 24, 2015 to Patrick Soon-Shiong, M.D.
10.17	Form of Warrant to Purchase Common Stock issued March 14, 2008.
10.18	Genomic and Proteomic Services Agreement by and between the Registrant and NantOmics, LLC, dated June 18, 2015.
21.1	Subsidiaries.
23.1	Consent of Mayer Hoffman McCann P.C., Independent Registered Public Accounting Firm.
23.2*	Consent of Wilson Sonsini Goodrich & Rosati, Professional Corporation (included in Exhibit 5.1).
24.1	Power of Attorney (see page II-4 to this Form S-1).

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

Exhibit 3.1

AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION OF

CONKWEST, INC.

Conkwest, Inc., a corporation organized and existing under the laws of the State of Delaware (the "***Company***"), certifies that:

1. The name of the Company is Conkwest, Inc. The Company's original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on March 12, 2014.

2. This Amended and Restated Certificate of Incorporation was duly adopted in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware, and has been duly approved by the written consent of the stockholders of the Company in accordance with Section 228 of the General Corporation Law of the State of Delaware.

3. The text of the Certificate of Incorporation is amended and restated to read as set forth in EXHIBIT A attached hereto.

IN WITNESS WHEREOF, Conkwest, Inc. has caused this Amended and Restated Certificate of Incorporation to be signed by Barry J. Simon, a duly authorized officer of the Company, on June 1, 2015.

/s/ Barry J. Simon
Barry J. Simon, M.D.
President

Exhibit A

ARTICLE I

The name of the corporation is Conkwest, Inc. (the "***Company***").

ARTICLE II

The address of the Company's registered office in the State of Delaware is 160 Greentree Drive, Suite #101 in the city of Dover, County of Kent, Delaware 19904. The name of its registered agent at such address is National Registered Agents, Inc.

ARTICLE III

The purpose of the Company is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law, as the same exists or as may hereafter be amended from time to time.

ARTICLE IV

Classes of Stock. The total number of shares of capital stock that the Company shall have authority to issue is 120,000,000, consisting of 100,000,000 shares of Common Stock, $0.0001 par value per share ("***Common Stock***"), and 20,000,000 shares of Preferred Stock, $0.0001 par value per share ("***Preferred Stock***").

Recapitalization. Upon the filing of this Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware (the "***Effective Time***") each share of Class A Common Stock of the Company issued and outstanding immediately prior to the Effective Time will be automatically reclassified and converted into one share of Common Stock. Stock certificates representing the Class A Common Stock outstanding immediately prior to the Effective Time will automatically represent such number of shares of Common Stock as reclassified and converted as set forth above at the Effective Time. Upon the surrender by a holder of Class A Common Stock of a certificate or certificates for such securities to the Company, the Company will, as soon as practicable thereafter, issue and deliver to such holder, or to the nominee or nominees of such holder, a certificate or certificates for the number of shares of Common Stock, as the case may be, to which such holder is entitled.

ARTICLE V

In furtherance and not in limitation of the powers conferred by statute, the board of directors of the Company is expressly authorized to make, alter, amend or repeal the bylaws of the Company.

ARTICLE VI

Elections of directors need not be by written ballot unless otherwise provided in the bylaws of the Company.

ARTICLE VII

To the fullest extent permitted by the Delaware General Corporation Law, as the same exists or as may hereafter be amended from time to time, a director of the Company shall not 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 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.

Neither any amendment nor repeal of this Article, nor the adoption of any provision of this Certificate of Incorporation inconsistent with this Article, shall eliminate or reduce the effect of this Article in respect of any matter occurring, or any cause of action, suit or claim accruing or arising or that, but for this Article, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

ARTICLE VIII

Subject to any provisions in the bylaws of the Company related to indemnification of directors or officers of the Company, the Company shall indemnify, to the fullest extent permitted by applicable law, any director or officer of the Company who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "***Proceeding***") by reason of the fact that he or she is or was a director, officer, employee or agent of the Company or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding. The Company shall be required to indemnify a person in connection with a Proceeding initiated by such person only if the Proceeding was authorized by the Board.

The Company shall have the power to indemnify, to the extent permitted by the Delaware General Corporation Law, as it presently exists or may hereafter be amended from time to time, any employee or agent of the Company who was or is a party or is threatened to be made a party to any Proceeding by reason of the fact that he or she is or was a director, officer, employee or agent of the Company or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding.

A right to indemnification or to advancement of expenses arising under a provision of this Certificate of Incorporation or a bylaw of the Company shall not be eliminated or impaired by an amendment to this Certificate of Incorporation or the bylaws of the Company after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought, unless the provision in effect at the time of such act or omission explicitly authorizes such elimination or impairment after such action or omission has occurred.

ARTICLE IX

Except as provided in **Article VII** and **Article VIII** above, the Company reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

Exhibit 3.2

AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION OF

CONKWEST, INC.

Conkwest, Inc., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), certifies that:

A. The name of the Corporation is Conkwest, Inc. The Corporation was originally incorporated under the same name, and its original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on March 12, 2014.

B. This Amended and Restated Certificate of Incorporation (this "Amended and Restated Certificate of Incorporation") was duly adopted in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware, and has been duly approved by the written consent of the stockholders of the Corporation in accordance with Section 228 of the General Corporation Law of the State of Delaware.

C. The text of the Amended and Restated Certificate of Incorporation is amended and restated to read as set forth in Exhibit A attached hereto.

IN WITNESS WHEREOF, Conkwest, Inc. has caused this Amended and Restated Certificate of Incorporation to be signed by Barry J. Simon, a duly authorized officer of the Corporation, on _____, 2015.

Barry J. Simon
President

EXHIBIT A

ARTICLE I

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

ARTICLE II

The address of the Corporation's registered office in the State of Delaware is 160 Greentree Drive, Suite #101 in the city of Dover, County of Kent, Delaware 19904. The name of its registered agent at such address is National Registered Agents, Inc.

ARTICLE III

The nature of the business or purposes to be conducted or promoted by the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware ("DGCL").

ARTICLE IV

Section 1. This Corporation is authorized to issue two classes of stock, to be designated, respectively, Common Stock and Preferred Stock. The total number of shares of stock that the Corporation shall have authority to issue is 220,000,000 shares, of which 200,000,000 shares are Common Stock, $0.0001 par value per share, and 20,000,000 shares are Preferred Stock, $0.0001 par value per share.

Section 2. Each share of Common Stock shall entitle the holder thereof to one (1) vote.

Section 3. The Preferred Stock may be issued from time to time in one or more series pursuant to a resolution or resolutions providing for such issue duly adopted by the Board of Directors (authority to do so being hereby expressly vested in the Board of Directors). The Board of Directors is further authorized, subject to limitations prescribed by law, to fix by resolution or resolutions the designations, powers, preferences and rights, and the qualifications, limitations or restrictions thereof, of any wholly unissued series of Preferred Stock, including, without limitation, authority to fix by resolution or resolutions the dividend rights, dividend rate, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions), redemption price or prices, and liquidation preferences of any such series, and the number of shares constituting any such series and the designation thereof, or any of the foregoing. The Board of Directors is further authorized to increase (but not above the total number of authorized shares of the class) or decrease (but not below the number of shares of any such series then outstanding) the number of shares of any series, the number of which was fixed by it, subject to the powers, preferences and rights, and the qualifications, limitations and restrictions thereof stated in this Amended and Restated Certificate of Incorporation or the resolution of the Board of Directors originally fixing the number of shares of such series.

Section 4. The number of authorized shares of Preferred Stock or 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 voting power of the outstanding shares of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the DGCL (or any successor provision thereto), voting together as a single class, without a separate vote of the holders of shares of the class or classes the number of authorized shares of which are being increased or decreased, unless a vote by any holders of one or more series of Preferred Stock is required by the express terms of any series of Preferred Stock as provided for or fixed pursuant to the provisions of Section 3 of this Article IV (or any certificate of designation with respect thereto). Except as otherwise required by law or provided in this Section 4, holders of Common Stock shall not be entitled to vote on any amendment to this Amended and Restated Certificate of Incorporation (including any certificate of designation filed with respect to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together as a class with the holders of one or more other such series, to vote thereon by law or pursuant to this Amended and Restated Certificate of Incorporation (including any certificate of designation filed with respect to any series of Preferred Stock).

ARTICLE V

Subject to the rights of holders of Preferred Stock, the number of directors that constitutes the entire Board of Directors of the Corporation shall be fixed solely by resolution of the majority of the Whole Board. For purposes of this Amended and Restated Certificate of Incorporation, the term "Whole Board" shall mean the total number of authorized directors whether or not there exist any vacancies in the previously authorized directorships. At each annual meeting of stockholders, directors of the Corporation shall be elected to hold office until the next annual meeting of stockholders and until their successors have been duly elected and qualified or until their earlier resignation or removal; except that if any such meeting shall not be so held, such election shall take place at a stockholders' meeting called and held in accordance with the DGCL or by written consent in lieu of an annual meeting pursuant to Section 211(b) of the DGCL and Article VIII hereof.

ARTICLE VI

Except as otherwise provided for or fixed by or pursuant to the provisions of Article IV hereof in relation to the rights of the holders of Preferred Stock to elect directors under specified circumstances or as provided by resolution of the Board of Directors, newly created directorships resulting from any increase in the number of directors, created in accordance with the Bylaws of the Corporation, and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall be filled only by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board of Directors, or by a sole remaining director, and not by the stockholders. A person so elected by the Board of Directors to fill a vacancy or newly created directorship shall hold office until the next election of the class for which such director shall have been chosen until his or her successor shall have been duly elected and qualified, or until such director's earlier death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

ARTICLE VII

Section 1. The Corporation is to have perpetual existence.

Section 2. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. In addition to the powers and authority expressly conferred upon them by statute or by this Amended and Restated Certificate of Incorporation or the Bylaws of the Corporation, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation.

Section 3. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to adopt, alter, amend or repeal the Bylaws of the Corporation. The affirmative vote of at least a majority of the Whole Board shall be required in order for the Board of Directors to adopt, amend, alter or repeal the Corporation's Bylaws. The Corporation's Bylaws may also be adopted, amended, altered or repealed by the stockholders of the Corporation. Notwithstanding the above or any other provision of this Amended and Restated Certificate of Incorporation, the Bylaws of the Corporation may not be amended, altered or repealed except in accordance with Article X of the Bylaws. No Bylaw hereafter legally adopted, amended, altered or repealed shall invalidate any prior act of the directors or officers of the Corporation that would have been valid if such Bylaw had not been adopted, amended, altered or repealed.

Section 4. The election of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

Section 5. No stockholder will be permitted to cumulate votes at any election of directors.

ARTICLE VIII

Section 1. Any action required or permitted to be taken at an annual or special meeting of stockholders may be taken without a meeting if a consent or consents in writing, setting forth the action so taken, shall be signed by holders of record on the record date (established in the manner provided in Section 2 of this Article VIII) of outstanding shares of the Corporation having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted, but only if such action is taken in accordance with the provisions of this Article VIII, the Bylaws of the Corporation and applicable law; *provided, however*, that in the case of the election or removal of directors by written consent, such consent shall be effective only if signed by the holders of all outstanding shares entitled to vote for the election of directors.

Section 2. In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. Any stockholder of record seeking to have the stockholders authorize or take corporate action by written

consent shall, by written notice to the attention of the Secretary of the Corporation, request the Board of Directors to fix a record date. The Board of Directors shall promptly, but in all events within ten days after the date on which such a request is received, adopt a resolution fixing the record date (unless a record date has previously been fixed by the Board of Directors pursuant to the first sentence of this Section 2 of Article VIII). If no record date has been fixed by the Board of Directors within ten days of the date on which such a request is received, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by applicable law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by applicable law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the date on which the Board of Directors adopts the resolution taking such prior action.

ARTICLE IX

Section 1. Special meetings of stockholders of the Corporation may be called only by the Chairperson of the Board of Directors, the Chief Executive Officer, the President or the Board of Directors acting pursuant to a resolution adopted by a majority of the Whole Board, and any power of stockholders to call a special meeting of stockholders is specifically denied. Only such business shall be considered at a special meeting of stockholders as shall have been stated in the notice for such meeting.

Section 2. 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 and to the extent provided in the Bylaws of the Corporation.

ARTICLE X

Section 1. To the fullest extent permitted by the DGCL as the same exists or as may hereafter be amended from time to time, 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 DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

Section 2. The Corporation shall indemnify, to the fullest extent permitted by applicable law, any director or officer of the Corporation who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding") by reason of the fact that he or she is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against

expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding. The Corporation shall be required to indemnify a person in connection with a Proceeding (or part thereof) initiated by such person only if the Proceeding (or part thereof) was authorized by the Board of Directors.

Section 3. The Corporation shall have the power to indemnify, to the extent permitted by applicable law, any employee or agent of the Corporation who was or is a party or is threatened to be made a party to any Proceeding by reason of the fact that he or she is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding.

Section 4. Neither any amendment nor repeal of any Section of this Article X, nor the adoption of any provision of this Amended and Restated Certificate of Incorporation or the Bylaws of the Corporation inconsistent with this Article X, shall eliminate or reduce the effect of this Article X in respect of any matter occurring, or any cause of action, suit, claim or proceeding accruing or arising or that, but for this Article X, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

ARTICLE XI

Meetings of stockholders may be held within or outside of the State of Delaware, as the Bylaws may provide. The books of the Corporation may be kept (subject to any provision contained in the statutes) outside of the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

ARTICLE XII

Unless the Corporation consents in writing to the selection of an alternative forum and to the fullest extent permitted by law, the Court of Chancery of the State of Delaware (or, if such court lacks jurisdiction, any other state or federal court located within the State of Delaware) shall be the sole and exclusive forum for (A) any derivative action or proceeding brought on behalf of the Corporation, (B) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (C) any action or proceeding asserting a claim arising pursuant to any provision of the DGCL or the Corporation's Amended and Restated Certificate of Incorporation or Bylaws, or (D) any action or proceeding asserting a claim governed by the internal affairs doctrine; in all cases subject to the court's having personal jurisdiction over the indispensable parties named as defendants.

ARTICLE XIII

The Corporation shall not be governed by the provisions of Section 203 of the DGCL.

ARTICLE XIV

The Corporation reserves the right to amend or repeal any provision contained in this Amended and Restated Certificate of Incorporation in the manner prescribed by the laws of the State of Delaware and all rights conferred upon stockholders are granted subject to this reservation; *provided, however*, that notwithstanding any other provision of this Amended and Restated Certificate of Incorporation or any provision of law that might otherwise permit a lesser vote or no vote, the Board of Directors acting pursuant to a resolution adopted by a majority of the Whole Board and the affirmative vote of sixty-six and two-thirds percent (66 2/3%) of the voting power of the then outstanding voting securities of the Corporation, voting together as a single class, shall be required for the amendment, repeal or modification of the provisions of, or adoption of any provision inconsistent with, Section 3 of Article IV, Article VI, Section 5 of Article VII, Article VIII, Article IX, Article XII, Article XIII or Article XIV of this Amended and Restated Certificate of Incorporation.

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Exhibit 3.3

BY-LAWS
OF
CONKWEST, INC.

(A Delaware corporation)

(Effective March 12, 2014)

ARTICLE I

STOCKHOLDERS

1. CERTIFICATES REPRESENTING STOCK.

Every holder of stock in the corporation shall be entitled to have a certificate signed by, or in the name of,, the corporation by the Executive Chairman of the Board of Directors or Vice-Chairman of the Board of Directors, if any, or by Chief Executive Officer, the President or a 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 owned by him in the corporation. If such certificate is countersigned by a transfer agent other than the corporation or its employee or by a registrar other than the corporation or its employee, any other signature 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 shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Whenever the corporation shall be authorized to issue more than one class of stock or more than one series of any class of stock, and whenever the corporation shall issue any shares of its stock as partly paid stock, the certificates representing shares of any such class or series or of any such partly paid stock shall set forth thereon the statements prescribed by the General Corporation Law of the State of Delaware (“General Corporation. Law”). Any restrictions on the transfer or registration of transfer of any shares of stock of any class or series shall be noted conspicuously on the certificate representing such shares.

The corporation may issue a new certificate of stock in place of any certificate theretofore issued by it, alleged to have been lost, stolen, or destroyed, and the Board of Directors may require the owner of any lost, stolen, or destroyed certificate, or his legal representative, to give the corporation a bond sufficient to indemnify the corporation 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 any such new certificate.

Notwithstanding anything herein contained to the contrary, the corporation may issue shares of its stock in uncertificated or book-entry form. In such event, the corporation's transfer agent and registrar shall keep appropriate records indicating (a) the person to whom such uncertificated shares of stock were issued, (b) the number, class and designation of series, if any, of shares of stock held by such person and (c) other information deemed relevant to the corporation.

2. FRACTIONAL SHARE INTERESTS.

The corporation may, but shall not be required to, issue fractions of a share.

3. STOCK TRANSFERS.

Upon compliance with provisions restricting the transfer or registration of transfers of shares of stock, if any, transfers or registration of transfers of shares of stock of the corporation shall be made only on the stock ledger of the corporation by the registered holder thereof, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the corporation or with a transfer agent or a registrar, if any, and on surrender of the certificate or certificates for such shares of stock properly endorsed and the payment of all taxes due thereon.

4. RECORD DATE FOR STOCKHOLDERS.

In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution

fixing the record date is adopted by the board of directors, and which record date shall not be more than sixty nor less than ten days before the date of such meeting. If no record date has been fixed by the board of directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; providing, however, that the board of directors may fix a new record date for the adjourned meeting.

In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty days prior to such action. If no record date has been fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

5. STOCKHOLDER MEETINGS.

TIME. The annual meeting shall be held on the date and at the time fixed, from time to time, by the directors. A special meeting shall be held on the date and at the time fixed by the directors.

PLACE. Annual meetings and special meetings shall be held at such place, within or without the State of Delaware, as the directors may, from time to time, fix. Whenever the directors shall fail to fix such place, the meeting shall be held at the registered office of the corporation in the State of Delaware.

CALL. Annual meetings and special meetings may be called by the directors or by any officer instructed by the directors to call the meeting. A special meeting of stockholders shall be called by directors upon written request to the secretary by one or more stockholders owning not less than ten percent (10%) of the total number of shares of stock of the corporation entitled to vote on the matter or matters to be brought before the special meeting (including holders of any preferred stock representing at least such minimum percentage on a fully diluted basis in accordance with the Certificate of Designation of such preferred stock) that complies with the following procedures. The request to the secretary shall be signed by each stockholder, or a duly authorized agent of such stockholder, requesting the special meeting and shall be accompanied by (i) a notice setting forth the information as to the business proposed to be conducted and any nominations proposed to be presented at such special meeting. At any special meeting requested by stockholders, the business transacted shall be limited to the purpose(s) stated in the request for meeting, provided, however, that the board of directors shall have the authority in its discretion to submit additional matters to the stockholders and to cause other business to be transacted.

NOTICE OR WAIVER OF NOTICE. Written notice of all meetings shall be given, stating the place, date, and hour of the meeting. The notice of an annual meeting shall state that the meeting is called for the election of directors and for the transaction of other business which may properly come before the meeting, and shall (if any other action which could be taken at a special meeting is to be taken at such annual meeting), state such other action or actions as are known at the time of such notice. The notice of a special meeting shall in all instances state the purpose or purposes for which the meeting is called. If any action is proposed to be taken which would, if taken, entitle stockholders to receive payment for their shares of stock, the notice shall include a statement of that purpose and to that effect. Except as otherwise provided by the General Corporation Law, a copy of the notice of any meeting shall be given, personally or by mail, not less than ten days nor more than sixty days before the date of the meeting, unless the lapse of the prescribed period of time shall have been waived, and directed to each stockholder at his address as it appears on the records of the corporation. Notice by mail shall be deemed to be given when deposited, with postage

thereon prepaid, in the United States mail. If a meeting is adjourned to another time, not more than thirty days hence, and/or to another place, and if an announcement of the adjourned time and place is made at the meeting, it shall not be necessary to give notice of the adjourned meeting unless the directors, after adjournment, fix a new record date for the adjourned meeting. Notice need not be given to any stockholder who submits a written waiver of notice by him before or after the time stated therein. Attendance of a person at a meeting of stockholders shall constitute a waiver of notice of such meeting, except when the stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. 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.

STOCKHOLDER LIST. There shall be prepared and made, at least ten days before every meeting of stockholders, a complete list of the stockholders, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held. The list shall also 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. The stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list required by this section or the books of the corporation, or to vote at any meeting of stockholders.

CONDUCT OF MEETING. Meetings of the stockholders shall be presided over by one of the following officers in the order of seniority and if present and acting: the Executive Chairman of the Board, if any, the Vice-Chairman of the Board, if any, the Chief Executive Officer, the President, a Vice President, a chairman for the meeting chosen by the Board of Directors, or, if none of the foregoing is in office and present and acting, by a chairman to be chosen by the stockholders. The Secretary of the corporation, or, in his absence, an Assistant Secretary, shall act as secretary of every meeting, but if neither the Secretary nor an Assistant Secretary is present the chairman for the meeting shall appoint a secretary of the meeting.

PROXY REPRESENTATION. Every stockholder may authorize another person or persons to act for him by proxy in all matters in which a stockholder is entitled to participate, whether by waiving notice of any meeting, voting or participating at a meeting, or expressing consent or dissent without a meeting. Every proxy must be signed by the stockholder or by his attorney-in-fact. No proxy shall be voted or acted upon after three years from its date unless such proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and, if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may be made irrevocable regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the corporation generally.

INSPECTORS AND JUDGES. The directors, in advance of any meeting, may, but need not, appoint one or more inspectors of election or judges of the vote, as the case may be, to act at the meeting or any adjournment thereof. If an inspector or inspectors or judge or judges are not appointed, the person presiding at the meeting may, but need not, appoint one or more inspectors or judges. In case any person who may be appointed as an inspector or judge fails to appear or act, the vacancy may be filled by appointment made by the person presiding thereat. Each inspector or judge, if any, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector or judge at such meeting with strict impartiality and according to the best of his ability. The inspectors or judges, if any, shall determine the number of shares of stock outstanding and the voting power of each, the shares of stock represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all stockholders. On request of the person presiding at the meeting, the inspector or inspectors or judge or judges, if any, shall make a report in writing of any challenge, question or matter determined by him or them and execute a certificate of any fact found by him or them.

QUORUM. Except as the General Corporation Law or these Bylaws may otherwise provide, the holders of a majority of the outstanding shares of stock entitled to vote shall constitute a quorum at a meeting of stockholders for the transaction of any business. The stockholders present may adjourn the meeting despite the absence of a quorum. When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any stockholders.

VOTING. Each stockholder entitled to vote in accordance with the terms of the Certificate of Incorporation and of these Bylaws, or, with respect to the issuance of preferred stock, in accordance with the terms of a resolution or resolutions of the Board of Directors, shall be entitled to one vote, in person or by proxy, for each share of stock entitled to vote held by such stockholder except that with respect to any shares of preferred stock the voting rights shall be determined by the Certificate of Designation covering such shares of preferred stock. In the election of directors, a plurality of the votes present at the meeting shall elect. Any other action shall be authorized by a majority of the votes cast except where the Certificate of Incorporation or the General Corporation Law prescribes a different percentage of votes and/or a different exercise of voting power. Voting by ballot shall not be required for corporate action except as otherwise provided by the General Corporation Law.

6. STOCKHOLDER ACTION WITHOUT MEETINGS.

Any action required to be taken, or any action which may be taken, at any annual or special meeting of stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of the outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those

stockholders who have not consented in writing and shall be delivered to the corporation by delivery to its registered office in Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.

7. NOTICE OF STOCKHOLDER BUSINESS.

At an annual or special meeting of the stockholders or upon written consent of the stockholders without a meeting, only such business shall be conducted as shall have been brought before the meeting (a) pursuant to the corporation's notice of meeting, (b) by or at the direction of the Board of Directors or (c) by any stockholder of the corporation who is a stockholder of record at the time of giving of the notice provided for in this Bylaw, who shall be entitled to vote at such meeting and who complies with the notice procedures set forth in this Bylaw.

Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at an annual meeting except in accordance with the procedures set forth in this Bylaw. The chairman of the meeting shall, if the facts warrant, determine and declare to the meeting in his reasonable discretion that business was not properly brought before the meeting and in accordance with the procedures prescribed by these Bylaws, and if he should so determine in his reasonable discretion, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

8. STOCKHOLDER PROPOSALS RELATING TO NOMINATIONS FOR AND ELECTION OF DIRECTORS.

Nominations by a stockholder of candidates for election to the Board of Directors by stockholders at a meeting of stockholders or upon written consent without a meeting may be made only if the stockholder complies with the procedures set forth in this Bylaw, and any candidate proposed by a stockholder not nominated in accordance with such provisions shall not be considered or acted upon for execution at such meeting of stockholders.

A proposal by a stockholder for the nomination of a candidate for election by stockholders as a director at any meeting of stockholders at which directors are to be elected or upon written consent without a meeting may be made only by notice in writing, delivered in person or by first class United States mail postage prepaid or by reputable overnight delivery service, to the Board of Directors of the corporation to the attention of the Secretary of the corporation at the principal office of the corporation, within the time limits specified herein.

In the case of an annual meeting of stockholders, any such written proposal of nomination must be received by the Board of Directors not less than sixty days nor more than ninety days before the first anniversary of the date on which the corporation held its annual meeting in the immediately preceding year; provided, however, that in the case of an annual meeting of stockholders (A) that is called for a date that is not within thirty days before or after the first anniversary date of the annual meeting of stockholders in the immediately preceding year, or (B) in the event that the corporation did not have an annual meeting of stockholders in the prior year any such written proposal of nomination must be received by the Board of Directors not less than five days after the earlier of the date the corporation shall have (w) mailed notice to its stockholders that an annual meeting of stockholders will be held or (x) issued a press release, or (y) filed a periodic report with the Securities and Exchange Commission or (z) otherwise publicly disseminated notice that an annual meeting of stockholders will be held.

In the case of a special meeting of stockholders, any such written proposal of nomination must be received by the Board of Directors not less than five days after the earlier of the date that the corporation shall have mailed notice to its stockholders that a special meeting of stockholders will be held or shall have issued a press release, filed a periodic report with the Securities and Exchange Commission or otherwise publicly disseminated notice that a special meeting of stockholders will be held. In addition to any other information required, the stockholder seeking to have stockholders authorize or take corporate action by written consent shall include the class and number of shares of the corporation which are beneficially held by such stockholder, any voting rights with respect to shares not beneficially owned and other ownership or voting interest in shares of the corporation, whether economic or otherwise, including derivatives and hedges.

In the case of stockholder action by written consent with respect to the election by stockholders of a candidate as director, the stockholder seeking to have the stockholders elect such candidate by written consent shall submit a written proposal of nomination to the Board of Directors. Such written proposal of nomination shall set forth: (A) the name and address of the stockholder who intends to make the nomination, and the name and address of the beneficial owner, if any, on whose behalf the proposal is made, (B) the name, age, business address and, if known, residence address of each person so proposed, (C) the principal occupation or employment of each person so proposed for the past five years, (D) the number of shares of capital stock of the corporation beneficially owned within the meaning of Securities and Exchange Commission Rule 13d-1 by each person so proposed and the earliest date of acquisition of any such capital stock and the class and number of shares of the corporation which are beneficially held by such stockholder, any voting rights with respect to shares not beneficially owned and other ownership or voting interest in shares of the corporation, whether economic or otherwise, including derivatives and hedges, (E) a description of any arrangement or understanding between each person so proposed and the stockholder(s) making such nomination with respect to such person's proposal for nomination and election as a director and actions to be proposed or taken by such person if elected a director, (F) the written consent of each person so proposed to serve as a director if nominated and elected as a director and (G) such other information regarding each such person as would be required under the proxy solicitation rules of the Securities and Exchange Commission if proxies were to be solicited for the election as a director of each person so proposed.

If a written proposal of nomination submitted to the Board of Directors fails, in the reasonable judgment of the Board of Directors or a nominating committee established by it, to contain the information specified in the preceding paragraph of this Bylaw or is otherwise deficient, the Board of Directors shall, as promptly as is practicable under the circumstances, provide written notice to the stockholder(s) making such nomination of such failure or deficiency in the written proposal of nomination and such nominating stockholder shall have five days from receipt of such notice to submit a revised written proposal of nomination that corrects such failure or deficiency in all material respects.

9. STOCKHOLDER PROPOSALS RELATING TO MATTERS OTHER THAN NOMINATIONS FOR AND ELECTIONS OF DIRECTORS.

A stockholder of the corporation may bring a matter (other than a nomination of a candidate for election as a director) before a meeting of stockholders or for action by written consent without a meeting only if such stockholder matter is a proper matter for stockholder action and such stockholder shall have provided notice in writing, delivered in person or by first class United States mail postage prepaid or by reputable overnight delivery service, to the Board of Directors of the corporation to the attention of the Secretary of the corporation at the principal office of the corporation, within the time limits specified in this Bylaw; provided, however, that a proposal submitted by a stockholder for inclusion in the corporation's proxy statement for an annual meeting that is appropriate for inclusion therein and otherwise complies with the provisions of Rule 14a-8 under the Securities Exchange Act of 1934 (including timeliness) shall be deemed to have also been submitted on a timely basis pursuant to this Bylaw.

In the case of an annual meeting of stockholders, any such written notice of a proposal of a stockholder matter must be received by the Board of Directors not less than sixty days nor more than ninety days before the first anniversary of the date on which the corporation held its annual meeting of stockholders in the immediately preceding year; provided, however, that (A) in the case of an annual meeting of stockholders that is called for a date which is not within thirty days before or after the first anniversary date of the annual meeting of stockholders in the immediately preceding year, or (B) in the event that the corporation did not have an annual meeting of stockholders in the prior year, any such written notice of a proposal of a stockholder matter must be received by the Board of Directors not less than five days after the date the corporation shall have (w) mailed notice to its stockholders that an annual meeting of stockholders will be held or (x) issued a press release, or (y) filed a periodic report with the Securities and Exchange Commission or (z) otherwise publicly disseminated notice that an annual meeting of stockholders will be held.

In the case of a special meeting of stockholders, any such written notice of a proposal of a stockholder matter must be received by the Board of Directors not less than five days after the earlier of the date the corporation shall have mailed notice to its stockholders that a special meeting of stockholders will be held, issued a press release, filed a periodic report with the Securities and Exchange Commission or otherwise publicly disseminated notice that a special meeting of stockholders will be held.

In the case of stockholder action by written consent, the stockholder seeking to have the stockholders authorize or take corporate action by written consent shall, by written notice to the Board of Directors, set forth the written proposal. Such written notice of a proposal of a stockholder matter shall set forth information regarding such stockholder matter equivalent to the information regarding such stockholder matter that would be required under the proxy solicitation rules of the Securities and Exchange Commission if proxies were solicited for stockholder consideration of such stockholder matter at a meeting of stockholders. In addition to any other information required, the stockholder seeking to have stockholders authorize or take corporate action by written consent shall include the class and number of shares of the corporation which are beneficially held by such stockholder, any voting rights with respect to shares not beneficially owned and other ownership or voting interest in shares of the corporation, whether economic or otherwise, including derivatives and hedges.

If a written notice of a proposal of a stockholder matter submitted to the Board of Directors fails, in the reasonable judgment of the Board of Directors, to contain the information specified in this Bylaw or is otherwise deficient, the Board of Directors shall, as promptly as is practicable under the circumstances, provide written notice to the stockholder who submitted the written notice of presentation of a stockholder matter of such failure or deficiency in the written notice of presentation of a stockholder matter and such stockholder shall have five days from receipt of such notice to submit a revised written notice of presentation of a matter that corrects such failure or deficiency in all material respects.

Only stockholder matters submitted in accordance with the foregoing provisions of this Bylaw shall be eligible for presentation at such meeting of stockholders or for action by written consent without a meeting, and any stockholder matter not submitted to the Board of Directors in accordance with such provisions shall not be considered or acted upon at such meeting of stockholders or by written consent without a meeting.

ARTICLE II

DIRECTORS

1. FUNCTIONS AND DEFINITION.

The business and affairs of the corporation shall be managed by or under the direction of the Board of Directors of the corporation. The use of the phrase "whole board" herein refers to the total number of directors which the corporation would have if there were no vacancies.

2. QUALIFICATIONS AND NUMBER.

A director need not be a stockholder, a citizen of the United States, or a resident of the State of Delaware. The number of directors constituting the entire Board of Directors shall be the number, not less than one nor more than seven, fixed from time to time by a majority of the total number of directors which the corporation would have, prior to any increase or decrease, if there were no vacancies, provided, however, that no decrease shall shorten the term of an incumbent director. The number of directors may be increased or decreased by action of the stockholders or of the directors.

3. ELECTION AND TERM.

The first Board of Directors, unless the members thereof shall have been named in the Certificate of Incorporation, shall be elected by the incorporator or incorporators and shall hold office until the first annual meeting of stockholders and until their successors have been elected and qualified or until their earlier resignation or removal. Any director may resign at

any time upon written notice to the corporation. Thereafter, directors who are elected at an annual meeting of stockholders, and directors who are elected in the interim to fill vacancies and newly created directorships, shall hold office until the next annual meeting of stockholders and until their successors have been elected and qualified or until their earlier resignation or removal. In the interim between annual meetings of stockholders or of special meetings of stockholders called for the election of directors and/or for the removal of one or more directors and for the filling of any vacancies in the Board of Directors, including vacancies resulting from the removal of directors for cause or without cause, any vacancy in the Board of Directors may be filled by the vote of a majority of the remaining directors then in office, although less than a quorum, or by the sole remaining director.

4. MEETINGS.

TIME. Meetings shall be held at such time as the Board shall fix.

FIRST MEETING. The first meeting of each newly elected Board may be held immediately after each annual meeting of the stockholders at the same place at which the meeting is held, and no notice of such meeting shall be necessary to call the meeting, provided a quorum shall be present. In the event such first meeting is not so held immediately after the annual meeting of the stockholders, it may be held at such time and place as shall be specified in the notice given as hereinafter provided for special meetings of the Board of Directors, or at such time and place as shall be fixed by the consent in writing of all of the directors.

PLACE. Meetings, both regular and special, shall be held at such place within or without the State of Delaware as shall be fixed by the Board.

CALL. No call shall be required for regular meetings for which the time and place have been fixed. Special meetings may be called by or at the direction of the Executive Chairman of the Board, if any, the Vice-Chairman of the Board, if any, the Chief Executive Officer, or the President, or of a majority of the directors in office or by stockholders as set forth in Section 5 of these Bylaws.

NOTICE OR ACTUAL OR CONSTRUCTIVE WAIVER. No notice shall be required for regular meetings for which the time and place have been fixed. Written, oral, or any other mode of notice of the time and place shall be given for special meetings at least twenty-four hours prior to the meeting. The notice of any meeting need not specify the purpose of the meeting. Any requirement of furnishing a notice shall be waived by any director who signs a written waiver of such notice before or after the time stated therein.

Attendance of a director at a meeting of the Board shall constitute a waiver of notice of such meeting, except when the director 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.

QUORUM AND ACTION. A majority of the whole Board shall constitute a quorum except when a vacancy or vacancies prevents such majority, whereupon a majority of the directors in office shall constitute a quorum, provided that such majority shall constitute at least one-third (1/3) of the whole Board. Any director may participate in a meeting of the Board by means of a conference telephone or similar communications equipment by means of which all directors participating in the meeting can hear each other, and such participation in a meeting of the Board shall constitute presence in person at such meeting. A majority of the directors present, whether or not a quorum is present, may adjourn a meeting to another time and place. Except as herein otherwise provided, and except as otherwise provided by the General Corporation Law, the act of the Board shall be the act by vote of a majority of the directors present at a meeting, a quorum being present. The quorum and voting provisions herein stated shall not be construed as conflicting with any provisions of the General Corporation Law and these Bylaws which govern a meeting of directors held to fill vacancies and newly created directorships in the Board.

CHAIRMAN OF THE MEETING. The Executive Chairman of the Board, if any and if present and acting, shall preside at all meetings. Otherwise, the Vice-Chairman of the Board, if any and if present and acting, the Chief Executive Officer, if present and acting, or the President, if present and acting, or any other Director chosen by the Board, shall preside.

THE EXECUTIVE CHAIRMAN OF THE BOARD OF DIRECTORS. The Executive Chairman of the Board, if any and if present and acting, and any Vice-Chairman of the Board, if any and if present and acting, may be elected by a majority vote of the Board of Directors and shall serve until the meeting of the Board of Directors next following the Annual Meeting of the Stockholders at which the Executive Chairman of the Board, if any and if present and acting and any Vice-Chairman, if any and if present and acting, shall be newly elected or re-elected from amongst the Directors then in office.

5. REMOVAL OF DIRECTORS.

Except as set forth in any applicable Certificate of Designations with respect to preferred stock, any or all of the directors may be removed for cause or without cause by the stockholders.

6. COMMITTEES.

The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee, to the extent provided in the resolution of the Board, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it. In the absence or disqualification of any member of any such committee or committees, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

7. ACTION IN WRITING.

Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee.

8. NOMINATION.

Only persons who are nominated in accordance with the procedures set forth in these Bylaws shall be eligible to serve as Directors. Nominations of persons for election to the Board of Directors of the corporation may be made at a meeting of stockholders (a) by or at the direction of the Board of Directors or (b) by any stockholder of the corporation who is a stockholder of record at the time of giving of notice provided for in this Bylaw, who shall be entitled to vote for the election of directors at the meeting and who complies with the notice procedures set forth in this Bylaw.

Nominations by stockholders shall be made pursuant to timely notice in writing to the Secretary of the corporation. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the corporation (a) in the case of an annual meeting, not less than sixty days nor more than ninety days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is changed by more than thirty days from such anniversary date, notice by the stockholder to be timely must be so received not later than the close of business on the 10th day following the earlier of the day on which notice of the date of the meeting was mailed or public disclosure was made, and (b) in the case of a special meeting at which directors are to be elected, not later than the close of business on the 10th day following the earlier of the day on which notice of the date of the meeting was mailed or public disclosure was made. Such stockholder's notice shall set forth (a) as to each person whom the stockholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of

directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (b) as to the stockholder giving the notice (i) the name and address, as they appear on the corporation's books, of such stockholder and (ii) the class and number of shares of the corporation which are beneficially owned by such stockholder and also which are owned of record by such stockholder; and (c) as to the beneficial owner, if any, on whose behalf the nomination is made, (i) the name and address of such person and (ii) the class and number of shares of the corporation which are beneficially owned by such person. At the request of the Board of Directors, any person nominated by the Board of Directors for election as a director shall furnish to the Secretary of the corporation that information required to be set forth in a stockholder's notice of nomination which pertains to the nominee.

No person shall be eligible to serve as a director of the corporation unless nominated in accordance with the procedures set forth in this Bylaw. The chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the procedures prescribed by these Bylaws, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded. Notwithstanding the foregoing provisions of this Bylaw, a stockholder shall also comply with all applicable requirements of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder with respect to the matters set forth in this Bylaw.

ARTICLE III

OFFICERS

1. EXECUTIVE OFFICERS.

The directors may elect or appoint an Executive Chairman of the Board, a Chief Executive Officer, a President, one or more Vice Presidents (one or more of whom may be denominated "Executive Vice President"), a Secretary, one or more Assistant Secretaries, a Treasurer, one or more Assistant Treasurers, and such other officers as they may determine. Any number of offices may be held by the same person.

2. TERM OF OFFICE: REMOVAL.

Unless otherwise provided in the resolution of election or appointment, each officer shall hold office until the meeting of the Board of Directors following the next annual meeting of stockholders and until his successor has been elected and qualified or until his earlier resignation or removal. The Board of Directors may remove any officer for cause or without cause.

3. AUTHORITY AND DUTIES.

All officers, as between themselves and the corporation, shall have such authority and perform such duties in the management of the corporation as may be provided in these Bylaws, or, to the extent not so provided, by the Board of Directors.

4. EXECUTIVE CHAIRMAN OF THE BOARD

The Executive Chairman of the Board shall have general executive powers and duties, and such other powers and duties as the Board of Directors shall designate or as may be provided by applicable law or elsewhere in these Bylaws. Except as otherwise provided in these Bylaws, the Executive Chairman of the Board shall preside at all meetings of the Board of Directors. The Executive Chairman may, but need not be, an employee of the Company.

5. CHIEF EXECUTIVE OFFICER

The Chief Executive Officer shall, subject to the discretion of the Board of Directors, have general supervision and control of the corporation’s business and such other powers and duties as may from time to time be prescribed by the Board of Directors.

6. THE PRESIDENT.

The President shall have responsibility for the day-to-day operations of the business of the corporation, and shall see that all orders and resolutions of the Board of Directors are carried into effect.

7. VICE PRESIDENTS.

Any Vice President that may have been appointed, in the absence or disability of the President, shall perform the duties and exercise the powers of the President, in the order of their seniority, and shall perform such other duties as the Board of Directors shall prescribe.

8. THE SECRETARY.

The Secretary shall keep in safe custody the seal of the corporation and affix it to any instrument when authorized by the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors. The Secretary (or in his absence, an Assistant Secretary, but if neither is present another person selected by the Chairman for the meeting) shall have the duty to record the proceedings of the meetings of the stockholders and directors in a book to be kept for that purpose.

9. CHIEF FINANCIAL OFFICER AND TREASURER.

The Chief Financial Officer shall be the Treasurer, unless the Board of Directors shall elect another officer to be the Treasurer. The Treasurer shall have the care and custody of the corporate funds, and other valuable effects, including securities, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the corporation. If required by the

Board of Directors, the Treasurer shall give the corporation a bond for such term, in such sum and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

ARTICLE IV

CORPORATE SEAL

AND

CORPORATE BOOKS

The corporate seal shall be in such form as the Board of Directors shall prescribe.

The books of the corporation may be kept within or without the State of Delaware, at such place or places as the Board of Directors may, from time to time, determine.

ARTICLE V

FISCAL YEAR

The fiscal year of the corporation shall be fixed, and shall be subject to change, by the Board of Directors.

ARTICLE VI

INDEMNITY

Any person who was or is a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact

that he or she is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (including employee benefit plans) (hereinafter an "indemnitee"), shall be indemnified and held harmless by the corporation to the fullest extent authorized by the General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification than permitted prior thereto), against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such indemnitee in connection with such action, suit or proceeding, if the 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 corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe such conduct was unlawful. The termination of the proceeding, whether by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had reasonable cause to believe such conduct was unlawful.

Any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (including employee benefit plans) shall be indemnified and held harmless by the corporation to the fullest extent authorized by the General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification than permitted prior thereto), against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted

in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court in which such suit or action was brought, shall determine upon application, that despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such Court shall deem proper.

All reasonable expenses incurred by or on behalf of the indemnitee in connection with any suit, action or proceeding, may be advanced to the indemnitee by the corporation.

The rights to indemnification and to advancement of expenses conferred in this section shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, the certificate of incorporation, Bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

ARTICLE VII

AMENDMENTS

The Bylaws may be amended, added to, rescinded or repealed at any meeting of the Board of Directors or of the stockholders, provided that notice of the proposed change was given in the notice of the meeting.

ARTICLE VIII

GENERAL PROVISIONS

1. MEANING OF CERTAIN TERMS.

As used herein, unless the context indicates otherwise, the term “share” or “shares” or “share of stock” or “shares of stock” or “stockholder” or “stockholders” refers to an outstanding share or shares of stock (including common stock and preferred stock) and to a

holder or holders of record of outstanding shares of stock (including common stock and preferred stock) when the corporation is authorized to issue only one class of shares of stock, and said reference is also intended to include any outstanding share or shares of stock and any holder or holders of record of outstanding shares of stock of any class upon which or upon whom the Certificate of Incorporation (including any Certificate of Designations with respect to preferred stock) confer such rights where there are two or more classes or series of shares of stock or upon which or upon whom the General Corporation Law confers such rights notwithstanding that the Certificate of Incorporation (including any Certificate of Designations with respect to preferred stock) may provide for more than one class or series of shares of stock, one or more of which are limited or denied such rights thereunder; provided, however, that no such right shall vest in the event of an increase or a decrease in the authorized number of shares of stock of any class or series which is otherwise denied voting rights under the provisions of the Certificate of Incorporation, including any preferred stock which is denied voting rights under the provisions of the Certificate of Designations with respect to such preferred stock.

2. CONFLICTS BETWEEN ARTICLES AND BYLAWS

For the avoidance of doubt, in the event of any conflict between the purposes set forth in these Bylaws and those set forth in the Certificate of Incorporation, as amended (including any Certificate of Designation with respect to any preferred stock), the provisions of the Certificate of Incorporation shall prevail.

Exhibit 3.4

AMENDED AND RESTATED BYLAWS OF

CONKWEST, INC.

(as amended and restated on May 26, 2015, and effective immediately as of the closing of the corporation's initial public offering)

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AMENDED AND RESTATED BYLAWS OF CONKWEST, INC.

ARTICLE I — CORPORATE OFFICES

1.1 REGISTERED OFFICE

The registered office of Conkwest, Inc. shall be fixed in the corporation's certificate of incorporation. References in these bylaws to the certificate of incorporation shall mean the certificate of incorporation of the corporation, as amended from time to time, including the terms of any certificates of designation of any series of Preferred Stock.

1.2 OTHER OFFICES

The corporation may at any time establish other offices at any place or places.

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 of directors. The board of directors 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 annual meeting of stockholders shall be held on such date, at such time, and at such place (if any) within or without the State of Delaware as shall be designated from time to time by the board of directors and stated in the corporation's notice of the meeting. At the annual meeting, directors shall be elected and any other proper business, brought in accordance with Section 2.4 of these bylaws, may be transacted.

2.3 SPECIAL MEETING

(i) A special meeting of the stockholders, other than those required by statute, may be called at any time only by (A) the affirmative vote of a majority of the Whole Board, (B) the chairperson of the board of directors, (C) the chief executive officer or (D) the president. A special meeting of the stockholders may not be called by any other person or persons. The board of directors, by the affirmative vote of a majority of the Whole Board, may cancel, postpone or reschedule any previously scheduled special meeting at any time, before or after the notice for such meeting has been sent to the stockholders. For purposes of these bylaws, the term "Whole Board" shall mean the total number of authorized directors whether or not there exist any vacancies in previously authorized directorships.

(ii) The notice of a special meeting shall include the purpose for which the meeting is called. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting by or at the direction of the board of directors, the chairperson of the board of directors, the chief executive officer or the president. Nothing contained in this Section 2.3(ii) shall be construed as limiting, fixing or affecting the time when a meeting of stockholders called by action of the board of directors may be held.

2.4 ADVANCE NOTICE PROCEDURES

(i) *Advance Notice of Stockholder Business.* 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 brought: (A) pursuant to the corporation's proxy materials with respect to such meeting, (B) by or at the direction of the board of directors, or (C) by a stockholder of the corporation who (1) is a stockholder of record at the time of the giving of the notice required by this Section 2.4(i) and on the record date for the determination of stockholders entitled to vote at the annual meeting and (2) has timely complied in proper written form with the notice procedures set forth in this Section 2.4(i). In addition, for business to be properly brought before an annual meeting by a stockholder, such business must be a proper matter for stockholder action pursuant to these bylaws and applicable law. Except for proposals properly made in accordance with Rule 14a-8 under the Securities and Exchange Act of 1934, and the rules and regulations thereunder (as so amended and inclusive of such rules and regulations, the "1934 Act"), clause (C) above shall be the exclusive means for a stockholder to bring business before an annual meeting of stockholders.

(a) To comply with clause (C) of Section 2.4(i) above, a stockholder's notice must set forth all information required under this Section 2.4(i) and must be timely received by the secretary of the corporation. To be timely, a stockholder's notice must be received by the secretary at the principal executive offices of the corporation not later than the 45th day nor earlier than the 75th day before the one-year anniversary of the date on which the corporation first mailed its proxy materials or a notice of availability of proxy materials (whichever is earlier) for the preceding year's annual meeting; *provided*, *however*, that in the event that no annual meeting was held in the previous year or if the date of the annual meeting is advanced by more than 30 days prior to or delayed by more than 60 days after the one-year anniversary of the date of the previous year's annual meeting, then, for notice by the stockholder to be timely, it must be so received by the secretary not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of (i) the 90th day prior to such annual meeting, or (ii) the tenth day following the day on which Public Announcement (as defined below) of the date of such annual meeting is first made. 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 a stockholder's notice as described in this Section 2.4(i)(a). "Public Announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or a comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the 1934 Act.

(b) To be in proper written form, a stockholder's notice to the secretary must set forth as to each matter of business the stockholder intends to bring before the annual meeting: (1) a brief description of the business intended to be brought before the annual meeting, the text of the proposed business (including the text of any resolutions proposed for consideration) and the reasons for conducting such

business at the annual meeting, (2) the name and address, as they appear on the corporation's books, of the stockholder proposing such business and any Stockholder Associated Person (as defined below), (3) the class and number of shares of the corporation that are held of record or are beneficially owned by the stockholder or any Stockholder Associated Person and any derivative positions held or beneficially held by the stockholder or any Stockholder Associated Person as of the date of delivery of such notice, (4) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of such stockholder or any Stockholder Associated Person with respect to any securities of the corporation, and a description of any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares), the effect or intent of which is to mitigate loss to, or to manage the risk or benefit from share price changes for, or to increase or decrease the voting power of, such stockholder or any Stockholder Associated Person with respect to any securities of the corporation, (5) any material interest of the stockholder or a Stockholder Associated Person in such business, and (6) a statement whether either such stockholder or any Stockholder Associated Person will deliver a proxy statement and form of proxy to holders of at least the percentage of the voting power of the corporation's voting shares required under applicable law to carry the proposal (such information provided and statements made as required by clauses (1) through (6), a "Business Solicitation Statement"). In addition, to be in proper written form, a stockholder's notice to the secretary must be supplemented not later than ten days following the record date for notice of the meeting to disclose the information contained in clauses (3) and (4) above as of the record date for notice of the meeting. For purposes of this Section 2.4, a "Stockholder Associated Person" of any stockholder shall mean (i) any person controlling, directly or indirectly, or acting in concert with, such stockholder, (ii) any beneficial owner of shares of stock of the corporation owned of record or beneficially by such stockholder and on whose behalf the proposal or nomination, as the case may be, is being made, or (iii) any person controlling, controlled by or under common control with such person referred to in the preceding clauses (i) and (ii).

(c) Without exception, no business shall be conducted at any annual meeting except in accordance with the provisions set forth in this Section 2.4(i) and, if applicable, Section 2.4(ii). In addition, business proposed to be brought by a stockholder may not be brought before the annual meeting if such stockholder or a Stockholder Associated Person, as applicable, takes action contrary to the representations made in the Business Solicitation Statement applicable to such business or if the Business Solicitation Statement applicable to such business contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein not misleading. The chairperson of the annual meeting shall, if the facts warrant, determine and declare at the annual meeting that business was not properly brought before the annual meeting and in accordance with the provisions of this Section 2.4(i), and, if the chairperson should so determine, he or she shall so declare at the annual meeting that any such business not properly brought before the annual meeting shall not be conducted.

(ii) *Advance Notice of Director Nominations at Annual Meetings.* Notwithstanding anything in these bylaws to the contrary, only persons who are nominated in accordance with the procedures set forth in this Section 2.4(ii) shall be eligible for election or re-election as directors at an annual meeting of stockholders. Nominations of persons for election or re-election to the board of directors of the corporation shall be made at an annual meeting of stockholders only (A) by or at the direction of the board of directors or (B) by a stockholder of the corporation who (1) was a stockholder of record at the time of the giving of the notice required by this Section 2.4(ii) and on the record date for the determination of stockholders entitled to vote at the annual meeting and (2) has complied with the notice procedures set forth in this Section 2.4(ii). In

addition to any other applicable requirements, for a nomination to be made by a stockholder, the stockholder must have given timely notice thereof in proper written form to the secretary of the corporation.

(a) To comply with clause (B) of Section 2.4(ii) above, a nomination to be made by a stockholder must set forth all information required under this Section 2.4(ii) and must be received by the secretary of the corporation at the principal executive offices of the corporation at the time set forth in, and in accordance with, the final three sentences of Section 2.4(i)(a) above; provided additionally, however, that in the event the number of directors to be elected to the board of directors is increased and there is no Public Announcement naming all of the nominees for director or specifying the size of the increased board made by the corporation at least ten (10) days before the last day a stockholder may deliver notice of nomination pursuant to the foregoing provisions, a stockholder's notice required by this Section 2.4(ii) shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be received by the secretary at the principal executive offices of the corporation not later than the close of business on the tenth day following the date on which such Public Announcement is first made by the corporation.

(b) To be in proper written form, such stockholder's notice to the secretary must set forth:

(1) as to each person (a "nominee") whom the stockholder proposes to nominate for election or re-election as a director: (A) the name, age, business address and residence address of the nominee, (B) the principal occupation or employment of the nominee, (C) the class and number of shares of the corporation that are held of record or are beneficially owned by the nominee and any derivative positions held or beneficially held by the nominee, (D) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of the nominee with respect to any securities of the corporation, and a description of any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares), the effect or intent of which is to mitigate loss to, or to manage the risk or benefit of share price changes for, or to increase or decrease the voting power of the nominee, (E) a description of all arrangements or understandings between or among the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nominations are to be made by the stockholder or concerning the nominee's potential service on the board of directors, (F) a written statement executed by the nominee acknowledging that as a director of the corporation, the nominee will owe fiduciary duties under Delaware law with respect to the corporation and its stockholders, and (G) any other information relating to the nominee that would be required to be disclosed about such nominee if proxies were being solicited for the election or re-election of the nominee as a director, or that is otherwise required, in each case pursuant to Regulation 14A under the 1934 Act (including without limitation the nominee's written consent to being named in the proxy statement, if any, as a nominee and to serving as a director if elected or re-elected, as the case may be); and

(2) as to such stockholder giving notice, (A) the information required to be provided pursuant to clauses (2) through (5) of Section 2.4(i)(b) above, and the supplement referenced in the second sentence of Section 2.4(i)(b) above (except that the references to "business" in such clauses shall instead refer to nominations of directors for purposes of this paragraph), and (B) a statement whether either such stockholder or Stockholder Associated Person will deliver a proxy statement and form of proxy to holders of at least the percentage of voting power of the corporation's voting shares reasonably believed by such stockholder or Stockholder Associated Person to be necessary to elect or re-elect such nominee(s) (such

information provided and statements made as required by clauses (A) and (B) above, a "Nominee Solicitation Statement").

(c) At the request of the board of directors, any person nominated by a stockholder for election or re-election as a director must furnish to the secretary of the corporation (1) that information required to be set forth in the stockholder's notice of nomination of such person as a director as of a date subsequent to the date on which the notice of such person's nomination was given, (2) such other information as may reasonably be required by the corporation to determine the eligibility of such proposed nominee to serve as an independent director or audit committee financial expert of the corporation under applicable law, securities exchange rule or regulation, or any publicly disclosed corporate governance guideline or committee charter of the corporation and (3) such other information that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee; in the absence of the furnishing of any such information of the kind specified in this Section 2.4(ii)(c) if requested, such stockholder's nomination shall not be considered in proper form pursuant to this Section 2.4(ii).

(d) Without exception, no person shall be eligible for election or re-election as a director of the corporation at an annual meeting of stockholders unless nominated in accordance with the provisions set forth in this Section 2.4(ii). In addition, a nominee shall not be eligible for election or re-election if a stockholder or Stockholder Associated Person, as applicable, takes action contrary to the representations made in the Nominee Solicitation Statement applicable to such nominee or if the Nominee Solicitation Statement applicable to such nominee contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein not misleading. The chairperson of the annual meeting shall, if the facts warrant, determine and declare at the annual meeting that a nomination was not made in accordance with the provisions prescribed by these bylaws, and if the chairperson should so determine, he or she shall so declare at the annual meeting, and the defective nomination shall be disregarded.

(iii) *Advance Notice of Director Nominations for Special Meetings.*

(a) If the board of directors has authorized in the specific case that stockholders may fill a vacancy or newly created directorship at a special meeting of stockholders, and a special meeting has been properly called for such purpose, nominations of persons for election or appointment to the board of directors at such special meeting shall be made only (1) by or at the direction of the board of directors or (2) by any stockholder of the corporation who (A) is a stockholder of record at the time of the giving of the notice required by this Section 2.4(iii) and on the record date for the determination of stockholders entitled to vote at the special meeting and (B) delivers a timely written notice of the nomination to the secretary of the corporation that includes the information set forth in Sections 2.4(ii)(b) and (ii)(c) above. To be timely, such notice must be received by the secretary at the principal executive offices of the corporation not later than the close of business on the later of the 90th day prior to such special meeting or the tenth day following the day on which Public Announcement is first made of the date of the special meeting and of the nominees proposed by the board of directors to be elected or appointed at such meeting. A person shall not be eligible for election or appointment as a director at a special meeting unless the person is nominated (i) by or at the direction of the board of directors or (ii) by a stockholder in accordance with the notice procedures set forth in this Section 2.4(iii). In addition, a nominee shall not be eligible for election or appointment if a stockholder or Stockholder Associated Person, as applicable, takes action contrary to the representations made in the Nominee Solicitation Statement applicable to such nominee or if the Nominee Solicitation Statement applicable to such nominee contains an untrue statement of a material fact or omits to state a material fact

necessary to make the statements therein not misleading. Any person nominated in accordance with this Section 2.4(iii) is subject to, and must comply with, the provisions of Section 2.4(ii)(c).

(b) The chairperson of such special meeting shall, if the facts warrant, determine and declare at the meeting that a nomination or business was not made in accordance with the procedures prescribed by these bylaws, and if the chairperson should so determine, he or she shall so declare at the meeting, and the defective nomination or business shall be disregarded.

(iv) *Other Requirements and Rights.* In addition to the foregoing provisions of this Section 2.4, a stockholder must also comply with all applicable requirements of state law and of the 1934 Act with respect to the matters set forth in this Section 2.4. Nothing in this Section 2.4 shall be deemed to affect any rights of:

(a) a stockholder to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 (or any successor provision) under the 1934 Act; or

(b) the corporation to omit a proposal from the corporation's proxy statement pursuant to Rule 14a-8 (or any successor provision) under the 1934 Act.

2.5 NOTICE OF STOCKHOLDERS' MEETINGS

Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Except as otherwise provided in the DGCL, the certificate of incorporation or these bylaws, the written notice of any meeting of stockholders shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting.

2.6 QUORUM

The holders of a majority of the voting power of the stock issued, outstanding and entitled to vote, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the stockholders, unless otherwise required by law, the certificate of incorporation, these bylaws or the rules of any applicable stock exchange. Where a separate vote by a class or series or classes or series is required, a majority of the voting power of the then-issued and outstanding shares of such class or series or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter, except as otherwise required by law, the certificate of incorporation, these bylaws or the rules of any applicable stock exchange.

If a quorum is not present or represented at any meeting of the stockholders, then either (i) the chairperson of the meeting, or (ii) the stockholders entitled to vote at the meeting, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than

announcement at the meeting, until a quorum is present or represented. The chairperson of the meeting shall have the authority to adjourn a meeting of the stockholders in all other events. 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.

2.7 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 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the board of directors shall fix a new record date for notice of such adjourned meeting in accordance with Section 213(a) of the DGCL and Section 2.11 of these bylaws, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

2.8 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. The chairperson of any meeting of stockholders shall be designated by the board of directors; in the absence of such designation, the chairperson of the board, if any, the chief executive officer (in the absence of the chairperson) or the president (in the absence of the chairperson of the board and the chief executive officer), or in their absence any other executive officer of the corporation, shall serve as chairperson of the stockholder meeting.

2.9 VOTING

The stockholders entitled to vote at any meeting of stockholders shall be determined in accordance with the provisions of Section 2.11 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, each stockholder shall be entitled to one vote for each share of capital stock held by such stockholder.

Except as otherwise provided by law, the certificate of incorporation, these bylaws or the rules of any applicable stock exchange, in all matters other than the election of directors, the affirmative vote of a majority of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders. Except as otherwise required by law, the certificate of incorporation, these bylaws or the rules of any applicable stock exchange, directors shall be elected by a plurality of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. Where a separate vote by a class or series or classes or series is

required, in all matters other than the election of directors, the affirmative vote of the majority of the voting power of shares of such class or series or classes or series present in person or represented by proxy at the meeting shall be the act of such class or series or classes or series, except as otherwise provided by law, the certificate of incorporation, these bylaws or the rules of any applicable stock exchange.

2.10 STOCKHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEETING

Unless otherwise provided in the certificate of incorporation, any action required by statute to be taken at any annual or special of the stockholders, or any action which may be taken at an annual or special meeting of stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be (i) signed by the holders of record on the record date (established in the manner set forth in Section 2.11 and Article VIII of the corporation's certificate of incorporation) of outstanding shares of the corporation having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted; provided, however, that in the case of the election or removal of directors by written consent, such consent shall be effective only if signed by the holders of all outstanding shares entitled to vote for the election of directors, and (ii) delivered to the corporation in accordance with Section 228 of the DGCL.

2.11 RECORD DATES

In order that the corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If the board of directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the board of directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination.

If no record date is fixed by the board of directors, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however,* that the board of directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the provisions of Section 213 of the DGCL and this Section 2.11 at the adjourned meeting.

In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to

such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

2.12 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 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 written 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.

2.13 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; *provided*, *however*, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date. The stockholder list shall be arranged in alphabetical order and show 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 place of business. 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 (as opposed to solely by means of remote communication), then a list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then a 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. The stock ledger of the corporation shall be the only evidence as to the identity of the stockholders entitled to examine the stock list and vote at the meeting and the number of shares held by each of them.

2.14 INSPECTORS OF ELECTION

Before any meeting of stockholders, the board of directors shall appoint an inspector or inspectors of election to act at the meeting or its adjournment. 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 shall appoint a person to fill that vacancy.

Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability.

The inspector or inspectors so appointed and designated shall (i) ascertain the number of shares of capital stock of the corporation outstanding and the voting power of each share, (ii) determine the shares of capital stock of the corporation represented at the meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares of capital stock of the corporation represented at the meeting and such inspector or inspectors' count of all votes and ballots.

In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the corporation, the inspector or inspectors may consider such information as is permitted by applicable law. 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.

ARTICLE III — DIRECTORS

3.1 POWERS

The business and affairs of the corporation shall be managed by or under the direction of the board of directors, except as may be otherwise provided in the DGCL or the certificate of incorporation.

3.2 NUMBER OF DIRECTORS

The board of directors shall consist of one or more members, each of whom shall be a natural person. Unless the certificate of incorporation fixes the number of directors, the number of directors shall be determined from time to time solely by resolution of the Whole Board. 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.

3.4 RESIGNATION AND VACANCIES

Any director may resign at any time upon notice given in writing or by electronic transmission to the corporation; *provided*, *however*, that if such notice is given by electronic transmission, such electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the director. A resignation is effective when the resignation is delivered unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events. Unless otherwise specified in the notice of resignation, acceptance of such resignation shall not be necessary to make it effective. A resignation which is conditioned upon the director failing to receive a specified vote for reelection as a director may provide that it is irrevocable. Unless

otherwise provided in the certificate of incorporation or these bylaws, when one or more directors resign from the board of directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective.

Unless otherwise provided in the certificate of incorporation or these bylaws or if authorized by resolution of the board of directors, vacancies and newly created directorships resulting from any increase in the authorized number of directors elected by all of the stockholders having the right to vote as a single class shall be filled only by a majority of the directors then in office, although less than a quorum, or by a sole remaining director, and not by the stockholders. If the directors are divided into classes, a person so elected by the directors then in office to fill a vacancy or newly created directorship shall hold office until the next election of the class for which such director shall have been chosen and until his or her successor shall have been duly elected and qualified.

If, at the time of filling any vacancy or any newly created directorship, the directors then in office constitute less than a majority of the whole board of directors (as constituted immediately prior to any such increase), the Court of Chancery may, upon application of any stockholder or stockholders holding at least 10% of the voting power of the capital stock of the corporation at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office as aforesaid, which election shall be governed by the provisions of Section 211 of the DGCL as far as applicable.

3.5 PLACE OF MEETINGS; MEETINGS BY TELEPHONE

The board of directors 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 of directors may participate in a meeting of the board of directors 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 shall constitute presence in person at the meeting.

3.6 REGULAR MEETINGS

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

3.7 SPECIAL MEETINGS; NOTICE

Special meetings of the board of directors for any purpose or purposes may be called at any time by the chairperson of the board of directors, the chief executive officer, the president, the secretary or a majority of the authorized number of directors, at such times and places as he or she or they shall designate.

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 24 hours before the time of the holding of the meeting. If the notice is sent by United States mail, it shall be deposited in the United States mail at least four 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; VOTING

At all meetings of the board of directors, a majority of the total authorized number of directors shall constitute a quorum for the transaction of business. If a quorum is not present at any meeting of the board of directors, 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.

The affirmative vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the board of directors, except as may be otherwise specifically provided by statute, the certificate of incorporation or these bylaws.

If the certificate of incorporation provides that one or more directors shall have more or less than one vote per director on any matter, every reference in these bylaws to a majority or other proportion of the directors shall refer to a majority or other proportion of the votes of the directors.

3.9 BOARD ACTION BY WRITTEN CONSENT WITHOUT A MEETING

Unless otherwise restricted by the certificate of incorporation, these bylaws or statute, any action required or permitted to be taken at any meeting of the board of directors, or of any committee thereof, may be taken without a meeting if all members of the board of directors or committee, as the case may be, consent thereto in writing or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the board of directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form. Any person (whether or not then a director) may provide, whether through instruction to an agent or otherwise, that a consent to action will be effective at a future time (including a time determined upon the happening of an event), no later than 60 days after such instruction is given or such provision is made and such consent shall be deemed to have been given for purposes of this Section 3.9 at such effective time so long as such person is then a director and did not revoke the consent prior to such time. Any such consent shall be revocable prior to its becoming effective.

3.10 FEES AND COMPENSATION OF DIRECTORS

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

3.11 REMOVAL OF DIRECTORS

A director may be removed from office by the stockholders of the corporation with or without cause.

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 of directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The board of directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. 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 of directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the board of directors or in these bylaws, shall have and may exercise all the powers and authority of the board of directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers 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 (other than the election or removal of directors) 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 of directors 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; notice);

(iv) Section 3.8 (quorum; voting);

(v) Section 3.9 (action without a meeting); and

(vi) Section 7.5 (waiver of notice)

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

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

(ii) special meetings of committees may also be called by resolution of the committee; 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 of directors or a committee may adopt rules for the government of any committee not inconsistent with the provisions of these bylaws.

Any provision in the certificate of incorporation providing that one or more directors shall have more or less than one vote per director on any matter shall apply to voting in any committee or subcommittee, unless otherwise provided in the certificate of incorporation or these bylaws.

4.4 SUBCOMMITTEES

Unless otherwise provided in the certificate of incorporation, these bylaws or the resolutions of the board of directors designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

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 of directors, a chairperson of the board of directors, a vice chairperson of the board of directors, a chief executive officer, a chief financial officer or treasurer, one or more vice presidents, one or more assistant vice presidents, one or more assistant treasurers, one 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 of directors 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. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in this Article V for the regular election to such office.

5.3 SUBORDINATE OFFICERS

The board of directors 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 of directors 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 the board of directors or by any officer upon whom such power of removal may be conferred by the board of directors, except that, unless specifically approved by the board, officers may not remove other officers chosen by the board of directors.

Any officer may resign at any time by giving written or electronic notice to the corporation; *provided*, *however*, that if such notice is given by electronic transmission, such electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the officer. 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 of directors or as provided in Section 5.3.

5.6 REPRESENTATION OF SHARES OR INTERESTS OF OTHER CORPORATIONS OR ENTITIES

The chairperson of the board of directors, the president, any vice president, the treasurer, the secretary or any assistant secretary of this corporation, or any other person authorized by the board of directors or the president or a vice president, is authorized to vote, represent, and exercise on behalf of this corporation all rights incident to any and all shares or equity interests of any other corporation or corporations or entity or entities standing in the name of this corporation, including the right to act by written consent. 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 of directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the board of directors.

ARTICLE VI — STOCK

6.1 STOCK CERTIFICATES; PARTLY PAID SHARES

The shares of the corporation shall be represented by certificates, provided that the board of directors may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the corporation. Every holder of stock represented by certificates shall be entitled to have a certificate signed by, or in the name of the corporation by the chairperson of the board of directors or vice-chairperson of the board of directors, or the president or a vice-president, and by the treasurer or an assistant treasurer, or the secretary or an assistant secretary 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 such person were such officer, transfer agent or registrar at the date of issue. The corporation shall not have power to issue a certificate in bearer form.

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, or 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.

6.2 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, designations, preferences and 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. Within a reasonable time after the issuance or transfer of uncertificated stock, the corporation shall send to the registered owner thereof

a written notice containing the information required to be set forth or stated on certificates pursuant to this Section 6.2 or Sections 151, 156, 202(a) or 218(a) of the DGCL or with respect to this Section 6.2 a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and 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. Except as otherwise expressly provided by law, the rights and obligations of the holders of uncertificated stock and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.

6.3 LOST, STOLEN OR DESTROYED CERTIFICATES

Except as provided in this Section 6.3, 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.

6.4 DIVIDENDS

The board of directors, subject to any restrictions contained in the certificate of incorporation or applicable law, may declare and pay dividends upon the shares of the corporation's capital stock. Dividends may be paid in cash, in property, or in shares of the corporation's capital stock, subject to the provisions of the certificate of incorporation.

The board of directors 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.

6.5 TRANSFER OF STOCK

Transfers of record of shares of stock of the corporation shall be made only upon its books by the holders thereof, in person or by an attorney duly authorized, and, if such stock is certificated, upon the surrender of a certificate or certificates for a like number of shares, properly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer; *provided, however,* that such succession, assignment or authority to transfer is not prohibited by the certificate of incorporation, these bylaws, applicable law or contract.

6.6 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.

6.7 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 the fullest extent permitted by law) 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.

ARTICLE VII — MANNER OF GIVING NOTICE AND WAIVER

7.1 NOTICE OF STOCKHOLDERS' MEETINGS

Notice of any meeting of stockholders, if mailed, is given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the corporation's records. An affidavit of the secretary or an assistant secretary of the corporation or of the transfer agent or other agent of the corporation that the notice has been given shall, in the absence of fraud, be *prima facie* evidence of the facts stated therein.

7.2 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 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.

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.

7.3 NOTICE TO STOCKHOLDERS SHARING AN ADDRESS

Except as otherwise prohibited under the DGCL, without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the corporation under the provisions of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Any such consent shall be revocable by the stockholder by written notice to the corporation. Any stockholder who fails to object in writing to the corporation, within 60 days of having been given written notice by the corporation of its intention to send the single notice, shall be deemed to have consented to receiving such single written notice.

7.4 NOTICE TO PERSON WITH WHOM COMMUNICATION IS UNLAWFUL

Whenever notice is required to be given, under the DGCL, the certificate of incorporation or these bylaws, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the corporation is such as to require the filing of a certificate under the DGCL, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

7.5 WAIVER OF NOTICE

Whenever notice is required to be given to stockholders, directors or other persons 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 or the board of directors, as the case may be, need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the certificate of incorporation or these bylaws.

ARTICLE VIII — INDEMNIFICATION

8.1 INDEMNIFICATION OF DIRECTORS AND OFFICERS IN THIRD PARTY PROCEEDINGS

Subject to the other provisions of this Article VIII, the corporation shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding") (other than an action by or in the right of the corporation) by reason of the fact that such person is or was a director of the corporation or an officer of the corporation, or while a director of the corporation or officer of the corporation is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such Proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

8.2 INDEMNIFICATION OF DIRECTORS AND OFFICERS IN ACTIONS BY OR IN THE RIGHT OF THE CORPORATION

Subject to the other provisions of this Article VIII, the corporation shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the corporation, or while a director or officer of the corporation is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith

and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

8.3 SUCCESSFUL DEFENSE

To the extent that a present or former director or officer of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described in Section 8.1 or Section 8.2, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

8.4 INDEMNIFICATION OF OTHERS; ADVANCE PAYMENT TO OTHERS

Subject to the other provisions of this Article VIII, the corporation shall have power to advance expenses to and indemnify its employees and its agents to the extent not prohibited by the DGCL or other applicable law. The board of directors shall have the power to delegate the determination of whether employees or agents shall be indemnified or receive an advancement of expenses to such person or persons as the board of directors determines.

8.5 ADVANCE PAYMENT OF EXPENSES

Expenses (including attorneys' fees) incurred by an officer or director of the corporation in defending any Proceeding shall be paid by the corporation in advance of the final disposition of such Proceeding upon receipt of a written request therefor (together with documentation reasonably evidencing such expenses) and an undertaking by or on behalf of the person to repay such amounts if it shall ultimately be determined that the person is not entitled to be indemnified under this Article VIII or the DGCL. Such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents may be so paid upon such terms and conditions, if any, as the corporation deems reasonably appropriate and shall be subject to the corporation's expense guidelines. The right to advancement of expenses shall not apply to any claim for which indemnity is excluded pursuant to these bylaws, but shall apply to any Proceeding referenced in Section 8.6(ii) or 8.6(iii) prior to a determination that the person is not entitled to be indemnified by the corporation.

8.6 LIMITATION ON INDEMNIFICATION

Subject to the requirements in Section 8.3 and the DGCL, the corporation shall not be obligated to indemnify any person pursuant to this Article VIII in connection with any Proceeding (or any part of any Proceeding):

(i) for which payment has actually been made to or on behalf of such person under any statute, insurance policy, indemnity provision, vote or otherwise, except with respect to any excess beyond the amount paid;

(ii) for an accounting or disgorgement of profits pursuant to Section 16(b) of the 1934 Act, or similar provisions of federal, state or local statutory law or common law, if such person is held liable therefor (including pursuant to any settlement arrangements);

(iii) for any reimbursement of the corporation by such person of any bonus or other incentive-based or equity-based compensation or of any profits realized by such person from the sale of securities of the corporation, as required in each case under the 1934 Act (including any such reimbursements that arise from an accounting restatement of the corporation pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), or the payment to the corporation of profits arising from the purchase and sale by such person of securities in violation of Section 306 of the Sarbanes-Oxley Act), if such person is held liable therefor (including pursuant to any settlement arrangements);

(iv) initiated by such person against the corporation or its directors, officers, employees, agents or other indemnitees, unless (a) the board of directors authorized the Proceeding (or the relevant part of the Proceeding) prior to its initiation, (b) the corporation provides the indemnification, in its sole discretion, pursuant to the powers vested in the corporation under applicable law, (c) otherwise required to be made under Section 8.7 or (d) otherwise required by applicable law; or

(v) if prohibited by applicable law; *provided, however*, that if any provision or provisions of this Article VIII shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (1) the validity, legality and enforceability of the remaining provisions of this Article VIII (including, without limitation, each portion of any paragraph or clause containing any such provision held to be invalid, illegal or unenforceable, that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (2) to the fullest extent possible, the provisions of this Article VIII (including, without limitation, each such portion of any paragraph or clause containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

8.7 DETERMINATION; CLAIM

If a claim for indemnification or advancement of expenses under this Article VIII is not paid in full within 90 days after receipt by the corporation of the written request therefor, the claimant shall be entitled to an adjudication by a court of competent jurisdiction of his or her entitlement to such indemnification or advancement of expenses. The corporation shall indemnify such person against any and all expenses that are incurred by such person in connection with any action for indemnification or advancement of expenses from the corporation under this Article VIII, to the extent such person is successful in such action, and to the extent not prohibited by law. In any such suit, the corporation shall, to the fullest extent not prohibited by law, have the burden of proving that the claimant is not entitled to the requested indemnification or advancement of expenses.

8.8 NON-EXCLUSIVITY OF RIGHTS

The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the certificate of incorporation or any statute, bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's

official capacity and as to action in another capacity while holding such office. The corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advancement of expenses, to the fullest extent not prohibited by the DGCL or other applicable law.

8.9 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 or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the corporation would have the power to indemnify such person against such liability under the provisions of the DGCL.

8.10 SURVIVAL

The rights to indemnification and advancement of expenses conferred by this Article VIII shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

8.11 EFFECT OF REPEAL OR MODIFICATION

Any amendment, alteration or repeal of this Article VIII shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to such amendment, alteration or repeal.

8.12 CERTAIN DEFINITIONS

For purposes of this Article VIII, references to the "corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VIII with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued. For purposes of this Article VIII, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan (excluding any "parachute payments" within the meanings of Sections 280G and 4999 of the Internal Revenue Code of 1986, as amended); and references to "serving at the request of the corporation" shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation" as referred to in this Article VIII.

ARTICLE IX — GENERAL MATTERS

9.1 EXECUTION OF CORPORATE CONTRACTS AND INSTRUMENTS

Except as otherwise provided by law, the certificate of incorporation or these bylaws, the board of directors may authorize any officer or officers, or agent or agents, to enter into any contract or execute any document or 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 of directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

9.2 FISCAL YEAR

The fiscal year of the corporation shall be fixed by resolution of the board of directors and may be changed by the board of directors.

9.3 SEAL

The corporation may adopt a corporate seal, which shall be adopted and which may be altered by the board of directors. 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.

9.4 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 an entity and a natural person.

ARTICLE X — AMENDMENTS

These bylaws may be adopted, amended or repealed by the stockholders entitled to vote; *provided*, *however*, that the affirmative vote of the holders of at least 66 2/3% of the total voting power of all outstanding shares of capital stock of the corporation entitled to vote thereon, voting together as a single class, shall be required for the stockholders of the corporation to alter, amend or repeal, or adopt any bylaw inconsistent with, the following provisions of these bylaws: Article II, Sections 3.1, 3.2, 3.4 and 3.11 of Article III, Article VIII and this Article X (including, without limitation, any such Article or Section as renumbered as a result of any amendment, alteration, change, repeal, or adoption of any other Bylaw). The board of directors, acting by the affirmative vote of at least a majority of the Whole Board, shall also have the power to adopt, amend or repeal bylaws; *provided*, *however*, that a bylaw amendment adopted by stockholders which specifies the votes that shall be necessary for the election of directors shall not be further amended or repealed by the board of directors.

Exhibit 4.1

CONKWEST, INC.
2533 South Coast Highway 101, Suite 210
Cardiff by the Sea, CA 92007

June 18, 2015

Cambridge Equities, LP
9922 Jefferson Boulevard
Culver City, CA 90232

Re: Right to Appoint Director

Ladies and Gentlemen:

This letter agreement (this "Agreement") confirms the agreement between Conkwest, Inc., a Delaware corporation (the "Company"), and Cambridge Equities, LP ("Investor"), with respect to Investor's purchase from the Company of the Company's Class A Common Stock, $0.0001 par value, pursuant to that certain subscription and investment agreement dated December 24, 2014 by and between the Company and Investor (the "Subscription Agreement"). Capitalized terms not otherwise defined herein shall have the meaning set forth in the Subscription Agreement.

In accordance with and subject to the Company's certificate of incorporation and bylaws and applicable provisions of the DGCL, the Company shall use commercially reasonable efforts to cause the Board of Directors (the "Board") to appoint Dr. Patrick Soon-Shiong as Co-Chairman of the Board and serve in such capacity until the next annual meeting of stockholders of the Company or until his successor is duly elected and qualified. For so long as Investor and/or its affiliates directly own in excess of 20% of the issued and outstanding shares of Common Stock from and after the Closing (including, with respect to each annual or special meeting of the Company at which directors are to be elected), the Company shall permit the Investor to designate one (1) director who shall be nominated by the Company's nominating committee (or of there is no such nominating committee, the Board or any other duly authorized committee thereof) for election as Co-Chairman, provided that such nomination would not contravene the applicable provisions of the DGCL, the Board's fiduciary duties to the Company's stockholders, and any other applicable law. If at any time the Investor and/or its affiliates direct ownership is less than 20% of the issued and outstanding shares of Common Stock, the Investor's rights shall automatically terminate. As a condition to an Investor director designee's ability to stand for election, such Investor director designee shall provide to the Company in a timely manner all information required by Regulation 14A and Schedule 14A under the Securities Exchange Act of 1934, as amended, as the Company may request with respect to such Investor director designee in a timely manner.

This Agreement represents the entire agreement and understanding between the Company and Investor concerning the subject matter of this Agreement and supersedes and replaces any and all prior agreements (including the Section 4.9 of the Subscription Agreement) and understandings concerning the subject matter of this Agreement.

This Agreement shall be governed by and construed in accordance with the laws of the State of California. This Agreement and any and all rights, duties and obligations hereunder, shall not be assigned, transferred or delegated by Investor without the prior written consent of the Company. This Agreement may not be amended or modified without the express written consent of the Company and Investor. If any provision of this Agreement shall be declared void or unenforceable by any judicial or administrative authority, the validity of any other provision and of the entire Agreement shall not be affected thereby. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signature Page Follows]

Please confirm that the above correctly reflects our understanding and agreement with respect to the foregoing matters by signing a copy of this letter and returning such copy to the Company.

Sincerely,

CONKWEST, INC.
a Delaware corporation

By: /s/ Barry Simon
Name: Barry Simon
Title: President and Chief Operating Officer

ACKNOWLEDGED AND AGREED:

CAMBRIDGE EQUITIES, LP
By: MP 13 Ventures, LLC, its General Partner

By: /s/ C. Kenworthy
Name: C. Kenworthy
Title: Manager

Exhibit 4.2

EXECUTION VERSION

REGISTRATION RIGHTS AGREEMENT

This **REGISTRATION RIGHTS AGREEMENT** (this "**Agreement**"), dated as of June ___, 2015, is by and among Conkwest, Inc., a Delaware corporation (the "**Company**"), and the undersigned purchaser (the "**Purchaser**"). The Company and the Purchaser may be referred to herein individually as a "**Party**" and together as the "**Parties**."

RECITALS

A. In connection with the Subscription and Investment Agreement by and among the parties hereto, dated as of June ___, 2015 (the "**Subscription Agreement**"), the Company has agreed, upon the terms and subject to the conditions of the Subscription Agreement, to issue and sell to the Purchaser the Securities (as defined in the Subscription Agreement).

B. To induce the Purchaser to consummate the transactions contemplated by the Subscription Agreement, the Company has agreed to provide certain registration rights under the Securities Act of 1933, as amended, and the rules and regulations thereunder, or any similar successor statute (collectively, the "**1933 Act**"), and applicable state securities laws.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Purchaser hereby agree as follows:

1. Definitions.

Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Subscription Agreement. As used in this Agreement, the following terms shall have the following meanings:

(a) "**Business Day**" means any day other than Saturday, Sunday or any other day on which commercial banks in California are authorized or required by law to remain closed.

(b) "**Effective Date**" means the date that the applicable Registration Statement has been declared effective by the SEC.

(c) "**Exempt Financing**" means (i) a financing in which the Company issues shares of Common Stock at a purchase price per share of Common Stock in excess of the purchase price per share paid by the Purchaser (as adjusted for stock splits, stock dividends, recapitalizations or similar events) or (ii) a financing in which the Company issues securities convertible, exercisable or exchangeable for shares of Common Stock at a purchase price per security (including any amount required to be paid to the Company in connection with any conversion, exercise or exchange thereunder) in excess of the purchase price per share paid by the Purchaser (as adjusted for stock splits, stock dividends, recapitalizations or similar events).

(d) "**Filing Deadline**" means (i) with respect to the Demand Registration Statement required to be filed pursuant to Section 2(a), the later of (A) the 90th calendar day after the date of

consummation of a IPO**,** (B) the 30th calendar day immediately preceding the expiration of the lock-up agreement described in Section 2(a)(ii) and (C) the 30th calendar day following receipt of the written request for Demand Registration pursuant to Section 2(a)(i), and (ii) with respect to any additional Registration Statements that may be required to be filed by the Company pursuant to this Agreement, the date on which the Company was required to file such additional Registration Statement pursuant to the terms of this Agreement.

(e) "**Investor**" means the Purchaser or any transferee or assignee of any Registrable Securities, as applicable, to whom the Purchaser assigns his rights in accordance with this Agreement and who agrees to become bound by the provisions of this Agreement in accordance with Section 9 and any transferee or assignee thereof to whom a transferee or assignee of any Registrable Securities assigns its rights under this Agreement and who agrees to become bound by the provisions of this Agreement in accordance with Section 9.

(f) "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization or a government or any department or agency thereof.

(g) "**Piggyback Registrable Securities**" means (i) the aggregate number of Securities issued under the Subscription Agreement on the Closing Date, and (ii) any capital stock of the Company issued or issuable with respect to such Securities, including, without limitation, (1) as a result of any stock split, stock dividend, recapitalization, exchange or similar event or otherwise and (2) shares of capital stock of the Company into which such Securities are converted or exchanged and shares of capital stock of a successor entity into which such Securities are converted or exchanged.

(h) "**register**," "**registered**," and "**registration**" refer to a registration effected by preparing and filing one or more Registration Statements in compliance with the 1933 Act and pursuant to Rule 415 and the declaration of effectiveness of such Registration Statement(s) by the SEC.

(i) "**Registrable Securities**" means (i) the Securities issued on the Closing Date pursuant to the Subscription Agreement, and (ii) any capital stock of the Company issued or issuable with respect to such Securities, including, without limitation, (1) as a result of any stock split, stock dividend, recapitalization, exchange or similar event or otherwise and (2) shares of capital stock of the Company into which such Securities are converted or exchanged and shares of capital stock of a successor entity into which such Securities are converted or exchanged.

(j) "**Registration Statement**" means a registration statement or registration statements of the Company filed under the 1933 Act covering Registrable Securities.

(k) "**Required Holders**" means the holders of at least a majority of the Registrable Securities (excluding any Registrable Securities held by the Company or any of its Subsidiaries); provided, however, that Required Holders shall mean the holders of at least a majority of the Piggyback Registrable Securities with respect to any amendment of Section 2(g) or the definition of "Piggyback Registrable Securities".

(l) "**Required Registration Amount**" means such number of shares of Common Stock as shall equal the lesser of (x) $10,000,000 and (y) one-third of the aggregate fair market value of the Registrable Securities held by the Investor as of the date of the Demand Request (as defined in Section 2(a)(i)), in each case as calculated in reference to the average closing price per share of the Common Stock on the applicable Trading Market upon which such Common Stock is listed for the 10 Trading Days prior to the date such Registration Statement is initially filed with the SEC; provided that the Required Registration Amount shall not include any shares not included in a registration statement due to reductions made in accordance with Section 2(f).

(m) "**Rule 144**" means Rule 144 promulgated by the SEC under the 1933 Act, as such rule may be amended from time to time, or any other similar or successor rule or regulation of the SEC that may at any time permit the Investor to sell securities of the Company to the public without registration.

(n) "**Rule 415**" means Rule 415 promulgated by the SEC under the 1933 Act, as such rule may be amended from time to time, or any other similar or successor rule or regulation of the SEC providing for the offering of securities on a continuous or delayed basis.

(o) "**SEC**" means the United States Securities and Exchange Commission or any successor thereto

(p) "**Trading Day**" means a day on which the principal Trading Market is open for trading.

(q) "**Trading Market**" means any of the following markets or echanges on which the Common stock is listed or quoted for trading on the date in question: the NYSE MKT, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select market, the New York Stock Exchange, the OTCQX, OTCQB, or the OTC Bulletin Board (or any successors to any of the foregoing).

2. Registration.

(a) Demand Registration.

(i) Following the consummation by the Company of the Initial Public Offering, if the Company shall receive from Investors holding not less than 50.1% of the Registrable Securities a written request (the "**Demand Request**") that the Company effect any registration with respect to all or a part of the Registrable Securities owned by such Investors (each such request shall be referred to herein as a "**Demand Registration**"), the Company shall, subject to the terms of this Agreement, including the terms set forth in Section 2(a)(ii) hereof, prepare and, as soon as practicable, but in no event later than the Filing Deadline, file with the SEC an initial Registration Statement on Form S-3, if the Company is eligible to use Form S-3, otherwise, on Form S-1, covering the resale of such number of the Registrable Securities as shall equal the Required Registration Amount. Such initial Registration Statement, and each other Registration Statement required to be filed pursuant to the terms of this Agreement, shall contain (except if otherwise directed by the Required Holders) the "Selling Stockholders" and "Plan of Distribution" sections in substantially the form attached hereto as **Exhibit A**. The Company shall use its reasonable best efforts to have such initial Registration Statement, and each other Registration Statement required to be filed pursuant to the terms of this Agreement, declared effective by the SEC as soon as practicable.

(ii) Each Investor acknowledges that it has executed a Lockup Agreement in the form attached as Exhibit B to the Subscription Agreement. In addition, in the event that the Public Offering (as defined in the Lock-Up Agreement) is not consummated, each Investor holding Registrable Securities acknowledges and agrees that, if requested by the underwriter for the Company's IPO, such Investor will execute and deliver a lock-up agreement to such underwriter on terms no less favorable to the Investor than the terms of those provided in the lock-up agreements which other shareholders of the Company executed and delivered to the underwriter in connection with the IPO.

(iii) Notwithstanding anything contained in Section 2(a)(i) hereof to the contrary, the Company shall not be obligated to effect, or take any action to effect, any such registration pursuant to Section 2(a)(i) with respect to the Registrable Securities:

(1) After the Company has consummated one (1) Demand Registration pursuant to Section 2(a)(i);

(2) In any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, unless the Company is already subject to service of process in such jurisdiction and except as may be required by the 1933 Act or applicable rules or regulations thereunder; or

(3) If at the time the Company receives the Demand Registration request to register Registrable Securities, the Company or any of its Subsidiaries is engaged in confidential negotiations to effect a proposed material transaction or other confidential business activities, disclosure of which would be required in such registration statement (but would not be required if such registration statement were not filed), and the Board of Directors of the Company determines in good faith that such disclosure would have a material adverse effect on the Company, any of its Subsidiaries or their respective businesses, or on the ability of any of the foregoing Persons to effect a proposed material transaction, including a proposed material acquisition, disposition, financing, reorganization, recapitalization or similar transaction; provided, however, that (a) no deferral of the filing of a registration statement pursuant to this Section 2(a)(iii)(3) shall be effected and any such deferral shall cease if the negotiations or other activities are disclosed or if the Company determines such negotiations have been terminated, and the requested registration statement shall be filed by the later of (A) the applicable Filing Deadline or (B) thirty (30) calendar days from such disclosure or determination, and (b) the deferral provided pursuant to this Section 2(a)(iii)(3) shall not be used more than once in any consecutive 12-month period.

(b) Legal Counsel. Subject to Section 5 hereof, the Purchaser shall have the right to select one (1) legal counsel to review and oversee, solely on its behalf, any registration pursuant to this Section 2 ("**Legal Counsel**").

(c) Reserved.

(d) Sufficient Number of Shares Registered. In the event the number of shares available under any Registration Statement is insufficient to cover all of the Registrable Securities required to be covered by such Registration Statement or an Investor's allocated portion of the Registrable Securities pursuant to Section 2(h), the Company shall amend such Registration Statement (if permissible), or file with the SEC a new Registration Statement (on the short form available therefor, if applicable), or both, so as to cover at least the Required Registration Amount as of the Trading Day immediately preceding the date of the filing of such amendment or new Registration Statement, in each case, as soon as practicable, but in any event not later than fifteen (15) days after the Company, acting in good faith, first becomes aware of the necessity therefor (but taking account of any position of the staff of the SEC (the "**Staff**") with respect to the date on which the Staff will permit such amendment to the Registration Statement and/or such new Registration Statement (as the case may be) to be filed with the SEC). The Company shall use its reasonable best efforts to cause such amendment to such Registration Statement and/or such new Registration Statement (as the case may be) to become effective as soon as practicable following the filing thereof with the SEC.

(e) Effect of Failure to File and Obtain and Maintain Effectiveness of any Registration Statement. If (i) a Registration Statement covering the resale of all of the Registrable Securities required to be covered thereby (disregarding any reduction pursuant to Section 2(f)) and required to be filed by the Company pursuant to this Agreement is not filed with the SEC on or before the Filing Deadline for such Registration Statement (a "**Filing Failure**") (it being understood that if the Company files a Registration Statement without affording Legal Counsel the opportunity to review and comment on the same as required by Section 3(b) hereof, the Company shall be deemed to not have satisfied this clause (i) and such event shall be deemed to be a Filing Failure), (ii) the Company shall not have filed a "final" prospectus for such Registration Statement with the SEC under Rule 424(b) in accordance with Section 3(b) within one (1) Business Day immediately following the Effective Date for such Registration Statement (whether or not such a prospectus is technically required by such rule) (the "**Acceleration Failure**"), (iii) other than during an Allowable Grace Period (as defined below), on any day after the Effective Date of a Registration Statement sales of all of the Registrable Securities required to be included on such Registration Statement (disregarding any reduction pursuant to Section 2(f)) cannot be made pursuant to such Registration Statement (including, without limitation, because of a failure to keep such Registration Statement effective, a failure to disclose such information as is necessary for sales to be made pursuant to such Registration Statement, a suspension or delisting of (or a failure to timely list) the Securities on the applicable Trading Market, or a failure to register a sufficient number of Securities or by reason of a stop order) or the prospectus contained therein is not available for use for any reason (a "**Maintenance Failure**"), or (iv) a Registration Statement is not effective for any reason or the prospectus contained therein is not available for use for any reason, the Company fails to file with the SEC any required reports under Section 13 or 15(d) of the 1934 Act (as defined below) such that it is not in compliance with Rule 144(c)(1) (or Rule 144(i)(2), if applicable) (a "**Current Public Information Failure**" and, together with a Filing Failure, Acceleration Failure and Maintenance Failure, a "**Failure**")) as a result of which any of the Investors are unable to sell Registrable Securities without restriction under Rule 144 (including, without limitation, volume restrictions), then, as partial relief for the damages to any holder by reason of any such delay in, or reduction of, its ability to sell the Securities (which remedy shall not be exclusive of any other remedies available at law or in equity), the Company shall pay to each holder of Registrable Securities relating to such Registration Statement an amount in cash equal to one percent (1%) of the aggregate purchase price paid by such Investor pursuant to the Subscription Agreement for any Registrable Securities held by such Investor on the date of the

applicable Failure (or if such Failure relates to only a portion of the Registrable Securities, then only with respect to the Investor's allocable cash investment with respect to such portion of such Registrable Securities) (1) on the date of such Failure, as applicable, and (2) on every thirty (30) day anniversary of (I) a Filing Failure until such Filing Failure is cured; (II) an Acceleration Failure until such Acceleration Failure is cured; (III) a Maintenance Failure until such Maintenance Failure is cured; and (IV) a Current Public Information Failure until the earlier of (i) the date such Current Public Information Failure is cured and (ii) such time that such public information is no longer required pursuant to Rule 144 (in each case, prorated for periods totaling less than thirty (30) days). The payments to which a holder of Registrable Securities shall be entitled pursuant to this Section 2(e) are referred to herein as "**Registration Delay Payments.**" Following the initial Registration Delay Payment for any particular event or failure (which shall be paid on the date of such event or failure, as set forth above), without limiting the foregoing, if an event or failure giving rise to the Registration Delay Payments is cured prior to any thirty (30) day anniversary of such event or failure, then such Registration Delay Payment shall be made on the third (3rd) Business Day after such cure. In the event the Company fails to make Registration Delay Payments in a timely manner in accordance with the foregoing, such Registration Delay Payments shall bear interest at the rate of one percent (1%) per month (prorated for partial months) until paid in full.

(f) Offering. No Investor shall be named as an "underwriter" in any Registration Statement without such Investor's prior written consent. Notwithstanding anything to the contrary contained in this Agreement, in the event the Staff or the SEC seeks to characterize any offering pursuant to a Registration Statement filed pursuant to this Agreement as constituting an offering of securities by, or on behalf of, the Company, or in any other manner, such that the Staff or the SEC does not permit such Registration Statement to become effective and used for resales in a manner that does not constitute such an offering and that permits the continuous resale at the market by the Investors participating therein (or as otherwise may be acceptable to each Investor) without being named therein as an "underwriter," then the Company shall reduce the number of shares to be included in such Registration Statement by all Investors until such time as the Staff and the SEC shall so permit such Registration Statement to become effective as aforesaid. In making such reduction, the Company shall reduce the number of shares to be included by all Investors on a pro rata basis (based upon the number of Registrable Securities otherwise required to be included for each Investor) unless the inclusion of shares by a particular Investor or a particular set of Investors are resulting in the Staff or the SEC's "by or on behalf of the Company" offering position, in which event the shares held by such Investor or set of Investors shall be the only shares subject to reduction (and if by a set of Investors, on a pro rata basis by such Investors or on such other basis as would result in the exclusion of the least number of shares by all such Investors). In addition, in the event that the Staff or the SEC requires any Investor seeking to sell securities under a Registration Statement filed pursuant to this Agreement to be specifically identified as an "underwriter" in order to permit such Registration Statement to become effective, and such Investor does not consent to being so named as an underwriter in such Registration Statement, then, in each such case, the Company shall reduce the total number of Registrable Securities to be registered on behalf of such Investor, until such time as the Staff or the SEC does not require such identification or until such Investor accepts such identification and the manner thereof. In the event of any reduction in Registrable Securities pursuant to this paragraph, an affected Investor shall have the right to require, upon delivery of a written request to the Company signed by such Investor, the Company to file a registration statement within thirty (30) days of such request

(subject to any restrictions imposed by Rule 415 or required by the Staff or the SEC) for resale by such Investor in a manner acceptable to such Investor, and the Company shall, following such request, use its reasonable best efforts to cause to be declared effective and to keep effective such registration statement in the same manner as otherwise contemplated in this Agreement for registration statements hereunder, in each case until such time as: (i) all Registrable Securities held by such Investor have been registered and sold pursuant to an effective Registration Statement in a manner acceptable to such Investor, (ii) all Registrable Securities may be resold by such Investor without restriction (including, without limitation, volume limitations) pursuant to Rule 144 (taking account of any Staff position with respect to "affiliate" status) and without the need for current public information required by Rule 144(c)(1) (or Rule 144(i)(2), if applicable), or (iii) such Investor agrees to be named as an underwriter in any such Registration Statement in a manner acceptable to such Investor as to all Registrable Securities held by such Investor and that have not theretofore been included in a Registration Statement under this Agreement.

(g) Piggyback Registrations. Without limiting any obligation of the Company hereunder or under the Subscription Agreement, if there is not an effective Registration Statement covering all of the Piggyback Registrable Securities or a prospectus contained therein is not available for use and the Company shall determine to prepare and file with the SEC a registration statement relating to an offering for its own account or the account of others under the 1933 Act of any of its equity securities (other than on Form S-4 or Form S-8 (each as promulgated under the 1933 Act) or their then equivalents relating to equity securities to be issued solely in connection with any acquisition of any entity or business or equity securities issuable in connection with the Company's equity compensation or other employee benefit plans), then the Company shall deliver to each Investor holding Piggyback Registrable Securities a written notice of such determination and, if within fifteen (15) days after the date of the delivery of such notice, any such Investor shall so request in writing, the Company shall include in such registration statement all or any part of such Piggyback Registrable Securities such Investor requests to be registered; provided, however, the Company shall not be required to register any Piggyback Registrable Securities pursuant to this Section 2(g) that are eligible for resale pursuant to Rule 144 without restriction (including, without limitation, volume restrictions) and without the need for current public information required by Rule 144(c)(1) (or Rule 144(i)(2), if applicable) or that are the subject of a then-effective Registration Statement.

(h) Allocation of Registrable Securities. The initial number of Registrable Securities included in any Registration Statement and any increase or decrease in the number of Registrable Securities included therein shall be allocated pro rata among the Investors based on the number of Registrable Securities held by each Investor at the time such Registration Statement covering such initial number of Registrable Securities or increase or decrease thereof is declared effective by the SEC. In the event that an Investor sells or otherwise transfers any of such Investor's Registrable Securities, each transferee or assignee (as the case may be) that becomes an Investor shall be allocated a pro rata portion of the then-remaining number of Registrable Securities included in such Registration Statement for such transferor or assignee (as the case may be). Any shares of Common Stock included in a Registration Statement and which remain allocated to any Person which ceases to hold any Registrable Securities covered by such Registration Statement shall be allocated to the remaining Investors, pro rata based on the number of Registrable Securities then held by such Investors which are covered by such Registration Statement.

3. Related Obligations.

The Company shall use its reasonable best efforts to effect the registration of the Registrable Securities in accordance with the intended method of disposition thereof, and, pursuant thereto, the Company shall have the following obligations:

(a) The Company shall promptly prepare and file with the SEC a Registration Statement with respect to the Registrable Securities (but in no event later than the applicable Filing Deadline) and use its reasonable best efforts to cause such Registration Statement to become effective as soon as practicable after such filing. Subject to Allowable Grace Periods (as defined below), the Company shall keep each Registration Statement effective (and the prospectus contained therein available for use) pursuant to Rule 415 for resales by the Investors on a delayed or continuous basis at then-prevailing market prices (and not fixed prices) at all times until the earlier of (i) the date as of which all of the Investors may sell all of the Registrable Securities required to be covered by such Registration Statement (disregarding any reduction pursuant to Section 2(f)) without restriction pursuant to Rule 144 (including, without limitation, volume restrictions) and without the need for current public information required by Rule 144(c)(1) (or Rule 144(i)(2), if applicable) or (ii) the date on which the Investors shall have sold all of the Registrable Securities covered by such Registration Statement (the "**Registration Period**"). Notwithstanding anything to the contrary contained in this Agreement, the Company shall ensure that, when filed and at all times while effective, each Registration Statement (including, without limitation, all amendments and supplements thereto) and the prospectus (including, without limitation, all amendments and supplements thereto) used in connection with such Registration Statement (1) shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein, or necessary to make the statements therein (in the case of prospectuses, in the light of the circumstances in which they were made) not misleading and (2) will disclose (whether directly or through incorporation by reference to other SEC filings to the extent permitted) all material information regarding the Company and its securities. The Company shall submit to the SEC, within two (2) Business Days after the later of the date that (i) the Company learns that no review of a particular Registration Statement will be made by the Staff or that the Staff has no further comments on a particular Registration Statement (as the case may be) and (ii) the consent of Legal Counsel is obtained pursuant to Section 3(c) (which consent shall be immediately sought), a request for acceleration of effectiveness of such Registration Statement to a time and date not later than forty-eight (48) hours after the submission of such request.

(b) Subject to Section 3(r) of this Agreement, the Company shall prepare and file with the SEC such amendments (including, without limitation, post-effective amendments) and supplements to each Registration Statement and the prospectus used in connection with each such Registration Statement, which prospectus is to be filed pursuant to Rule 424 promulgated under the 1933 Act, as may be necessary to keep each such Registration Statement effective at all times during the Registration Period for such Registration Statement, and, during such period, comply with the provisions of the 1933 Act with respect to the disposition of all Registrable Securities of the Company required to be covered by such Registration Statement until such time as all of such Registrable Securities shall have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof as set forth in such Registration Statement; provided, however, by 8:30 a.m. (California time) on the Business Day immediately following each Effective Date, the Company shall file with the SEC in accordance with Rule 424(b) under the

1933 Act the final prospectus to be used in connection with sales pursuant to the applicable Registration Statement. In the case of amendments and supplements to any Registration Statement which are required to be filed pursuant to this Agreement (including, without limitation, pursuant to this Section 3(b)) by reason of the Company filing a report on Form 10-Q or Form 10-K or any analogous report under the Securities Exchange Act of 1934, as amended (the "**1934 Act**"), the Company shall have incorporated such report by reference into such Registration Statement, if applicable, or shall file such amendments or supplements with the SEC within one (1) Business Day of the day on which the 1934 Act report is filed which created the requirement for the Company to amend or supplement such Registration Statement.

(c) The Company shall (A) permit Legal Counsel to review and comment upon (i) each Registration Statement at least five (5) Business Days prior to its filing with the SEC and (ii) all amendments and supplements to each Registration Statement (including, without limitation, the prospectus contained therein) (except for Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and any similar or successor reports) within a reasonable number of days prior to their filing with the SEC, and (B) not file any Registration Statement or amendment or supplement thereto in a form to which Legal Counsel reasonably objects. The Company shall not submit a request for acceleration of the effectiveness of a Registration Statement or any amendment or supplement thereto or to any prospectus contained therein without the prior consent of Legal Counsel, which consent shall not be unreasonably withheld, delayed or conditioned. The Company shall promptly furnish to Legal Counsel, without charge, (i) copies of any correspondence from the SEC or the Staff to the Company or its representatives relating to each Registration Statement, provided that such correspondence shall not contain any material, non-public information regarding the Company or any of its Subsidiaries (as defined in the Subscription Agreement), (ii) after the same is prepared and filed with the SEC, one (1) copy of each Registration Statement and any amendment(s) and supplement(s) thereto, including, without limitation, financial statements and schedules, all documents incorporated therein by reference, if requested by an Investor, and all exhibits, and (iii) upon the effectiveness of each Registration Statement, one (1) copy of the prospectus included in such Registration Statement and all amendments and supplements thereto, except in cases (ii) and (iii) above if such documents are filed with the SEC through EDGAR and are available to the public through the EDGAR system promptly after the same is prepared and filed with the SEC. The Company shall reasonably cooperate with Legal Counsel in performing the Company's obligations pursuant to this Section 3.

(d) The Company shall promptly furnish to each Investor whose Registrable Securities are included in any Registration Statement, without charge, to the extent that such documents are not available on the SEC's EDGAR system, (i) after the same is prepared and filed with the SEC, at least one (1) copy of each Registration Statement and any amendment(s) and supplement(s) thereto, including, without limitation, financial statements and schedules, all documents incorporated therein by reference, if requested by an Investor, all exhibits and each preliminary prospectus, (ii) upon the effectiveness of each Registration Statement, ten (10) copies of the prospectus included in such Registration Statement and all amendments and supplements thereto (or such other number of copies as such Investor may reasonably request from time to time), and (iii) such other documents, including, without limitation, copies of any preliminary or final prospectus, as such Investor may reasonably request from time to time in order to facilitate the disposition of the Registrable Securities owned by such Investor.

(e) The Company shall use its reasonable best efforts to (i) register and qualify, unless an exemption from registration and qualification applies, the resale by Investors of the Registrable Securities covered by a Registration Statement under such other securities or "blue sky" laws of all applicable jurisdictions in the United States, (ii) prepare and file in those jurisdictions, such amendments (including, without limitation, post-effective amendments) and supplements to such registrations and qualifications as may be necessary to maintain the effectiveness thereof during the Registration Period, (iii) take such other actions as may be necessary to maintain such registrations and qualifications in effect at all times during the Registration Period, and (iv) take all other actions reasonably necessary or advisable to qualify the Registrable Securities for sale in such jurisdictions; provided, however, that the Company shall not be required in connection therewith or as a condition thereto to (x) qualify to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 3(e), (y) subject itself to general taxation in any such jurisdiction, or (z) file a general consent to service of process in any such jurisdiction. The Company shall promptly notify Legal Counsel and each Investor who holds Registrable Securities of the receipt by the Company of any notification with respect to the suspension of the registration or qualification of any of the Registrable Securities for sale under the securities or "blue sky" laws of any jurisdiction in the United States or its receipt of actual notice of the initiation or threatening of any proceeding for such purpose.

(f) The Company shall notify Legal Counsel and each Investor in writing of the happening of any event, as promptly as practicable after becoming aware of such event, as a result of which the prospectus included in a Registration Statement, as then in effect, includes an untrue statement of a material fact or omission to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (provided that in no event shall such notice contain any material, non-public information regarding the Company or any of its Subsidiaries), and, subject to Section 3(r), promptly prepare a supplement or amendment to such Registration Statement and such prospectus contained therein to correct such untrue statement or omission and, unless such supplement or amendment has been filed with the SEC through EDGAR and is available to the public through the EDGAR system promptly after the same is prepared and filed with the SEC, deliver ten (10) copies of such supplement or amendment to Legal Counsel and each Investor (or such other number of copies as Legal Counsel or such Investor may reasonably request). The Company shall also promptly notify Legal Counsel and each Investor in writing (i) when a prospectus or any prospectus supplement or post-effective amendment has been filed, when a Registration Statement or any post-effective amendment has become effective (notification of such effectiveness shall be delivered to Legal Counsel and each Investor by facsimile or e-mail on the same day of such effectiveness and by overnight mail), and when the Company receives written notice from the SEC that a Registration Statement or any post-effective amendment will be reviewed by the SEC, (ii) of any request by the SEC for amendments or supplements to a Registration Statement or related prospectus or related information, (iii) of the Company's reasonable determination that a post-effective amendment to a Registration Statement would be appropriate; and (iv) of the receipt of any request by the SEC or any other federal or state governmental authority for any additional information relating to the Registration Statement or any amendment or supplement thereto or any related prospectus. The Company shall respond as promptly as practicable to any comments received from the SEC with respect to each Registration Statement or any amendment thereto, but in no event later than ten (10) Business Days after the Company's receipt of such comments.

(g) The Company shall (i) use its reasonable best efforts to prevent the issuance of any stop order or other suspension of effectiveness of each Registration Statement or the use of any prospectus contained therein, or the suspension of the qualification, or the loss of an exemption from qualification, of any of the Registrable Securities for sale in any jurisdiction and, if such an order or suspension is issued, to obtain the withdrawal of such order or suspension at the earliest possible moment and (ii) as promptly as reasonably practicable, but in any event within one (1) Business Day, via facsimile or electronic mail, notify Legal Counsel and each Investor who holds Registrable Securities of the issuance of such order and the resolution thereof or its receipt of actual notice of the initiation or threat of any proceeding for such purpose.

(h) If any Investor may be required under applicable securities law to be described in any Registration Statement as an underwriter and such Investor consents to so being named an underwriter, at the reasonable request of such Investor, the Company shall furnish to such Investor, on the date of the effectiveness of such Registration Statement and thereafter from time to time on such dates as an Investor may reasonably request (i) a letter, dated such date, from the Company's independent certified public accountants in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the Investors, and (ii) an opinion, dated as of such date, of counsel representing the Company for purposes of such Registration Statement, in form, scope and substance as is customarily given in an underwritten public offering, addressed to the Investors.

(i) If any Investor may be required under applicable securities law to be described in any Registration Statement as an underwriter and such Investor consents to so being named an underwriter, upon the written request of such Investor, the Company shall make available for inspection by (i) such Investor, (ii) legal counsel for such Investor, and (iii) one (1) firm of accountants or other agents retained by such Investor (collectively, the "**Inspectors**"), all pertinent financial and other records, and pertinent corporate documents and properties of the Company (collectively, the "**Records**"), as shall be reasonably deemed necessary by each Inspector, and cause the Company's officers, directors and employees to supply all information which any Inspector may reasonably request; provided, however, each Inspector shall agree in writing to hold in strict confidence and not to make any disclosure (except to such Investor) or use of any Record or other information which the Company's board of directors determines in good faith to be confidential, and of which determination the Inspectors are so notified, unless (1) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in any Registration Statement or is otherwise required under the 1933 Act, (2) the release of such Records is ordered pursuant to a final, non-appealable subpoena or order from a court or government body of competent jurisdiction, or (3) the information in such Records has been made generally available to the public other than by disclosure in violation of this Agreement or any other Transaction Document (as defined in the Subscription Agreement). Such Investor agrees that it shall, upon learning that disclosure of such Records is sought in or by a court or governmental body of competent jurisdiction or through other means, give prompt notice to the Company and allow the Company, at its expense, to undertake appropriate action to prevent disclosure of, or to obtain a protective order for, the Records deemed confidential. Nothing herein (or in any other confidentiality agreement between the Company and such Investor, if any) shall be deemed to limit any Investor's ability to sell Registrable Securities in a manner which is otherwise consistent with applicable laws and regulations.

(j) The Company shall hold in confidence and not make any disclosure of information concerning an Investor provided to the Company unless (i) disclosure of such information is necessary to comply with federal or state securities laws, (ii) the disclosure of such information is necessary to avoid or correct a misstatement or omission in any Registration Statement or is otherwise required to be disclosed in such Registration Statement pursuant to the 1933 Act, (iii) the release of such information is ordered pursuant to a subpoena or other final, non-appealable order from a court or governmental body of competent jurisdiction, or (iv) such information has been made generally available to the public other than by disclosure in violation of this Agreement or any other Transaction Document. The Company agrees that it shall, upon learning that disclosure of such information concerning an Investor is sought in or by a court or governmental body of competent jurisdiction or through other means, give prompt written notice to such Investor and allow such Investor, at such Investor's expense, to undertake appropriate action to prevent disclosure of, or to obtain a protective order for, such information.

(k) Without limiting any obligation of the Company under the Subscription Agreement, the Company shall use its reasonable best efforts either to (i) cause all of the Registrable Securities covered by each Registration Statement to be listed on each securities exchange on which securities of the same class or series issued by the Company are then listed, if any, if the listing of such Registrable Securities is then permitted under the rules of such exchange, (ii) secure designation and quotation of all of the Registrable Securities covered by each Registration Statement on the applicable Trading Market, or (iii) if, despite the Company's reasonable best efforts to satisfy the preceding clauses (i) or (ii) the Company is unsuccessful in satisfying the preceding clauses (i) or (ii), without limiting the generality of the foregoing, to use its reasonable best efforts to arrange for at least two market makers to register with the Financial Industry Regulatory Authority ("**FINRA**") as such with respect to such Registrable Securities. In addition, the Company shall cooperate with each Investor and any broker or dealer through which any such Investor proposes to sell its Registrable Securities in effecting a filing with FINRA pursuant to FINRA Rule 5110 as requested by such Investor. The Company shall pay all fees and expenses in connection with satisfying its obligations under this Section 3(k).

(l) The Company shall cooperate with the Investors who hold Registrable Securities being offered and, to the extent applicable, facilitate the timely preparation and delivery of certificates (not bearing any restrictive legend) representing the Registrable Securities to be offered pursuant to a Registration Statement and enable such certificates to be in such denominations or amounts (as the case may be) as the Investors may reasonably request from time to time and registered in such names as the Investors may request.

(m) If requested by an Investor, the Company shall, as soon as practicable after receipt of notice from such Investor and subject to Section 3(r) hereof, (i) incorporate in a prospectus supplement or post-effective amendment such information as an Investor reasonably requests to be included therein relating to the sale and distribution of Registrable Securities, including, without limitation, information with respect to the number of Registrable Securities being offered or sold, the purchase price being paid therefor and any other terms of the offering of the Registrable Securities to be sold in such offering; (ii) make all required filings of such prospectus supplement or post-effective amendment after being notified of the matters to be incorporated in such prospectus supplement or post-effective amendment; and (iii) supplement or make amendments to any Registration Statement or prospectus contained therein if reasonably requested by an Investor holding any Registrable Securities.

(n) The Company shall use its reasonable best efforts to cause the Registrable Securities covered by a Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to consummate the disposition of such Registrable Securities.

(o) The Company shall make generally available to its security holders as soon as practical, but not later than ninety (90) days after the close of the period covered thereby, an earnings statement (in form complying with, and in the manner provided by, the provisions of Rule 158 under the 1933 Act) covering a twelve-month period beginning not later than the first day of the Company's fiscal quarter next following the applicable Effective Date of each Registration Statement.

(p) The Company shall otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the SEC in connection with any registration hereunder.

(q) Within one (1) Business Day after a Registration Statement which covers Registrable Securities is declared effective by the SEC, the Company shall deliver, and shall cause legal counsel for the Company to deliver, to the transfer agent for such Registrable Securities (with copies to the Investors whose Registrable Securities are included in such Registration Statement) confirmation that such Registration Statement has been declared effective by the SEC.

(r) Notwithstanding anything to the contrary herein (but subject to the last sentence of this Section 3(r)), at any time after the Effective Date of a particular Registration Statement, (i) the Company may delay the disclosure of material, non-public information concerning the Company or any of its Subsidiaries the disclosure of which at the time is not, in the good faith opinion of the board of directors of the Company, in the best interest of the Company and, upon the advice of counsel to the Company, otherwise required and (ii) the Company may suspend the availability of a Registration Statement on Form S-1 if pursuant to applicable law it must file a post-effective amendment to such Registration Statement in connection with the filing of its Annual Report on Form 10-K or Quarterly Reports on Form 10-Q (each, a "**Grace Period**"), provided that the Company shall promptly (A) notify the Investors in writing of the existence of material, non-public information giving rise to a Grace Period (provided that in each such notice the Company shall not disclose the content of such material, non-public information to any of the Investors) and the date on which such Grace Period will begin and (B) notify the investors in writing of the date on which such Grace Period ends, provided further that (x) no Grace Period shall exceed fifteen (15) consecutive Trading Days and during any three hundred sixty five (365) day period all such Grace Periods shall not exceed an aggregate of forty-five (45) Trading Days, (y) the first day of any Grace Period must be at least five (5) Trading Days after the last day of any prior Grace Period, and (z) no Grace Period may exist during the sixty (60) Trading Day period immediately following the Effective Date of such Registration Statement (provided that such sixty (60) Trading Day period shall be extended by the number of Trading Days during such period and any extension thereof contemplated by this proviso during which such Registration Statement is not effective or the prospectus contained therein is not available for use) (each, an "**Allowable Grace Period**"). For purposes of determining the length of a Grace Period above, such Grace Period shall begin on and include the date the Investors receive the notice referred to in clause (i)

above and shall end on and include the later of the date the Investors receive the notice referred to in clause (ii) above and the date referred to in such notice. The provisions of Section 3(g) hereof shall not be applicable during the period of any Allowable Grace Period. Upon expiration of each Grace Period, the Company shall again be bound by the first sentence of Section 3(f) with respect to the information giving rise thereto unless such material, non-public information is no longer applicable. Notwithstanding anything to the contrary contained in this Section 3(r), the Company shall cause its transfer agent to deliver unlegended shares of Common Stock to a transferee of an Investor in accordance with the terms of the Subscription Agreement in connection with any sale of Registrable Securities made pursuant to an effective and available Registration Statement with respect to which such Investor has entered into a contract for sale, and delivered a copy of the prospectus included as part of the particular Registration Statement to the extent applicable, prior to such Investor's receipt of the notice of a Grace Period and for which the Investor has not yet settled.

4. Obligations of the Investors.

(a) At least five (5) Business Days prior to the first anticipated filing date of each Registration Statement, the Company shall notify each Investor in writing of the information the Company requires from each such Investor with respect to such Registration Statement. It shall be a condition precedent to the obligations of the Company to complete the registration pursuant to this Agreement with respect to the Registrable Securities of a particular Investor that such Investor shall furnish to the Company such information regarding itself, the Registrable Securities held by it and the intended method of disposition of the Registrable Securities held by it, as shall be reasonably required to effect and maintain the effectiveness of the registration of such Registrable Securities and shall execute such documents in connection with such registration as the Company may reasonably request.

(b) Each Investor, by such Investor's acceptance of the Registrable Securities, agrees to cooperate with the Company as reasonably requested by the Company in connection with the preparation and filing of each Registration Statement hereunder, unless such Investor has notified the Company in writing of such Investor's election to exclude all of such Investor's Registrable Securities from such Registration Statement.

(c) Each Investor agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 3(g) or the first sentence of 3(f), such Investor will immediately discontinue disposition of Registrable Securities pursuant to any Registration Statement(s) covering such Registrable Securities until such Investor's receipt of the copies of the supplemented or amended prospectus contemplated by Section 3(g) or the first sentence of Section 3(f) or receipt of notice that no supplement or amendment is required. Notwithstanding anything to the contrary in this Section 4(c), the Company shall cause its transfer agent to deliver unlegended shares of Common Stock to a transferee of an Investor in accordance with the terms of the Subscription Agreement in connection with any sale of Registrable Securities made pursuant to an effective and available Registration Statement with respect to which such Investor has entered into a contract for sale prior to the Investor's receipt of a notice from the Company of the happening of any event of the kind described in Section 3(g) or the first sentence of Section 3(f) and for which such Investor has not yet settled.

5. Expenses of Registration.

All reasonable expenses, other than underwriting discounts and commissions, incurred in connection with registrations, filings or qualifications pursuant to Sections 2 and 3, including, without limitation, all registration, listing and qualifications fees, printers and accounting fees, FINRA filing fees (if any) and fees and disbursements of counsel for the Company shall be paid by the Company.

6. Indemnification.

(a) In the event any Registrable Securities are included in any Registration Statement under this Agreement, to the fullest extent permitted by law, the Company will, and hereby does, indemnify, hold harmless and defend each Investor and each of its directors, officers, shareholders, members, partners, employees, agents, advisors, representatives (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding the lack of such title or any other title) and each Person, if any, who controls such Investor within the meaning of the 1933 Act or the 1934 Act and each of the directors, officers, shareholders, members, partners, employees, agents, advisors, representatives (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding the lack of such title or any other title) of such controlling Persons (each, an "**Indemnified Person**"), against any losses, obligations, claims, damages, liabilities, contingencies, judgments, fines, penalties, charges, costs (including, without limitation, court costs, reasonable and documented attorneys' fees and costs of defense and investigation), amounts paid in settlement or expenses, joint or several, (collectively, "**Claims**") incurred in investigating, preparing or defending any action, claim, suit, inquiry, proceeding, investigation or appeal taken from the foregoing by or before any court or governmental, administrative or other regulatory agency, body or the SEC, whether pending or threatened, whether or not an indemnified party is or may be a party thereto ("**Indemnified Damages**"), to which any of them may become subject insofar as such Claims (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon: (i) any untrue statement or alleged untrue statement of a material fact in a Registration Statement or any post-effective amendment thereto or in any filing made in connection with the qualification of the offering under the securities or other "blue sky" laws of any jurisdiction in which Registrable Securities are offered ("**Blue Sky Filing**"), or the omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus if used prior to the effective date of such Registration Statement, or contained in the final prospectus (as amended or supplemented, if the Company files any amendment thereof or supplement thereto with the SEC) or the omission or alleged omission to state therein any material fact necessary to make the statements made therein, in light of the circumstances under which the statements therein were made, not misleading, or (iii) any violation or alleged violation by the Company of the 1933 Act, the 1934 Act, any other law, including, without limitation, any state securities law, or any rule or regulation thereunder relating to the offer or sale of the Registrable Securities pursuant to a Registration Statement (the matters in the foregoing clauses (i) through (iii) being, collectively, "**Violations**"). Subject to Section 6(c), the Company shall reimburse the Indemnified Persons, promptly as such expenses are incurred and are due and payable, for any reasonable and documented legal fees or other reasonable expenses incurred by them in connection with investigating or defending any such Claim. Notwithstanding anything to the

contrary contained herein, the indemnification agreement contained in this Section 6(a): (i) shall not apply to a Claim by an Indemnified Person arising out of or based upon a Violation which occurs in reliance upon and in conformity with information furnished in writing to the Company by such Indemnified Person for such Indemnified Person expressly for use in connection with the preparation of such Registration Statement or any such amendment thereof or supplement thereto and (ii) shall not be available to a particular Investor to the extent such Claim is based on a failure of such Investor to deliver or to cause to be delivered the prospectus made available by the Company, including, without limitation, a corrected prospectus, if such prospectus or corrected prospectus was timely made available by the Company pursuant to Section 3(d) and then only if, and to the extent that, following the receipt of the corrected prospectus no grounds for such Claim would have existed; and (iii) shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of the Company, which consent shall not be unreasonably withheld, conditioned or delayed. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Indemnified Person and shall survive the transfer of any of the Registrable Securities by any of the Investors pursuant to Section 9.

(b) In connection with any Registration Statement in which an Investor is participating, each such Investor agrees to severally and not jointly indemnify, hold harmless and defend, to the same extent and in the same manner as is set forth in Section 6(a), the Company, each of its directors, each of its officers who signs the Registration Statement and each Person, if any, who controls the Company within the meaning of the 1933 Act or the 1934 Act (each, an "**Indemnified Party**"), against any Claim or Indemnified Damages to which any of them may become subject, under the 1933 Act, the 1934 Act or otherwise, insofar as such Claim or Indemnified Damages arise out of or are based upon any Violation, in each case, to the extent, and only to the extent, that such Violation occurs in reliance upon and in conformity with written information furnished to the Company by such Investor expressly for use in connection with such Registration Statement; and, subject to Section 6(c) and the below provisos in this Section 6(b), such Investor shall reimburse the Indemnified Party for any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such Claim; provided, however, that the indemnity agreement contained in this Section 6(b) and the agreement with respect to contribution contained in Section 7 shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of such Investor, which consent shall not be unreasonably withheld or delayed, provided further that such Investor shall be liable under this Section 6(b) for only that amount of a Claim or Indemnified Damages as does not exceed the net proceeds to such Investor as a result of the applicable sale of Registrable Securities pursuant to such Registration Statement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Indemnified Party and shall survive the transfer of any of the Registrable Securities by any of the Investors pursuant to Section 9.

(c) Promptly after receipt by an Indemnified Person or Indemnified Party (as the case may be) under this Section 6 of notice of the commencement of any action or proceeding (including, without limitation, any governmental action or proceeding) involving a Claim, such Indemnified Person or Indemnified Party (as the case may be) shall, if a Claim in respect thereof is to be made against any indemnifying party under this Section 6, deliver to the indemnifying party a written notice of the commencement thereof, and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other

indemnifying party similarly noticed, to assume control of the defense thereof with counsel mutually satisfactory to the indemnifying party and the Indemnified Person or the Indemnified Party (as the case may be); provided, however, an Indemnified Person or Indemnified Party (as the case may be) shall have the right to retain its own counsel with the fees and expenses of such counsel to be paid by the indemnifying party if: (i) the indemnifying party has agreed in writing to pay such fees and expenses; (ii) the indemnifying party shall have failed promptly to assume the defense of such Claim and to employ counsel reasonably satisfactory to such Indemnified Person or Indemnified Party (as the case may be) in any such Claim; or (iii) the named parties to any such Claim (including, without limitation, any impleaded parties) include both such Indemnified Person or Indemnified Party (as the case may be) and the indemnifying party, and such Indemnified Person or such Indemnified Party (as the case may be) shall have been advised by counsel that a conflict of interest is likely to exist if the same counsel were to represent such Indemnified Person or such Indemnified Party and the indemnifying party (in which case, if such Indemnified Person or such Indemnified Party (as the case may be) notifies the indemnifying party in writing that it elects to employ separate counsel at the expense of the indemnifying party, then the indemnifying party shall not have the right to assume the defense thereof and such counsel shall be at the expense of the indemnifying party), provided further that in the case of clause (iii) above the indemnifying party shall not be responsible for the reasonable fees and expenses of more than one (1) separate legal counsel for such Indemnified Person or Indemnified Party (as the case may be). The Indemnified Party or Indemnified Person (as the case may be) shall reasonably cooperate with the indemnifying party in connection with any negotiation or defense of any such action or Claim by the indemnifying party and shall furnish to the indemnifying party all information reasonably available to the Indemnified Party or Indemnified Person (as the case may be) which relates to such action or Claim. The indemnifying party shall keep the Indemnified Party or Indemnified Person (as the case may be) reasonably apprised at all times as to the status of the defense or any settlement negotiations with respect thereto. No indemnifying party shall be liable for any settlement of any action, claim or proceeding effected without its prior written consent; provided, however, the indemnifying party shall not unreasonably withhold, delay or condition its consent. No indemnifying party shall, without the prior written consent of the Indemnified Party or Indemnified Person (as the case may be), consent to the entry of any judgment or enter into any settlement or other compromise which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party or Indemnified Person (as the case may be) of a release from all liability in respect to such Claim or litigation, and such settlement shall not include any admission as to fault on the part of the Indemnified Party or Indemnified Person (as the case may be). Following indemnification as provided for hereunder, the indemnifying party shall be subrogated to all rights of the Indemnified Party or Indemnified Person (as the case may be) with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall not relieve such indemnifying party of any liability to the Indemnified Person or Indemnified Party (as the case may be) under this Section 6, except to the extent that the indemnifying party is materially and adversely prejudiced in its ability to defend such action.

(d) No Person involved in the sale of Registrable Securities who is guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) in connection with such sale shall be entitled to indemnification from any Person involved in such sale of Registrable Securities who is not guilty of fraudulent misrepresentation.

(e) The indemnification required by this Section 6 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or Indemnified Damages are incurred.

(f) The indemnity and contribution agreements contained herein shall be in addition to (i) any cause of action or similar right of the Indemnified Party or Indemnified Person against the indemnifying party or others, and (ii) any liabilities the indemnifying party may be subject to pursuant to the law.

7. Contribution.

To the extent any indemnification by an indemnifying party is prohibited or limited by law, the indemnifying party agrees to make the maximum contribution with respect to any amounts for which it would otherwise be liable under Section 6 to the fullest extent permitted by law; provided, however: (i) no contribution shall be made under circumstances where the maker would not have been liable for indemnification under the fault standards set forth in Section 6 of this Agreement, (ii) no Person involved in the sale of Registrable Securities which Person is guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) in connection with such sale shall be entitled to contribution from any Person involved in such sale of Registrable Securities who was not guilty of fraudulent misrepresentation; and (iii) contribution by any seller of Registrable Securities shall be limited in amount to the amount of net proceeds received by such seller from the applicable sale of such Registrable Securities pursuant to such Registration Statement. Notwithstanding the provisions of this Section 7, no Investor shall be required to contribute, in the aggregate, any amount in excess of the amount by which the net proceeds actually received by such Investor from the applicable sale of the Registrable Securities subject to the Claim exceeds the amount of any damages that such Investor has otherwise been required to pay, or would otherwise be required to pay under Section 6(b), by reason of such untrue or alleged untrue statement or omission or alleged omission.

8. Reports Under the 1934 Act.

With a view to making available to the Investors the benefits of Rule 144, the Company agrees to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the 1933 Act and the 1934 Act so long as the Company remains subject to such requirements (it being understood and agreed that nothing herein shall limit any obligations of the Company under the Subscription Agreement) and the filing of such reports and other documents is required for the applicable provisions of Rule 144; and

(c) furnish to each Investor, so long as such Investor owns Registrable Securities, promptly upon request, (i) a written statement by the Company, if true, that it has complied with the reporting, submission and posting requirements of Rule 144 and the 1934 Act, (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company with the SEC if such reports are not publicly available via EDGAR, and (iii) such other information as may be reasonably requested to permit the Investors to sell such securities pursuant to Rule 144 without registration.

9. Assignment of Registration Rights.

All or any portion of the rights under this Agreement shall be automatically assignable by each Investor to any transferee or assignee (as the case may be) of all or any portion of such Investor's Registrable Securities if: (i) such Investor agrees in writing with such transferee or assignee (as the case may be) to assign all or any portion of such rights, and a copy of such agreement is furnished to the Company within a reasonable time after such transfer or assignment (as the case may be); (ii) the Company is, within a reasonable time after such transfer or assignment (as the case may be), furnished with written notice of (a) the name and address of such transferee or assignee (as the case may be), and (b) the securities with respect to which such registration rights are being transferred or assigned (as the case may be); (iii) immediately following such transfer or assignment (as the case may be) the further disposition of such securities by such transferee or assignee (as the case may be) is restricted under the 1933 Act or applicable state securities laws if so required; (iv) at or before the time the Company receives the written notice contemplated by clause (ii) of this sentence, such transferee or assignee (as the case may be) agrees in writing with the Company to be bound by all of the provisions contained herein; (v) such transfer or assignment (as the case may be) shall have been made in accordance with the applicable requirements of the Subscription Agreement; and (vi) such transfer or assignment (as the case may be) shall have been conducted in accordance with all applicable federal and state securities laws.

10. Amendment of Registration Rights.

Provisions of this Agreement may be amended only with the written consent of the Company and the Required Holders. Any amendment effected in accordance with this Section 10 shall be binding upon each Investor and the Company, provided that no such amendment shall be effective to the extent that it (1) applies to less than all of the holders of the holders of Registrable Securities, (2) imposes any obligation or liability on any Investor without such Investor's prior written consent (which may be granted or withheld in such Investor's sole discretion), or (3) applies retroactively. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party. No consideration shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of this Agreement unless the same consideration also is offered to all of the parties to this Agreement.

11. Miscellaneous.

(a) Except for registration rights granted in connection with an Exempt Financing, during the term of this Agreement, the Company shall not grant to any third party any registration rights that are senior to the registration rights provided to the Investors pursuant to this Agreement.

(b) Solely for purposes of this Agreement, a Person is deemed to be a holder of Registrable Securities whenever such Person owns, or is deemed to own, of record such Registrable Securities. If the Company receives conflicting instructions, notices or elections from two or more Persons with respect to the same Registrable Securities, the Company shall act upon the basis of instructions, notice or election received from such record owner of such Registrable Securities.

(c) Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party); (iii) with respect to Section 3(c), by electronic mail (provided confirmation of transmission is electronically generated and kept on file by the sending party); or (iv) one (1) Business Day after deposit with a nationally recognized overnight delivery service with next day delivery specified, in each case, properly addressed to the party to receive the same. The addresses and facsimile numbers for such communications shall be:

If to the Company:

Conkwest, Inc.
The Plastino Building
2533 South Coast Highway 101, Suite 210
Cardiff-by-the-Sea, CA 92007
Telephone: (858) 633-0300
Facsimile: (858) 380-1999
Attention: Chief Executive Officer

If to the Purchaser, to its address and facsimile number set forth on the signature page attached to the Subscription Agreement, with copies to any of the Purchaser's representatives as set forth on such signature page, or to such other address and/or facsimile number and/or to the attention of such other Person as the recipient party has specified by written notice given to each other party five (5) days prior to the effectiveness of such change. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication, (B) mechanically or electronically generated by the sender's facsimile machine or electronic mail transmission containing the time, date, recipient facsimile number or electronic mail address and an image of the first page of such transmission, or (C) provided by a courier or overnight courier service shall be rebuttable evidence of personal service, receipt by facsimile, receipt by electronic mail or receipt from a nationally recognized overnight delivery service in accordance with clause (i), (ii), (iii) or (iv) above, respectively.

(d) Failure of any party to exercise any right or remedy under this Agreement or otherwise, or delay by a party in exercising such right or remedy, shall not operate as a waiver thereof. The Company and each Investor acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that each party hereto shall be entitled to an injunction or injunctions to prevent or cure breaches of the provisions of this Agreement by any other party hereto and to enforce specifically the terms and provisions hereof (without the necessity of showing economic loss and without any bond or other security being required), this being in addition to any other remedy to which any party may be entitled by law or equity.

(e) All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of Delaware. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts , for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.

(f) This Agreement, the other Transaction Documents, the schedules and exhibits attached hereto and thereto and the instruments referenced herein and therein constitute the entire agreement among the parties hereto and thereto solely with respect to the subject matter hereof and thereof. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein and therein. This Agreement, the other Transaction Documents, the schedules and exhibits attached hereto and thereto and the instruments referenced herein and therein supersede all prior agreements, understandings, discussions and representations, oral or written, among the parties hereto solely with respect to the subject matter hereof and thereof; provided, however, nothing contained in this Agreement or any other Transaction Document shall (or shall be deemed to) (i) have any effect on any agreements any Investor has entered into with the Company or any of its Subsidiaries prior to the date hereof with respect to any prior investment made by such Investor in the Company, (ii) waive, alter, modify or amend in any respect any obligations of the Company or any of its Subsidiaries or any rights of or benefits to any Investor or any other Person in any agreement entered into prior to the date hereof between or among the Company and/or any of its Subsidiaries and any Investor and all such agreements shall continue in full force and effect, or (iii) limit any obligations of the Company under any of the other Transaction Documents.

(g) Subject to compliance with Section 9 (if applicable), this Agreement shall inure to the benefit of and be binding upon the permitted successors and assigns of each of the parties hereto. This Agreement is not for the benefit of, nor may any provision hereof be enforced by, any Person, other than the parties hereto, their respective permitted successors and assigns and the Persons referred to in Sections 6 and 7 hereof.

(h) The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof. Unless the context clearly indicates otherwise, each pronoun herein shall be deemed to include the masculine, feminine, neuter, singular and plural forms thereof. The terms “including,” “includes,” “include” and words of like import shall be construed broadly as if followed by the words “without limitation.” The terms “herein,” “hereunder,” “hereof” and words of like import refer to this entire Agreement instead of just the provision in which they are found.

(i) This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such signature page shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

(j) Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(k) The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent and no rules of strict construction will be applied against any party. Notwithstanding anything to the contrary set forth in Section 10, terms used in this Agreement but defined in the Subscription Agreement shall have the meanings ascribed to such terms in the Subscription Agreement unless otherwise consented to in writing by each Investor.

(l) All consents and other determinations required to be made by the Investors pursuant to this Agreement shall be made, unless otherwise specified in this Agreement, by the Required Holders.

(m) The obligations of each Investor under this Agreement and the other Transaction Documents are several and not joint with the obligations of any other Investor, and no Investor shall be responsible in any way for the performance of the obligations of any other Investor under this Agreement or any other Transaction Document. Nothing contained herein or in any other Transaction Document, and no action taken by any Investor pursuant hereto or thereto, shall be deemed to constitute the Investors as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Investors are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by the Transaction Documents, and the Company acknowledges that the Investors are not acting in concert or as a group, and the Company shall not assert any such claim, with respect to such obligations or the transactions contemplated by this Agreement or any of the other Transaction Documents. Subject to the provisions on amendment set forth in Section 10, each Investor shall be entitled to independently protect and enforce its rights (including, without limitation, the rights arising out of this Agreement or out of any other Transaction Documents), and it shall not be necessary for any other Investor to be joined as an additional party in any proceeding for such purpose. The use of a single

agreement with respect to the obligations of the Company contained herein was solely in the control of the Company, not the action or decision of any Investor, and was done solely for the convenience of the Company and not because it was required or requested to do so by any Investor. It is expressly understood and agreed that each provision contained in this Agreement and in each other Transaction Document is between the Company and an Investor, solely, and not between the Company and the Investors collectively and not between and among Investors.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, Purchaser and the Company have caused their respective signature page to this Registration Rights Agreement to be duly executed as of the date first written above.

COMPANY:

CONKWEST, INC.

By: _____
Name:
Title:

IN WITNESS WHEREOF, each Purchaser and the Company have caused their respective signature page to this Registration Rights Agreement to be duly executed as of the date first written above.

PURCHASER

By: _____
Name:
Title:

EXHIBIT A

SELLING STOCKHOLDERS

The shares of common stock being offered by the selling stockholders are those previously issued to the selling stockholders. For additional information regarding the issuance of common stock, see "Private Placement of Securities" above. We are registering the shares of common stock in order to permit the selling stockholders to offer the shares for resale from time to time. Except for the ownership of the common stock issued pursuant to the Subscription Agreement or as otherwise provided in the footnotes to the table below, the selling stockholders have not had any material relationship with us within the past three years.

The table below lists the selling stockholders and other information regarding the beneficial ownership (as determined under Section 13(d) of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder) of the shares of common stock held by each of the selling stockholders and the nature of any position, office or other material relationship, if any, which the selling stockholder has had, within the past three years, with us or with any of our predecessors or affiliates. The second column lists the number of shares of common stock beneficially owned by the selling stockholders, based on their respective ownership of shares of common stock, as of [●], 20[__]

The third column lists the shares of common stock being offered by this prospectus by the selling stockholders.

In accordance with the terms of a registration rights agreement with the holders of the common stock, this prospectus generally covers the resale of the number of shares of common stock issued in connection with the Subscription Agreement as of the trading day immediately preceding the date this registration statement was initially filed with the SEC. The number of shares that will actually be issued may be more or less than the number of shares being offered by this prospectus. The fourth column assumes the sale of all of the shares offered by the selling stockholders pursuant to this prospectus.

The selling stockholders may sell all, some or none of their shares in this offering. See "Plan of Distribution."

Name of Selling Stockholder	Number of Shares of Common Stock Owned Prior to Offering	Maximum Number of Shares of Common Stock to be Sold Pursuant to this Prospectus	Number of Shares of Common Stock Owned After Offering

PLAN OF DISTRIBUTION

We are registering the shares of common stock previously issued to permit the resale of these shares of common stock by the holders of the common stock from time to time after the date of this prospectus. We will not receive any of the proceeds from the sale by the selling stockholders of the shares of common stock. We will bear all fees and expenses incident to our obligation to register the shares of common stock.

The selling stockholders may sell all or a portion of the shares of common stock held by them and offered hereby from time to time directly or through one or more underwriters, broker-dealers or agents. If the shares of common stock are sold through underwriters or broker-dealers, the selling stockholders will be responsible for underwriting discounts or commissions or agent's commissions. The shares of common stock may be sold in one or more transactions at fixed prices, at prevailing market prices at the time of the sale, at varying prices determined at the time of sale or at negotiated prices. These sales may be effected in transactions, which may involve crosses or block transactions, pursuant to one or more of the following methods:

- on any national securities exchange or quotation service on which the securities may be listed or quoted at the time of sale;
- in the over-the-counter market;
- in transactions otherwise than on these exchanges or systems or in the over-the-counter market;
- through the writing or settlement of options, whether such options are listed on an options exchange or otherwise;
- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- short sales made after the date the Registration Statement is declared effective by the SEC;
- sales pursuant to Rule 144;
- agreements between broker-dealers and the selling securityholders to sell a specified number of such shares at a stipulated price per share;
- a combination of any such methods of sale; and
- any other method permitted pursuant to applicable law.

The selling stockholders may also sell shares of common stock under Rule 144 promulgated under the Securities Act of 1933, as amended, if available, rather than under this prospectus. In addition, the selling stockholders may transfer the shares of common stock by other means not described in this prospectus. If the selling stockholders effect such transactions by selling shares of common stock to or through underwriters, broker-dealers or agents, such underwriters, broker-dealers or agents may receive commissions in the form of discounts, concessions or commissions from the selling stockholders or commissions from purchasers of the

shares of common stock for whom they may act as agent or to whom they may sell as principal (which discounts, concessions or commissions as to particular underwriters, broker-dealers or agents may be in excess of those customary in the types of transactions involved). In connection with sales of the shares of common stock or otherwise, the selling stockholders may enter into hedging transactions with broker-dealers, which may in turn engage in short sales of the shares of common stock in the course of hedging in positions they assume. The selling stockholders may also sell shares of common stock short and deliver shares of common stock covered by this prospectus to close out short positions and to return borrowed shares in connection with such short sales. The selling stockholders may also loan or pledge shares of common stock to broker-dealers that in turn may sell such shares.

The selling stockholders may pledge or grant a security interest in some or all of the shares of common stock owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell the shares of common stock from time to time pursuant to this prospectus or any amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act amending, if necessary, the list of selling stockholders to include the pledgee, transferee or other successors in interest as selling stockholders under this prospectus. The selling stockholders also may transfer and donate the shares of common stock in other circumstances in which case the transferees, donees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus.

To the extent required by the Securities Act and the rules and regulations thereunder, the selling stockholders and any broker-dealer participating in the distribution of the shares of common stock may be deemed to be “underwriters” within the meaning of the Securities Act, and any commission paid, or any discounts or concessions allowed to, any such broker-dealer may be deemed to be underwriting commissions or discounts under the Securities Act. At the time a particular offering of the shares of common stock is made, a prospectus supplement, if required, will be distributed, which will set forth the aggregate amount of shares of common stock being offered and the terms of the offering, including the name or names of any broker-dealers or agents, any discounts, commissions and other terms constituting compensation from the selling stockholders and any discounts, commissions or concessions allowed or re-allowed or paid to broker-dealers.

Under the securities laws of some states, the shares of common stock may be sold in such states only through registered or licensed brokers or dealers. In addition, in some states the shares of common stock may not be sold unless such shares have been registered or qualified for sale in such state or an exemption from registration or qualification is available and is complied with.

There can be no assurance that any selling stockholder will sell any or all of the shares of common stock registered pursuant to the registration statement of which this prospectus forms a part.

The selling stockholders and any other person participating in such distribution will be subject to applicable provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, including, without limitation, to the extent applicable, Regulation M of the Exchange Act, which may limit the timing of purchases and sales of any of the shares of common stock by the selling stockholders and any other participating person. To the extent

applicable, Regulation M may also restrict the ability of any person engaged in the distribution of the shares of common stock to engage in market-making activities with respect to the shares of common stock. All of the foregoing may affect the marketability of the shares of common stock and the ability of any person or entity to engage in market-making activities with respect to the shares of common stock.

We will pay all expenses of the registration of the shares of common stock pursuant to the registration rights agreement, estimated to be $[●] in total, including, without limitation, Securities and Exchange Commission filing fees and expenses of compliance with state securities or "blue sky" laws; provided, however, a selling stockholder will pay all underwriting discounts and selling commissions, if any. We will indemnify the selling stockholders against liabilities, including some liabilities under the Securities Act in accordance with the registration rights agreements or the selling stockholders will be entitled to contribution. We may be indemnified by the selling stockholders against civil liabilities, including liabilities under the Securities Act that may arise from any written information furnished to us by the selling stockholder specifically for use in this prospectus, in accordance with the related registration rights agreements or we may be entitled to contribution.

Once sold under the registration statement, of which this prospectus forms a part, the shares of common stock will be freely tradable in the hands of persons other than our affiliates.

Exhibit 4.3

EXECUTION VERSION

REGISTRATION RIGHTS AGREEMENT

This **REGISTRATION RIGHTS AGREEMENT** (this "**Agreement**"), dated as of December 23, 2014, is by and among Conkwest, Inc., a Delaware corporation (the "**Company**"), and the undersigned purchaser (the "**Purchaser**"). The Company and the Purchaser may be referred to herein individually as a "**Party**" and together as the "**Parties**."

RECITALS

A. In connection with the Subscription and Investment Agreement by and among the parties hereto, dated as of December 23, 2014 (the "**Subscription Agreement**"), the Company has agreed, upon the terms and subject to the conditions of the Subscription Agreement, to issue and sell to the Purchaser the Securities (as defined in the Subscription Agreement).

B. To induce the Purchaser to consummate the transactions contemplated by the Subscription Agreement, the Company has agreed to provide certain registration rights under the Securities Act of 1933, as amended, and the rules and regulations thereunder, or any similar successor statute (collectively, the "**1933 Act**"), and applicable state securities laws.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Purchaser hereby agree as follows:

1. Definitions.

Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Subscription Agreement. As used in this Agreement, the following terms shall have the following meanings:

(a) "**Business Day**" means any day other than Saturday, Sunday or any other day on which commercial banks in California are authorized or required by law to remain closed.

(b) "**Effective Date**" means the date that the applicable Registration Statement has been declared effective by the SEC.

(c) "**Exempt Financing**" means (i) a financing in which the Company issues shares of Common Stock at a purchase price per share of Common Stock in excess of the purchase price per share paid by the Purchaser (as adjusted for stock splits, stock dividends, recapitalizations or similar events) or (ii) a financing in which the Company issues securities convertible, exercisable or exchangeable for shares of Common Stock at a purchase price per security (including any amount required to be paid to the Company in connection with any conversion, exercise or exchange thereunder) in excess of the purchase price per share paid by the Purchaser (as adjusted for stock splits, stock dividends, recapitalizations or similar events).

(d) "**Filing Deadline**" means (i) with respect to the Demand Registration Statement required to be filed pursuant to Section 2(a), the later of (A) the 90th calendar day after the date of consummation of a Qualified IPO, (B) the 30th calendar day immediately preceding the expiration of the lock-up agreement described in Section 2(a)(ii) and (C) the 30th calendar day following receipt of the written request for Demand Registration pursuant to Section 2(a)(i), and (ii) with respect to any additional Registration Statements that may be required to be filed by the Company pursuant to this Agreement, the date on which the Company was required to file such additional Registration Statement pursuant to the terms of this Agreement.

(e) "**Investor**" means the Purchaser or any transferee or assignee of any Registrable Securities, as applicable, to whom the Purchaser assigns his rights in accordance with this Agreement and who agrees to become bound by the provisions of this Agreement in accordance with Section 9 and any transferee or assignee thereof to whom a transferee or assignee of any Registrable Securities assigns its rights under this Agreement and who agrees to become bound by the provisions of this Agreement in accordance with Section 9.

(f) "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization or a government or any department or agency thereof.

(g) "**Piggyback Registrable Securities**" means (i) the aggregate number of Securities issued under the Subscription Agreement on the Closing Date, and (ii) any capital stock of the Company issued or issuable with respect to such Securities, including, without limitation, (1) as a result of any stock split, stock dividend, recapitalization, exchange or similar event or otherwise and (2) shares of capital stock of the Company into which such Securities are converted or exchanged and shares of capital stock of a successor entity into which such Securities are converted or exchanged.

(h) "**register**," "**registered**," and "**registration**" refer to a registration effected by preparing and filing one or more Registration Statements in compliance with the 1933 Act and pursuant to Rule 415 and the declaration of effectiveness of such Registration Statement(s) by the SEC.

(i) "**Registrable Securities**" means (i) the Securities issued on the Closing Date pursuant to the Subscription Agreement, and (ii) any capital stock of the Company issued or issuable with respect to such Securities, including, without limitation, (1) as a result of any stock split, stock dividend, recapitalization, exchange or similar event or otherwise and (2) shares of capital stock of the Company into which such Securities are converted or exchanged and shares of capital stock of a successor entity into which such Securities are converted or exchanged.

(j) "**Registration Statement**" means a registration statement or registration statements of the Company filed under the 1933 Act covering Registrable Securities.

(k) "**Required Holders**" means the holders of at least a majority of the Registrable Securities (excluding any Registrable Securities held by the Company or any of its Subsidiaries); provided, however, that Required Holders shall mean the holders of at least a majority of the Piggyback Registrable Securities with respect to any amendment of Section 2(g) or the definition of "Piggyback Registrable Securities".

(l) "**Required Registration Amount**" means such number of shares of Common Stock as shall equal the lesser of (x) $10,000,000 and (y) one-third of the aggregate fair market value of the Registrable Securities held by the Investor as of the date of the Demand Request (as defined in Section 2(a)(i)), in each case as calculated in reference to the average closing price per share of the Common Stock on the applicable Trading Market upon which such Common Stock is listed for the 10 Trading Days prior to the date such Registration Statement is initially filed with the SEC; provided that the Required Registration Amount shall not include any shares not included in a registration statement due to reductions made in accordance with Section 2(f).

(m) "**Rule 144**" means Rule 144 promulgated by the SEC under the 1933 Act, as such rule may be amended from time to time, or any other similar or successor rule or regulation of the SEC that may at any time permit the Investor to sell securities of the Company to the public without registration.

(n) "**Rule 415**" means Rule 415 promulgated by the SEC under the 1933 Act, as such rule may be amended from time to time, or any other similar or successor rule or regulation of the SEC providing for the offering of securities on a continuous or delayed basis.

(o) "**SEC**" means the United States Securities and Exchange Commission or any successor thereto.

2. Registration.

(a) Demand Registration.

(i) Following the consummation by the Company of the Initial Public Offering, if the Company shall receive from Investors holding not less than 50.1% of the Registrable Securities a written request (the "**Demand Request**") that the Company effect any registration with respect to all or a part of the Registrable Securities owned by such Investors (each such request shall be referred to herein as a "**Demand Registration**"), the Company shall, subject to the terms of this Agreement, including the terms set forth in Section 2(a)(ii) hereof, prepare and, as soon as practicable, but in no event later than the Filing Deadline, file with the SEC an initial Registration Statement on Form S-3, if the Company is eligible to use Form S-3, otherwise, on Form S-1, covering the resale of such number of the Registrable Securities as shall equal the Required Registration Amount. Such initial Registration Statement, and each other Registration Statement required to be filed pursuant to the terms of this Agreement, shall contain (except if otherwise directed by the Required Holders) the "Selling Stockholders" and "Plan of Distribution" sections in substantially the form attached hereto as **Exhibit A**. The Company shall use its reasonable best efforts to have such initial Registration Statement, and each other Registration Statement required to be filed pursuant to the -leans of this Agreement, declared effective by the SEC as soon as practicable.

(ii) Each Investor holding Registrable Securities acknowledges and agrees that, if requested by the underwriter for the Company's Qualified IPO, such Investor will execute and deliver a lock-up agreement to such underwriter on terms no less favorable to the Investor than the terms of those provided in the lock-up agreements which other shareholders of the Company executed and delivered to the underwriter in connection with the Qualified IPO.

(iii) Notwithstanding anything contained in Section 2(a)(i) hereof to the contrary, the Company shall not be obligated to effect, or take any action to effect, any such registration pursuant to Section 2(a)(i) with respect to the Registrable Securities:

(1) After the Company has consummated one (1) Demand Registration pursuant to Section 2(a)(i);

(2) In any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, unless the Company is already subject to service of process in such jurisdiction and except as may be required by the 1933 Act or applicable rules or regulations thereunder; or

(3) If at the time the Company receives the Demand Registration request to register Registrable Securities, the Company or any of its Subsidiaries is engaged in confidential negotiations to effect a proposed material transaction or other confidential business activities, disclosure of which would be required in such registration statement (but would not be required if such registration statement were not filed), and the Board of Directors of the Company determines in good faith that such disclosure would have a material adverse effect on the Company, any of its Subsidiaries or their respective businesses, or on the ability of any of the foregoing Persons to effect a proposed material transaction, including a proposed material acquisition, disposition, financing, reorganization, recapitalization or similar transaction; provided, however, that (a) no deferral of the filing of a registration statement pursuant to this Section 2(a)(iii)(3) shall be effected if the negotiations or other activities are disclosed or if the Company determines such negotiations have been terminated, and the requested registration statement shall be filed by the later of (A) the applicable Filing Deadline or (B) thirty (30) calendar days from such disclosure or determination, and (b) the deferral provided pursuant to this Section 2(a)(iii)(3) shall not be used more than once in any consecutive 12-month period.

(b) Legal Counsel. Subject to Section 5 hereof, the Purchaser shall have the right to select one (1) legal counsel to review and oversee, solely on its behalf, any registration pursuant to this Section 2 ("**Legal Counsel**").

(c) Reserved.

(d) Sufficient Number of Shares Registered. In the event the number of shares available under any Registration Statement is insufficient to cover all of the Registrable Securities required to be covered by such Registration Statement or an Investor's allocated portion of the Registrable Securities pursuant to Section 2(h), the Company shall amend such Registration Statement (if permissible), or file with the SEC a new Registration Statement (on the short form available therefor, if applicable), or both, so as to cover at least the Required Registration Amount as of the Trading Day immediately preceding the date of the filing of such amendment or new Registration Statement, in each case, as soon as practicable, but in any event not later than fifteen (15) days after the Company, acting in good faith, first becomes aware of

the necessity therefor (but taking account of any position of the staff of the SEC (the "**Staff**") with respect to the date on which the Staff will permit such amendment to the Registration Statement and/or such new Registration Statement (as the case may be) to be filed with the SEC). The Company shall use its reasonable best efforts to cause such amendment to such Registration Statement and/or such new Registration Statement (as the case may be) to become effective as soon as practicable following the filing thereof with the SEC.

(e) Effect of Failure to File and Obtain and Maintain Effectiveness of any Registration Statement. If (i) a Registration Statement covering the resale of all of the Registrable Securities required to be covered thereby (disregarding any reduction pursuant to Section 2(f)) and required to be filed by the Company pursuant to this Agreement is not filed with the SEC on or before the Filing Deadline for such Registration Statement (a "**Filing Failure**") (it being understood that if the Company files a Registration Statement without affording Legal Counsel the opportunity to review and comment on the same as required by Section 3(b) hereof, the Company shall be deemed to not have satisfied this clause (i) and such event shall be deemed to be a Filing Failure), (ii) the Company shall not have filed a "final" prospectus for such Registration Statement with the SEC under Rule 424(b) in accordance with Section 3(b) within one (1) Business Day immediately following the Effective Date for such Registration Statement (whether or not such a prospectus is technically required by such rule) (the "**Acceleration Failure**"), (iii) other than during an Allowable Grace Period (as defined below), on any day after the Effective Date of a Registration Statement sales of all of the Registrable Securities required to be included on such Registration Statement (disregarding any reduction pursuant to Section 2(f)) cannot be made pursuant to such Registration Statement (including, without limitation, because of a failure to keep such Registration Statement effective, a failure to disclose such information as is necessary for sales to be made pursuant to such Registration Statement, a suspension or delisting of (or a failure to timely list) the Securities on the applicable Trading Market (as defined in the Subscription Agreement), or a failure to register a sufficient number of Securities or by reason of a stop order) or the prospectus contained therein is not available for use for any reason (a "**Maintenance Failure**"), or (iv) a Registration Statement is not effective for any reason or the prospectus contained therein is not available for use for any reason, the Company fails to file with the SEC any required reports under Section 13 or 15(d) of the 1934 Act (as defined below) such that it is not in compliance with Rule 144(c)(1) (or Rule 144(i)(2), if applicable) (a "**Current Public Information Failure**" and, together with a Filing Failure, Acceleration Failure and Maintenance Failure, a "**Failure**")) as a result of which any of the Investors are unable to sell Registrable Securities without restriction under Rule 144 (including, without limitation, volume restrictions), then, as partial relief for the damages to any holder by reason of any such delay in, or reduction of, its ability to sell the Securities (which remedy shall not be exclusive of any other remedies available at law or in equity), the Company shall pay to each holder of Registrable Securities relating to such Registration Statement an amount in cash equal to one percent (1%) of the aggregate purchase price paid by such Investor pursuant to the Subscription Agreement for any Registrable Securities held by such Investor on the date of the applicable Failure (or if such Failure relates to only a portion of the Registrable Securities, then only with respect to the Investor's allocable cash investment with respect to such portion of such Registrable Securities) (1) on the date of such Failure, as applicable, and (2) on every thirty (30) day anniversary of (I) a Filing Failure until such Filing Failure is cured; (II) an Acceleration Failure until such Acceleration Failure is cured; (III) a Maintenance Failure until such Maintenance Failure is cured; and (IV) a Current Public Information Failure until the earlier

of (i) the date such Current Public Information Failure is cured and (ii) such time that such public information is no longer required pursuant to Rule 144 (in each case, prorated for periods totaling less than thirty (30) days). The payments to which a holder of Registrable Securities shall be entitled pursuant to this Section 2(e) are referred to herein as "**Registration Delay Payments**." Following the initial Registration Delay Payment for any particular event or failure (which shall be paid on the date of such event or failure, as set forth above), without limiting the foregoing, if an event or failure giving rise to the Registration Delay Payments is cured prior to any thirty (30) day anniversary of such event or failure, then such Registration Delay Payment shall be made on the third (3rd) Business Day after such cure. In the event the Company fails to make Registration Delay Payments in a timely manner in accordance with the foregoing, such Registration Delay Payments shall bear interest at the rate of one percent (1%) per month (prorated for partial months) until paid in full.

(f) Offering. No Investor shall be named as an "underwriter" in any Registration Statement without such Investor's prior written consent. Notwithstanding anything to the contrary contained in this Agreement, in the event the Staff or the SEC seeks to characterize any offering pursuant to a Registration Statement filed pursuant to this Agreement as constituting an offering of securities by, or on behalf of, the Company, or in any other manner, such that the Staff or the SEC does not permit such Registration Statement to become effective and used for resales in a manner that does not constitute such an offering and that permits the continuous resale at the market by the Investors participating therein (or as otherwise may be acceptable to each Investor) without being named therein as an "underwriter," then the Company shall reduce the number of shares to be included in such Registration Statement by all Investors until such time as the Staff and the SEC shall so permit such Registration Statement to become effective as aforesaid. In making such reduction, the Company shall reduce the number of shares to be included by all Investors on a pro rata basis (based upon the number of Registrable Securities otherwise required to be included for each Investor) unless the inclusion of shares by a particular Investor or a particular set of Investors are resulting in the Staff or the SEC's "by or on behalf of the Company" offering position, in which event the shares held by such Investor or set of Investors shall be the only shares subject to reduction (and if by a set of Investors, on a pro rata basis by such Investors or on such other basis as would result in the exclusion of the least number of shares by all such Investors). In addition, in the event that the Staff or the SEC requires any Investor seeking to sell securities under a Registration Statement filed pursuant to this Agreement to be specifically identified as an "underwriter" in order to permit such Registration Statement to become effective, and such Investor does not consent to being so named as an underwriter in such Registration Statement, then, in each such case, the Company shall reduce the total number of Registrable Securities to be registered on behalf of such Investor, until such time as the Staff or the SEC does not require such identification or until such Investor accepts such identification and the manner thereof. Any reduction pursuant to this paragraph will first reduce all Registrable Securities other than those issued pursuant to the Subscription Agreement. In the event of any reduction in Registrable Securities pursuant to this paragraph, an affected Investor shall have the right to require, upon delivery of a written request to the Company signed by such Investor, the Company to file a registration statement within thirty (30) days of such request (subject to any restrictions imposed by Rule 415 or required by the Staff or the SEC) for resale by such Investor in a manner acceptable to such Investor, and the Company shall, following such request, use its reasonable best efforts to cause to be declared effective and to keep effective such registration statement in the same manner as otherwise

contemplated in this Agreement for registration statements hereunder, in each case until such time as: (i) all Registrable Securities held by such Investor have been registered and sold pursuant to an effective Registration Statement in a manner acceptable to such Investor, (ii) all Registrable Securities may be resold by such Investor without restriction (including, without limitation, volume limitations) pursuant to Rule 144 (taking account of any Staff position with respect to "affiliate" status) and without the need for current public information required by Rule 144(c)(1) (or Rule 144(i)(2), if applicable), or (iii) such Investor agrees to be named as an underwriter in any such Registration Statement in a manner acceptable to such Investor as to all Registrable Securities held by such Investor and that have not theretofore been included in a Registration Statement under this Agreement.

(g) Piggyback Registrations. Without limiting any obligation of the Company hereunder or under the Subscription Agreement, if there is not an effective Registration Statement covering all of the Piggyback Registrable Securities or a prospectus contained therein is not available for use and the Company shall determine to prepare and file with the SEC a registration statement relating to an offering for its own account or the account of others under the 1933 Act of any of its equity securities (other than on Form S-4 or Form S-8 (each as promulgated under the 1933 Act) or their then equivalents relating to equity securities to be issued solely in connection with any acquisition of any entity or business or equity securities issuable in connection with the Company's equity compensation or other employee benefit plans), then the Company shall deliver to each Investor holding Piggyback Registrable Securities a written notice of such determination and, if within fifteen (15) days after the date of the delivery of such notice, any such Investor shall so request in writing, the Company shall include in such registration statement all or any part of such Piggyback Registrable Securities such Investor requests to be registered; provided, however, the Company shall not be required to register any Piggyback Registrable Securities pursuant to this Section 2(g) that are eligible for resale pursuant to Rule 144 without restriction (including, without limitation, volume restrictions) and without the need for current public information required by Rule 144(c)(1) (or Rule 144(i)(2), if applicable) or that are the subject of a then-effective Registration Statement.

(h) Allocation of Registrable Securities. The initial number of Registrable Securities included in any Registration Statement and any increase or decrease in the number of Registrable Securities included therein shall be allocated pro rata among the Investors based on the number of Registrable Securities held by each Investor at the time such Registration Statement covering such initial number of Registrable Securities or increase or decrease thereof is declared effective by the SEC. In the event that an Investor sells or otherwise transfers any of such Investor's Registrable Securities, each transferee or assignee (as the case may be) that becomes an Investor shall be allocated a pro rata portion of the then-remaining number of Registrable Securities included in such Registration Statement for such transferor or assignee (as the case may be). Any shares of Common Stock included in a Registration Statement and which remain allocated to any Person which ceases to hold any Registrable Securities covered by such Registration Statement shall be allocated to the remaining Investors, pro rata based on the number of Registrable Securities then held by such Investors which are covered by such Registration Statement.

(i) No Inclusion of Other Securities. In no event shall the Company include any securities other than Registrable Securities on any Registration Statement without the prior written consent of the Required Holders.

3. Related Obligations.

The Company shall use its reasonable best efforts to effect the registration of the Registrable Securities in accordance with the intended method of disposition thereof, and, pursuant thereto, the Company shall have the following obligations:

(a) The Company shall promptly prepare and file with the SEC a Registration Statement with respect to the Registrable Securities (but in no event later than the applicable Filing Deadline) and use its reasonable best efforts to cause such Registration Statement to become effective as soon as practicable after such filing. Subject to Allowable Grace Periods (as defined below), the Company shall keep each Registration Statement effective (and the prospectus contained therein available for use) pursuant to Rule 415 for resales by the Investors on a delayed or continuous basis at then-prevailing market prices (and not fixed prices) at all times until the earlier of (i) the date as of which all of the Investors may sell all of the Registrable Securities required to be covered by such Registration Statement (disregarding any reduction pursuant to Section 2(f)) without restriction pursuant to Rule 144 (including, without limitation, volume restrictions) and without the need for current public information required by Rule 144(c)(1) (or Rule 144(i)(2), if applicable) or (ii) the date on which the Investors shall have sold all of the Registrable Securities covered by such Registration Statement (the "**Registration Period**"). Notwithstanding anything to the contrary contained in this Agreement, the Company shall ensure that, when filed and at all times while effective, each Registration Statement (including, without limitation, all amendments and supplements thereto) and the prospectus (including, without limitation, all amendments and supplements thereto) used in connection with such Registration Statement (1) shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein, or necessary to make the statements therein (in the case of prospectuses, in the light of the circumstances in which they were made) not misleading and (2) will disclose (whether directly or through incorporation by reference to other SEC filings to the extent permitted) all material information regarding the Company and its securities. The Company shall submit to the SEC, within two (2) Business Days after the later of the date that (i) the Company learns that no review of a particular Registration Statement will be made by the Staff or that the Staff has no further comments on a particular Registration Statement (as the case may be) and (ii) the consent of Legal Counsel is obtained pursuant to Section 3(c) (which consent shall be immediately sought), a request for acceleration of effectiveness of such Registration Statement to a time and date not later than forty-eight (48) hours after the submission of such request.

(b) Subject to Section 3(r) of this Agreement, the Company shall prepare and file with the SEC such amendments (including, without limitation, post-effective amendments) and supplements to each Registration Statement and the prospectus used in connection with each such Registration Statement, which prospectus is to be filed pursuant to Rule 424 promulgated under the 1933 Act, as may be necessary to keep each such Registration Statement effective at all times during the Registration Period for such Registration Statement, and, during such period, comply with the provisions of the 1933 Act with respect to the disposition of all

Registrable Securities of the Company required to be covered by such Registration Statement until such time as all of such Registrable Securities shall have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof as set forth in such Registration Statement; provided, however, by 8:30 a.m. (California time) on the Business Day immediately following each Effective Date, the Company shall file with the SEC in accordance with Rule 424(b) under the 1933 Act the final prospectus to be used in connection with sales pursuant to the applicable Registration Statement. In the case of amendments and supplements to any Registration Statement which are required to be filed pursuant to this Agreement (including, without limitation, pursuant to this Section 3(b)) by reason of the Company filing a report on Form 10-Q or Form 10-K or any analogous report under the Securities Exchange Act of 1934, as amended (the "**1934 Act**"), the Company shall have incorporated such report by reference into such Registration Statement, if applicable, or shall file such amendments or supplements with the SEC within one (1) Business Day of the day on which the 1934 Act report is filed which created the requirement for the Company to amend or supplement such Registration Statement.

(c) The Company shall (A) permit Legal Counsel to review and comment upon (i) each Registration Statement at least five (5) Business Days prior to its filing with the SEC and (ii) all amendments and supplements to each Registration Statement (including, without limitation, the prospectus contained therein) (except for Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Faint 8-K, and any similar or successor reports) within a reasonable number of days prior to their filing with the SEC, and (B) not file any Registration Statement or amendment or supplement thereto in a form to which Legal Counsel reasonably objects. The Company shall not submit a request for acceleration of the effectiveness of a Registration Statement or any amendment or supplement thereto or to any prospectus contained therein without the prior consent of Legal Counsel, which consent shall not be unreasonably withheld, delayed or conditioned. The Company shall promptly furnish to Legal Counsel, without charge, (i) copies of any correspondence from the SEC or the Staff to the Company or its representatives relating to each Registration Statement, provided that such correspondence shall not contain any material, non-public information regarding the Company or any of its Subsidiaries (as defined in the Subscription Agreement), (ii) after the same is prepared and filed with the SEC, one (1) copy of each Registration Statement and any amendment(s) and supplement(s) thereto, including, without limitation, financial statements and schedules, all documents incorporated therein by reference, if requested by an Investor, and all exhibits, and (iii) upon the effectiveness of each Registration Statement, one (1) copy of the prospectus included in such Registration Statement and all amendments and supplements thereto, except in cases (ii) and (iii) above if such documents are filed with the SEC through EDGAR and are available to the public through the EDGAR system promptly after the same is prepared and filed with the SEC. The Company shall reasonably cooperate with Legal Counsel in performing the Company's obligations pursuant to this Section 3.

(d) The Company shall promptly furnish to each Investor whose Registrable Securities are included in any Registration Statement, without charge, to the extent that such documents are not available on the SEC's EDGAR system, (i) after the same is prepared and filed with the SEC, at least one (1) copy of each Registration Statement and any amendment(s) and supplement(s) thereto, including, without limitation, financial statements and schedules, all documents incorporated therein by reference, if requested by an Investor, all exhibits and each

preliminary prospectus, (ii) upon the effectiveness of each Registration Statement, ten (10) copies of the prospectus included in such Registration Statement and all amendments and supplements thereto (or such other number of copies as such Investor may reasonably request from time to time), and (iii) such other documents, including, without limitation, copies of any preliminary or final prospectus, as such Investor may reasonably request from time to time in order to facilitate the disposition of the Registrable Securities owned by such Investor.

(e) The Company shall use its reasonable best efforts to (i) register and qualify, unless an exemption from registration and qualification applies, the resale by Investors of the Registrable Securities covered by a Registration Statement under such other securities or "blue sky" laws of all applicable jurisdictions in the United States, (ii) prepare and file in those jurisdictions, such amendments (including, without limitation, post-effective amendments) and supplements to such registrations and qualifications as may be necessary to maintain the effectiveness thereof during the Registration Period, (iii) take such other actions as may be necessary to maintain such registrations and qualifications in effect at all times during the Registration Period, and (iv) take all other actions reasonably necessary or advisable to qualify the Registrable Securities for sale in such jurisdictions; provided, however, that the Company shall not be required in connection therewith or as a condition thereto to (x) qualify to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 3(e), (y) subject itself to general taxation in any such jurisdiction, or (z) file a general consent to service of process in any such jurisdiction. The Company shall promptly notify Legal Counsel and each Investor who holds Registrable Securities of the receipt by the Company of any notification with respect to the suspension of the registration or qualification of any of the Registrable Securities for sale under the securities or "blue sky" laws of any jurisdiction in the United States or its receipt of actual notice of the initiation or threatening of any proceeding for such purpose.

(f) The Company shall notify Legal Counsel and each Investor in writing of the happening of any event, as promptly as practicable after becoming aware of such event, as a result of which the prospectus included in a Registration Statement, as then in effect, includes an untrue statement of a material fact or omission to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (provided that in no event shall such notice contain any material, non-public information regarding the Company or any of its Subsidiaries), and, subject to Section 3(r), promptly prepare a supplement or amendment to such Registration Statement and such prospectus contained therein to correct such untrue statement or omission and, unless such supplement or amendment has been filed with the SEC through EDGAR and is available to the public through the EDGAR system promptly after the same is prepared and filed with the SEC, deliver ten (10) copies of such supplement or amendment to Legal Counsel and each Investor (or such other number of copies as Legal Counsel or such Investor may reasonably request). The Company shall also promptly notify Legal Counsel and each Investor in writing (i) when a prospectus or any prospectus supplement or post-effective amendment has been filed, when a Registration Statement or any post-effective amendment has become effective (notification of such effectiveness shall be delivered to Legal Counsel and each Investor by facsimile or e-mail on the same day of such effectiveness and by overnight mail), and when the Company receives written notice from the SEC that a Registration Statement or any post-effective amendment will be reviewed by the SEC, (ii) of any request by the SEC for amendments or supplements to a

Registration Statement or related prospectus or related information, (iii) of the Company's reasonable determination that a post-effective amendment to a Registration Statement would be appropriate; and (iv) of the receipt of any request by the SEC or any other federal or state governmental authority for any additional information relating to the Registration Statement or any amendment or supplement thereto or any related prospectus. The Company shall respond as promptly as practicable to any comments received from the SEC with respect to each Registration Statement or any amendment thereto, but in no event later than ten (10) Business Days after the Company's receipt of such comments.

(g) The Company shall (i) use its reasonable best efforts to prevent the issuance of any stop order or other suspension of effectiveness of each Registration Statement or the use of any prospectus contained therein, or the suspension of the qualification, or the loss of an exemption from qualification, of any of the Registrable Securities for sale in any jurisdiction and, if such an order or suspension is issued, to obtain the withdrawal of such order or suspension at the earliest possible moment and (ii) as promptly as reasonably practicable, but in any event within one (1) Business Day, via facsimile or electronic mail, notify Legal Counsel and each Investor who holds Registrable Securities of the issuance of such order and the resolution thereof or its receipt of actual notice of the initiation or threat of any proceeding for such purpose.

(h) If any Investor may be required under applicable securities law to be described in any Registration Statement as an underwriter and such Investor consents to so being named an underwriter, at the reasonable request of such Investor, the Company shall furnish to such Investor, on the date of the effectiveness of such Registration Statement and thereafter from time to time on such dates as an Investor may reasonably request (i) a letter, dated such date, from the Company's independent certified public accountants in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the Investors, and (ii) an opinion, dated as of such date, of counsel representing the Company for purposes of such Registration Statement, in form, scope and substance as is customarily given in an underwritten public offering, addressed to the Investors.

(i) If any Investor may be required under applicable securities law to be described in any Registration Statement as an underwriter and such Investor consents to so being named an underwriter, upon the written request of such Investor, the Company shall make available for inspection by (i) such Investor, (ii) legal counsel for such Investor, and (iii) one (1) firm of accountants or other agents retained by such Investor (collectively, the "**Inspectors**"), all pertinent financial and other records, and pertinent corporate documents and properties of the Company (collectively, the "**Records**"), as shall be reasonably deemed necessary by each Inspector, and cause the Company's officers, directors and employees to supply all information which any Inspector may reasonably request; provided, however, each Inspector shall agree in writing to hold in strict confidence and not to make any disclosure (except to such Investor) or use of any Record or other information which the Company's board of directors determines in good faith to be confidential, and of which determination the Inspectors are so notified, unless (1) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in any Registration Statement or is otherwise required under the 1933 Act, (2) the release of such Records is ordered pursuant to a final, non-appealable subpoena or order from a court or government body of competent jurisdiction, or (3) the information in such Records has been made generally available to the public other than by disclosure in violation of this Agreement or

any other Transaction Document (as defined in the Subscription Agreement). Such Investor agrees that it shall, upon learning that disclosure of such Records is sought in or by a court or governmental body of competent jurisdiction or through other means, give prompt notice to the Company and allow the Company, at its expense, to undertake appropriate action to prevent disclosure of, or to obtain a protective order for, the Records deemed confidential. Nothing herein (or in any other confidentiality agreement between the Company and such Investor, if any) shall be deemed to limit any Investor's ability to sell Registrable Securities in a manner which is otherwise consistent with applicable laws and regulations.

(j) The Company shall hold in confidence and not make any disclosure of information concerning an Investor provided to the Company unless (i) disclosure of such information is necessary to comply with federal or state securities laws, (ii) the disclosure of such information is necessary to avoid or correct a misstatement or omission in any Registration Statement or is otherwise required to be disclosed in such Registration Statement pursuant to the 1933 Act, (iii) the release of such information is ordered pursuant to a subpoena or other final, non-appealable order from a court or governmental body of competent jurisdiction, or (iv) such information has been made generally available to the public other than by disclosure in violation of this Agreement or any other Transaction Document. The Company agrees that it shall, upon learning that disclosure of such information concerning an Investor is sought in or by a court or governmental body of competent jurisdiction or through other means, give prompt written notice to such Investor and allow such Investor, at such Investor's expense, to undertake appropriate action to prevent disclosure of, or to obtain a protective order for, such information.

(k) Without limiting any obligation of the Company under the Subscription Agreement, the Company shall use its reasonable best efforts either to (i) cause all of the Registrable Securities covered by each Registration Statement to be listed on each securities exchange on which securities of the same class or series issued by the Company are then listed, if any, if the listing of such Registrable Securities is then permitted under the rules of such exchange, (ii) secure designation and quotation of all of the Registrable Securities covered by each Registration Statement on the applicable Trading Market, or (iii) if, despite the Company's reasonable best efforts to satisfy the preceding clauses (i) or (ii) the Company is unsuccessful in satisfying the preceding clauses (i) or (ii), without limiting the generality of the foregoing, to use its reasonable best efforts to arrange for at least two market makers to register with the Financial Industry Regulatory Authority ("**FINRA**") as such with respect to such Registrable Securities. In addition, the Company shall cooperate with each Investor and any broker or dealer through which any such Investor proposes to sell its Registrable Securities in effecting a filing with FINRA pursuant to FINRA Rule 5110 as requested by such Investor. The Company shall pay all fees and expenses in connection with satisfying its obligations under this Section 3(k).

(l) The Company shall cooperate with the Investors who hold Registrable Securities being offered and, to the extent applicable, facilitate the timely preparation and delivery of certificates (not bearing any restrictive legend) representing the Registrable Securities to be offered pursuant to a Registration Statement and enable such certificates to be in such denominations or amounts (as the case may be) as the Investors may reasonably request from time to time and registered in such names as the Investors may request.

(m) If requested by an Investor, the Company shall, as soon as practicable after receipt of notice from such Investor and subject to Section 3(r) hereof, (i) incorporate in a prospectus supplement or post-effective amendment such information as an Investor reasonably requests to be included therein relating to the sale and distribution of Registrable Securities, including, without limitation, information with respect to the number of Registrable Securities being offered or sold, the purchase price being paid therefor and any other terms of the offering of the Registrable Securities to be sold in such offering; (ii) make all required filings of such prospectus supplement or post-effective amendment after being notified of the matters to be incorporated in such prospectus supplement or post-effective amendment; and (iii) supplement or make amendments to any Registration Statement or prospectus contained therein if reasonably requested by an Investor holding any Registrable Securities.

(n) The Company shall use its reasonable best efforts to cause the Registrable Securities covered by a Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to consummate the disposition of such Registrable Securities.

(o) The Company shall make generally available to its security holders as soon as practical, but not later than ninety (90) days after the close of the period covered thereby, an earnings statement (in form complying with, and in the manner provided by, the provisions of Rule 158 under the 1933 Act) covering a twelve-month period beginning not later than the first day of the Company's fiscal quarter next following the applicable Effective Date of each Registration Statement.

(p) The Company shall otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the SEC in connection with any registration hereunder.

(q) Within one (1) Business Day after a Registration Statement which covers Registrable Securities is declared effective by the SEC, the Company shall deliver, and shall cause legal counsel for the Company to deliver, to the transfer agent for such Registrable Securities (with copies to the Investors whose Registrable Securities are included in such Registration Statement) confirmation that such Registration Statement has been declared effective by the SEC.

(r) Notwithstanding anything to the contrary herein (but subject to the last sentence of this Section 3(r)), at any time after the Effective Date of a particular Registration Statement, (i) the Company may delay the disclosure of material, non-public information concerning the Company or any of its Subsidiaries the disclosure of which at the time is not, in the good faith opinion of the board of directors of the Company, in the best interest of the Company and, upon the advice of counsel to the Company, otherwise required and (ii) the Company may suspend the availability of a Registration Statement on Form S-1 if pursuant to applicable law it must file a post-effective amendment to such Registration Statement in connection with the filing of its Annual Report on Form 10-K or Quarterly Reports on Form 10-Q (each, a "**Grace Period**"), provided that the Company shall promptly (A) notify the Investors in writing of the existence of material, non-public information giving rise to a Grace Period (provided that in each such notice the Company shall not disclose the content of such material, non-public information to any of the Investors) and the date on which such Grace Period will begin and (B) notify the investors in

writing of the date on which such Grace Period ends, provided further that (x) no Grace Period shall exceed fifteen (15) consecutive Trading Days and during any three hundred sixty five (365) day period all such Grace Periods shall not exceed an aggregate of forty-five (45) Trading Days, (y) the first day of any Grace Period must be at least five (5) Trading Days after the last day of any prior Grace Period, and (z) no Grace Period may exist during the sixty (60) Trading Day period immediately following the Effective Date of such Registration Statement (provided that such sixty (60) Trading Day period shall be extended by the number of Trading Days during such period and any extension thereof contemplated by this proviso during which such Registration Statement is not effective or the prospectus contained therein is not available for use) (each, an "**Allowable Grace Period**"). For purposes of determining the length of a Grace Period above, such Grace Period shall begin on and include the date the Investors receive the notice referred to in clause (i) above and shall end on and include the later of the date the Investors receive the notice referred to in clause (ii) above and the date referred to in such notice. The provisions of Section 3(g) hereof shall not be applicable during the period of any Allowable Grace Period. Upon expiration of each Grace Period, the Company shall again be bound by the first sentence of Section 3(f) with respect to the information giving rise thereto unless such material, non-public information is no longer applicable. Notwithstanding anything to the contrary contained in this Section 3(r), the Company shall cause its transfer agent to deliver unlegended shares of Common Stock to a transferee of an Investor in accordance with the terms of the Subscription Agreement in connection with any sale of Registrable Securities made pursuant to an effective and available Registration Statement with respect to which such Investor has entered into a contract for sale, and delivered a copy of the prospectus included as part of the particular Registration Statement to the extent applicable, prior to such Investor's receipt of the notice of a Grace Period and for which the Investor has not yet settled.

4. Obligations of the Investors.

(a) At least five (5) Business Days prior to the first anticipated filing date of each Registration Statement, the Company shall notify each Investor in writing of the information the Company requires from each such Investor with respect to such Registration Statement. It shall be a condition precedent to the obligations of the Company to complete the registration pursuant to this Agreement with respect to the Registrable Securities of a particular Investor that such Investor shall furnish to the Company such information regarding itself, the Registrable Securities held by it and the intended method of disposition of the Registrable Securities held by it, as shall be reasonably required to effect and maintain the effectiveness of the registration of such Registrable Securities and shall execute such documents in connection with such registration as the Company may reasonably request.

(b) Each Investor, by such Investor's acceptance of the Registrable Securities, agrees to cooperate with the Company as reasonably requested by the Company in connection with the preparation and filing of each Registration Statement hereunder, unless such Investor has notified the Company in writing of such Investor's election to exclude all of such Investor's Registrable Securities from such Registration Statement.

(c) Each Investor agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 3(g) or the first sentence of 3(f), such Investor will immediately discontinue disposition of Registrable Securities pursuant to any Registration Statement(s) covering such Registrable Securities until such Investor's receipt of the copies of the supplemented or amended prospectus contemplated by Section 3(g) or the first sentence of Section 3(f) or receipt of notice that no supplement or amendment is required. Notwithstanding anything to the contrary in this Section 4(c), the Company shall cause its transfer agent to deliver unlegended shares of Common Stock to a transferee of an Investor in accordance with the terms of the Subscription Agreement in connection with any sale of Registrable Securities made pursuant to an effective and available Registration Statement with respect to which such Investor has entered into a contract for sale prior to the Investor's receipt of a notice from the Company of the happening of any event of the kind described in Section 3(g) or the first sentence of Section 3(f) and for which such Investor has not yet settled.

5. Expenses of Registration.

All reasonable expenses, other than underwriting discounts and commissions, incurred in connection with registrations, filings or qualifications pursuant to Sections 2 and 3, including, without limitation, all registration, listing and qualifications fees, printers and accounting fees, FINRA filing fees (if any) and fees and disbursements of counsel for the Company shall be paid by the Company.

6. Indemnification.

(a) In the event any Registrable Securities are included in any Registration Statement under this Agreement, to the fullest extent permitted by law, the Company will, and hereby does, indemnify, hold harmless and defend each Investor and each of its directors, officers, shareholders, members, partners, employees, agents, advisors, representatives (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding the lack of such title or any other title) and each Person, if any, who controls such Investor within the meaning of the 1933 Act or the 1934 Act and each of the directors, officers, shareholders, members, partners, employees, agents, advisors, representatives (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding the lack of such title or any other title) of such controlling Persons (each, an "**Indemnified Person**"), against any losses, obligations, claims, damages, liabilities, contingencies, judgments, fines, penalties, charges, costs (including, without limitation, court costs, reasonable and documented attorneys' fees and costs of defense and investigation), amounts paid in settlement or expenses, joint or several, (collectively, "**Claims**") incurred in investigating, preparing or defending any action, claim, suit, inquiry, proceeding, investigation or appeal taken from the foregoing by or before any court or governmental, administrative or other regulatory agency, body or the SEC, whether pending or threatened, whether or not an indemnified party is or may be a party thereto ("**Indemnified Damages**"), to which any of them may become subject insofar as such Claims (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon: (i) any untrue statement or alleged untrue statement of a material fact in a Registration Statement or any post-effective amendment thereto or in any filing made in connection with the qualification of the offering under the securities or other "blue sky" laws of any jurisdiction in which Registrable Securities are offered ("**Blue Sky Filing**"), or the omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) any untrue statement or alleged untrue statement of a

material fact contained in any preliminary prospectus if used prior to the effective date of such Registration Statement, or contained in the final prospectus (as amended or supplemented, if the Company files any amendment thereof or supplement thereto with the SEC) or the omission or alleged omission to state therein any material fact necessary to make the statements made therein, in light of the circumstances under which the statements therein were made, not misleading, or (iii) any violation or alleged violation by the Company of the 1933 Act, the 1934 Act, any other law, including, without limitation, any state securities law, or any rule or regulation thereunder relating to the offer or sale of the Registrable Securities pursuant to a Registration Statement (the matters in the foregoing clauses (i) through (iii) being, collectively, "**Violations**"). Subject to Section 6(c), the Company shall reimburse the Indemnified Persons, promptly as such expenses are incurred and are due and payable, for any reasonable and documented legal fees or other reasonable expenses incurred by them in connection with investigating or defending any such Claim. Notwithstanding anything to the contrary contained herein, the indemnification agreement contained in this Section 6(a): (i) shall not apply to a Claim by an Indemnified Person arising out of or based upon a Violation which occurs in reliance upon and in conformity with information furnished in writing to the Company by such Indemnified Person for such Indemnified Person expressly for use in connection with the preparation of such Registration Statement or any such amendment thereof or supplement thereto and (ii) shall not be available to a particular Investor to the extent such Claim is based on a failure of such Investor to deliver or to cause to be delivered the prospectus made available by the Company, including, without limitation, a corrected prospectus, if such prospectus or corrected prospectus was timely made available by the Company pursuant to Section 3(d) and then only if, and to the extent that, following the receipt of the corrected prospectus no grounds for such Claim would have existed; and (iii) shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of the Company, which consent shall not be unreasonably withheld, conditioned or delayed. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Indemnified Person and shall survive the transfer of any of the Registrable Securities by any of the Investors pursuant to Section 9.

(b) In connection with any Registration Statement in which an Investor is participating, each such Investor agrees to severally and not jointly indemnify, hold harmless and defend, to the same extent and in the same manner as is set forth in Section 6(a), the Company, each of its directors, each of its officers who signs the Registration Statement and each Person, if any, who controls the Company within the meaning of the 1933 Act or the 1934 Act (each, an "**Indemnified Party**"), against any Claim or Indemnified Damages to which any of them may become subject, under the 1933 Act, the 1934 Act or otherwise, insofar as such Claim or Indemnified Damages arise out of or are based upon any Violation, in each case, to the extent, and only to the extent, that such Violation occurs in reliance upon and in conformity with written information furnished to the Company by such Investor expressly for use in connection with such Registration Statement; and, subject to Section 6(c) and the below provisos in this Section 6(b), such Investor shall reimburse the Indemnified Party for any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such Claim; provided, however, that the indemnity agreement contained in this Section 6(b) and the agreement with respect to contribution contained in Section 7 shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of such Investor, which consent shall not be unreasonably withheld or delayed, provided further that

such Investor shall be liable under this Section 6(b) for only that amount of a Claim or Indemnified Damages as does not exceed the net proceeds to such Investor as a result of the applicable sale of Registrable Securities pursuant to such Registration Statement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Indemnified Party and shall survive the transfer of any of the Registrable Securities by any of the Investors pursuant to Section 9.

(c) Promptly after receipt by an Indemnified Person or Indemnified Party (as the case may be) under this Section 6 of notice of the commencement of any action or proceeding (including, without limitation, any governmental action or proceeding) involving a Claim, such Indemnified Person or Indemnified Party (as the case may be) shall, if a Claim in respect thereof is to be made against any indemnifying party under this Section 6, deliver to the indemnifying party a written notice of the commencement thereof, and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume control of the defense thereof with counsel mutually satisfactory to the indemnifying party and the Indemnified Person or the Indemnified Party (as the case may be); provided, however, an Indemnified Person or Indemnified Party (as the case may be) shall have the right to retain its own counsel with the fees and expenses of such counsel to be paid by the indemnifying party if: (i) the indemnifying party has agreed in writing to pay such fees and expenses; (ii) the indemnifying party shall have failed promptly to assume the defense of such Claim and to employ counsel reasonably satisfactory to such Indemnified Person or Indemnified Party (as the case may be) in any such Claim; or (iii) the named parties to any such Claim (including, without limitation, any impleaded parties) include both such Indemnified Person or Indemnified Party (as the case may be) and the indemnifying party, and such Indemnified Person or such Indemnified Party (as the case may be) shall have been advised by counsel that a conflict of interest is likely to exist if the same counsel were to represent such Indemnified Person or such Indemnified Party and the indemnifying party (in which case, if such Indemnified Person or such Indemnified Party (as the case may be) notifies the indemnifying party in writing that it elects to employ separate counsel at the expense of the indemnifying party, then the indemnifying party shall not have the right to assume the defense thereof and such counsel shall be at the expense of the indemnifying party), provided further that in the case of clause (iii) above the indemnifying party shall not be responsible for the reasonable fees and expenses of more than one (1) separate legal counsel for such Indemnified Person or Indemnified Party (as the case may be). The Indemnified Party or Indemnified Person (as the case may be) shall reasonably cooperate with the indemnifying party in connection with any negotiation or defense of any such action or Claim by the indemnifying party and shall furnish to the indemnifying party all information reasonably available to the Indemnified Party or Indemnified Person (as the case may be) which relates to such action or Claim. The indemnifying party shall keep the Indemnified Party or Indemnified Person (as the case may be) reasonably apprised at all times as to the status of the defense or any settlement negotiations with respect thereto. No indemnifying party shall be liable for any settlement of any action, claim or proceeding effected without its prior written consent; provided, however, the indemnifying party shall not unreasonably withhold, delay or condition its consent. No indemnifying party shall, without the prior written consent of the Indemnified Party or Indemnified Person (as the case may be), consent to the entry of any judgment or enter into any settlement or other compromise which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party or Indemnified Person (as the case

may be) of a release from all liability in respect to such Claim or litigation, and such settlement shall not include any admission as to fault on the part of the Indemnified Party or Indemnified Person (as the case may be). Following indemnification as provided for hereunder, the indemnifying party shall be subrogated to all rights of the Indemnified Party or Indemnified Person (as the case may be) with respect to all third parties, films or corporations relating to the matter for which indemnification has been made. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall not relieve such indemnifying party of any liability to the Indemnified Person or Indemnified Party (as the case may be) under this Section 6, except to the extent that the indemnifying party is materially and adversely prejudiced in its ability to defend such action.

(d) No Person involved in the sale of Registrable Securities who is guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) in connection with such sale shall be entitled to indemnification from any Person involved in such sale of Registrable Securities who is not guilty of fraudulent misrepresentation.

(e) The indemnification required by this Section 6 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or Indemnified Damages are incurred.

(f) The indemnity and contribution agreements contained herein shall be in addition to (i) any cause of action or similar right of the Indemnified Party or Indemnified Person against the indemnifying party or others, and (ii) any liabilities the indemnifying party may be subject to pursuant to the law.

7. Contribution.

To the extent any indemnification by an indemnifying party is prohibited or limited by law, the indemnifying party agrees to make the maximum contribution with respect to any amounts for which it would otherwise be liable under Section 6 to the fullest extent permitted by law; provided, however: (i) no contribution shall be made under circumstances where the maker would not have been liable for indemnification under the fault standards set forth in Section 6 of this Agreement, (ii) no Person involved in the sale of Registrable Securities which Person is guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) in connection with such sale shall be entitled to contribution from any Person involved in such sale of Registrable Securities who was not guilty of fraudulent misrepresentation; and (iii) contribution by any seller of Registrable Securities shall be limited in amount to the amount of net proceeds received by such seller from the applicable sale of such Registrable Securities pursuant to such Registration Statement. Notwithstanding the provisions of this Section 7, no Investor shall be required to contribute, in the aggregate, any amount in excess of the amount by which the net proceeds actually received by such Investor from the applicable sale of the Registrable Securities subject to the Claim exceeds the amount of any damages that such Investor has otherwise been required to pay, or would otherwise be required to pay under Section 6(b), by reason of such untrue or alleged untrue statement or omission or alleged omission.

8. Reports Under the 1934 Act.

With a view to making available to the Investors the benefits of Rule 144, the Company agrees to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the 1933 Act and the 1934 Act so long as the Company remains subject to such requirements (it being understood and agreed that nothing herein shall limit any obligations of the Company under the Subscription Agreement) and the filing of such reports and other documents is required for the applicable provisions of Rule 144; and

(c) furnish to each Investor, so long as such Investor owns Registrable Securities, promptly upon request, (i) a written statement by the Company, if true, that it has complied with the reporting, submission and posting requirements of Rule 144 and the 1934 Act, (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company with the SEC if such reports are not publicly available via EDGAR, and (iii) such other information as may be reasonably requested to permit the Investors to sell such securities pursuant to Rule 144 without registration.

9. Assignment of Registration Rights.

All or any portion of the rights under this Agreement shall be automatically assignable by each Investor to any transferee or assignee (as the case may be) of all or any portion of such Investor's Registrable Securities if: (i) such Investor agrees in writing with such transferee or assignee (as the case may be) to assign all or any portion of such rights, and a copy of such agreement is furnished to the Company within a reasonable time after such transfer or assignment (as the case may be); (ii) the Company is, within a reasonable time after such transfer or assignment (as the case may be), furnished with written notice of (a) the name and address of such transferee or assignee (as the case may be), and (b) the securities with respect to which such registration rights are being transferred or assigned (as the case may be); (iii) immediately following such transfer or assignment (as the case may be) the further disposition of such securities by such transferee or assignee (as the case may be) is restricted under the 1933 Act or applicable state securities laws if so required; (iv) at or before the time the Company receives the written notice contemplated by clause (ii) of this sentence, such transferee or assignee (as the case may be) agrees in writing with the Company to be bound by all of the provisions contained herein; (v) such transfer or assignment (as the case may be) shall have been made in accordance with the applicable requirements of the Subscription Agreement; and (vi) such transfer or assignment (as the case may be) shall have been conducted in accordance with all applicable federal and state securities laws.

10. Amendment of Registration Rights.

Provisions of this Agreement may be amended only with the written consent of the Company and the Required Holders. Any amendment effected in accordance with this Section 10 shall be binding upon each Investor and the Company, provided that no such

amendment shall be effective to the extent that it (1) applies to less than all of the holders of the holders of Registrable Securities, (2) imposes any obligation or liability on any Investor without such Investor's prior written consent (which may be granted or withheld in such Investor's sole discretion), or (3) applies retroactively. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party. No consideration shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of this Agreement unless the same consideration also is offered to all of the parties to this Agreement.

11. Miscellaneous.

(a) Except for registration rights granted in connection with an Exempt Financing, during the team of this Agreement, the Company shall not grant to any third party any registration rights that are senior to the registration rights provided to the Investors pursuant to this Agreement.

(b) Solely for purposes of this Agreement, a Person is deemed to be a holder of Registrable Securities whenever such Person owns, or is deemed to own, of record such Registrable Securities. If the Company receives conflicting instructions, notices or elections from two or more Persons with respect to the same Registrable Securities, the Company shall act upon the basis of instructions, notice or election received from such record owner of such Registrable Securities.

(c) Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party); (iii) with respect to Section 3(c), by electronic mail (provided confirmation of transmission is electronically generated and kept on file by the sending party); or (iv) one (1) Business Day after deposit with a nationally recognized overnight delivery service with next day delivery specified, in each case, properly addressed to the party to receive the same. The addresses and facsimile numbers for such communications shall be:

If to the Company:

Conkwest, Inc.
The Plastino Building
2533 South Coast Highway 101, Suite 210
Cardiff-by-the-Sea, CA 92007
Telephone: (858) 633-0300
Facsimile: (858) 380-1999
Attention: Barry J. Simon, M.D.
Chief Executive Officer

With a copy (for informational purposes only) to:

Greenberg Traurig, LLP
The MetLife Building
200 Park Avenue
New York, NY 10166
Telephone: (212) 801-9362
Facsimile: (212) 805-9362
Attention: Anthony J. Marsico, Esq.

If to the Purchaser, to its address and facsimile number set forth on the signature page attached to the Subscription Agreement, with copies to any of the Purchaser's representatives as set forth on such signature page, or to such other address and/or facsimile number and/or to the attention of such other Person as the recipient party has specified by written notice given to each other party five (5) days prior to the effectiveness of such change. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication, (B) mechanically or electronically generated by the sender's facsimile machine or electronic mail transmission containing the time, date, recipient facsimile number or electronic mail address and an image of the first page of such transmission, or (C) provided by a courier or overnight courier service shall be rebuttable evidence of personal service, receipt by facsimile, receipt by electronic mail or receipt from a nationally recognized overnight delivery service in accordance with clause (i), (ii), (iii) or (iv) above, respectively.

(d) Failure of any party to exercise any right or remedy under this Agreement or otherwise, or delay by a party in exercising such right or remedy, shall not operate as a waiver thereof. The Company and each Investor acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that each party hereto shall be entitled to an injunction or injunctions to prevent or cure breaches of the provisions of this Agreement by any other party hereto and to enforce specifically the terms and provisions hereof (without the necessity of showing economic loss and without any bond or other security being required), this being in addition to any other remedy to which any party may be entitled by law or equity.

(e) All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of California, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of California or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of California. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of Los Angeles, State of California, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. If any provision of this

Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.

(f) This Agreement, the other Transaction Documents, the schedules and exhibits attached hereto and thereto and the instruments referenced herein and therein constitute the entire agreement among the parties hereto and thereto solely with respect to the subject matter hereof and thereof There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein and therein. This Agreement, the other Transaction Documents, the schedules and exhibits attached hereto and thereto and the instruments referenced herein and therein supersede all prior agreements, understandings, discussions and representations, oral or written, among the parties hereto solely with respect to the subject matter hereof and thereof; provided, however, nothing contained in this Agreement or any other Transaction Document shall (or shall be deemed to) (i) have any effect on any agreements any Investor has entered into with the Company or any of its Subsidiaries prior to the date hereof with respect to any prior investment made by such Investor in the Company, (ii) waive, alter, modify or amend in any respect any obligations of the Company or any of its Subsidiaries or any rights of or benefits to any Investor or any other Person in any agreement entered into prior to the date hereof between or among the Company and/or any of its Subsidiaries and any Investor and all such agreements shall continue in full force and effect, or (iii) limit any obligations of the Company under any of the other Transaction Documents.

(g) Subject to compliance with Section 9 (if applicable), this Agreement shall inure to the benefit of and be binding upon the permitted successors and assigns of each of the parties hereto. This Agreement is not for the benefit of, nor may any provision hereof be enforced by, any Person, other than the parties hereto, their respective permitted successors and assigns and the Persons referred to in Sections 6 and 7 hereof.

(h) The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof. Unless the context clearly indicates otherwise, each pronoun herein shall be deemed to include the masculine, feminine, neuter, singular and plural forms thereof. The terms “including,” “includes,” “include” and words of like import shall be construed broadly as if followed by the words “without limitation.” The terms “herein,” “hereunder,” “hereof” and words of like import refer to this entire Agreement instead of just the provision in which they are found.

(i) This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such signature page shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

(j) Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(k) The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent and no rules of strict construction will be applied against any party. Notwithstanding anything to the contrary set forth in Section 10, terms used in this Agreement but defined in the other Transaction Documents shall have the meanings ascribed to such terms on the Initial Closing Date in such other Transaction Documents unless otherwise consented to in writing by each Investor.

(l) All consents and other determinations required to be made by the Investors pursuant to this Agreement shall be made, unless otherwise specified in this Agreement, by the Required Holders.

(m) The obligations of each Investor under this Agreement and the other Transaction Documents are several and not joint with the obligations of any other Investor, and no Investor shall be responsible in any way for the performance of the obligations of any other Investor under this Agreement or any other Transaction Document. Nothing contained herein or in any other Transaction Document, and no action taken by any Investor pursuant hereto or thereto, shall be deemed to constitute the Investors as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Investors are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by the Transaction Documents, and the Company acknowledges that the Investors are not acting in concert or as a group, and the Company shall not assert any such claim, with respect to such obligations or the transactions contemplated by this Agreement or any of the other Transaction Documents. Subject to the provisions on amendment set forth in Section 10, each Investor shall be entitled to independently protect and enforce its rights (including, without limitation, the rights arising out of this Agreement or out of any other Transaction Documents), and it shall not be necessary for any other Investor to be joined as an additional party in any proceeding for such purpose. The use of a single agreement with respect to the obligations of the Company contained herein was solely in the control of the Company, not the action or decision of any Investor, and was done solely for the convenience of the Company and not because it was required or requested to do so by any Investor. It is expressly understood and agreed that each provision contained in this Agreement and in each other Transaction Document is between the Company and an Investor, solely, and not between the Company and the Investors collectively and not between and among Investors.

[Signature Pages Follow]

IN WITNESS WHEREOF, Purchaser and the Company have caused their respective signature page to this Registration Rights Agreement to be duly executed as of the date first written above.

COMPANY:

CONKWEST, INC.

By: /s/ Barry J. Simon
Name: Barry J. Simon
Title: Chief Executive Officer

IN WITNESS WHEREOF, each Purchaser and the Company have caused their respective signature page to this Registration Rights Agreement to be duly executed as of the date first written above.

CAMBRIDGE EQUITIES LP

By: /s/ Charles Kenworthy
Name: Charles Kenworthy
Title: Manager

EXHIBIT A

SELLING STOCKHOLDERS

The shares of common stock being offered by the selling stockholders are those previously issued to the selling stockholders. For additional information regarding the issuance of common stock, see "Private Placement of Securities" above. We are registering the shares of common stock in order to permit the selling stockholders to offer the shares for resale from time to time. Except for the ownership of the common stock issued pursuant to the Subscription Agreement or as otherwise provided in the footnotes to the table below, the selling stockholders have not had any material relationship with us within the past three years.

The table below lists the selling stockholders and other information regarding the beneficial ownership (as determined under Section 13(d) of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder) of the shares of common stock held by each of the selling stockholders and the nature of any position, office or other material relationship, if any, which the selling stockholder has had, within the past three years, with us or with any of our predecessors or affiliates. The second column lists the number of shares of common stock beneficially owned by the selling stockholders, based on their respective ownership of shares of common stock, as of [l], 20[__]

The third column lists the shares of common stock being offered by this prospectus by the selling stockholders.

In accordance with the terms of a registration rights agreement with the holders of the common stock, this prospectus generally covers the resale of the number of shares of common stock issued in connection with the Subscription Agreement as of the trading day immediately preceding the date this registration statement was initially filed with the SEC. The number of shares that will actually be issued may be more or less than the number of shares being offered by this prospectus. The fourth column assumes the sale of all of the shares offered by the selling stockholders pursuant to this prospectus.

The selling stockholders may sell all, some or none of their shares in this offering. See "Plan of Distribution."

Name of Selling Stockholder	Number of Shares of Common Stock Owned Prior to Offering	Maximum Number of Shares of Common Stock to be Sold Pursuant to this Prospectus	Number of Shares of Common Stock Owned After Offering

PLAN OF DISTRIBUTION

We are registering the shares of common stock previously issued to permit the resale of these shares of common stock by the holders of the common stock from time to time after the date of this prospectus. We will not receive any of the proceeds from the sale by the selling stockholders of the shares of common stock. We will bear all fees and expenses incident to our obligation to register the shares of common stock.

The selling stockholders may sell all or a portion of the shares of common stock held by them and offered hereby from time to time directly or through one or more underwriters, broker-dealers or agents. If the shares of common stock are sold through underwriters or broker-dealers, the selling stockholders will be responsible for underwriting discounts or commissions or agent's commissions. The shares of common stock may be sold in one or more transactions at fixed prices, at prevailing market prices at the time of the sale, at varying prices determined at the time of sale or at negotiated prices. These sales may be effected in transactions, which may involve crosses or block transactions, pursuant to one or more of the following methods:

- on any national securities exchange or quotation service on which the securities may be listed or quoted at the time of sale;
- in the over-the-counter market;
- in transactions otherwise than on these exchanges or systems or in the over-the-counter market;
- through the writing or settlement of options, whether such options are listed on an options exchange or otherwise;
- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- short sales made after the date the Registration Statement is declared effective by the SEC;
- sales pursuant to Rule 144;
- agreements between broker-dealers and the selling securityholders to sell a specified number of such shares at a stipulated price per share;
- a combination of any such methods of sale; and
- any other method permitted pursuant to applicable law.

The selling stockholders may also sell shares of common stock under Rule 144 promulgated under the Securities Act of 1933, as amended, if available, rather than under this prospectus. In addition, the selling stockholders may transfer the shares of common stock by other means not described in this prospectus. If the selling stockholders effect such transactions by selling shares of common stock to or through underwriters, broker-dealers or agents, such underwriters, broker-dealers or agents may receive commissions in

the form of discounts, A-3 concessions or commissions from the selling stockholders or commissions from purchasers of the shares of common stock for whom they may act as agent or to whom they may sell as principal (which discounts, concessions or commissions as to particular underwriters, broker-dealers or agents may be in excess of those customary in the types of transactions involved). In connection with sales of the shares of common stock or otherwise, the selling stockholders may enter into hedging transactions with broker-dealers, which may in turn engage in short sales of the shares of common stock in the course of hedging in positions they assume. The selling stockholders may also sell shares of common stock short and deliver shares of common stock covered by this prospectus to close out short positions and to return borrowed shares in connection with such short sales. The selling stockholders may also loan or pledge shares of common stock to broker-dealers that in turn may sell such shares.

The selling stockholders may pledge or grant a security interest in some or all of the shares of common stock owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell the shares of common stock from time to time pursuant to this prospectus or any amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act amending, if necessary, the list of selling stockholders to include the pledgee, transferee or other successors in interest as selling stockholders under this prospectus. The selling stockholders also may transfer and donate the shares of common stock in other circumstances in which case the transferees, donees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus.

To the extent required by the Securities Act and the rules and regulations thereunder, the selling stockholders and any broker-dealer participating in the distribution of the shares of common stock may be deemed to be “underwriters” within the meaning of the Securities Act, and any commission paid, or any discounts or concessions allowed to, any such broker-dealer may be deemed to be underwriting commissions or discounts under the Securities Act. At the time a particular offering of the shares of common stock is made, a prospectus supplement, if required, will be distributed, which will set forth the aggregate amount of shares of common stock being offered and the tern’s of the offering, including the name or names of any broker-dealers or agents, any discounts, commissions and other terms constituting compensation from the selling stockholders and any discounts, commissions or concessions allowed or re-allowed or paid to broker-dealers.

Under the securities laws of some states, the shares of common stock may be sold in such states only through registered or licensed brokers or dealers. In addition, in some states the shares of common stock may not be sold unless such shares have been registered or qualified for sale in such state or an exemption from registration or qualification is available and is complied with.

There can be no assurance that any selling stockholder will sell any or all of the shares of common stock registered pursuant to the registration statement of which this prospectus forms a part.

The selling stockholders and any other person participating in such distribution will be subject to applicable provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, including, without limitation, to the extent applicable, Regulation M of the Exchange Act, which may limit the timing of purchases and sales of any of the shares of common stock by the selling stockholders and any other participating person. To the extent applicable, Regulation M may also restrict the ability of any person engaged in the distribution of the shares of common stock to engage in market-making activities with respect to the shares of common stock. All of the foregoing may affect the marketability of the shares of common stock and the ability of any person or entity to engage in market-making activities with respect to the shares of common stock.

We will pay all expenses of the registration of the shares of common stock pursuant to the registration rights agreement, estimated to be $[l] in total, including, without limitation, Securities and Exchange Commission filing fees and expenses of compliance with state securities or “blue sky” laws; provided, however, a selling stockholder will pay all underwriting discounts and selling commissions, if any. We will indemnify the selling stockholders against liabilities, including some liabilities under the Securities Act in accordance with the registration rights agreements or the selling stockholders will be entitled to contribution. We may be indemnified by the selling stockholders against civil liabilities, including liabilities under the Securities Act that may arise from any written information furnished to us by the selling stockholder specifically for use in this prospectus, in accordance with the related registration rights agreements or we may be entitled to contribution.

Once sold under the registration statement, of which this prospectus forms a part, the shares of common stock will be freely tradable in the hands of persons other than our affiliates.

Exhibit 4.4

REGISTRATION RIGHTS AGREEMENT

This **REGISTRATION RIGHTS AGREEMENT** (this "**Agreement**"), dated as of December 13, 2014, is by and among Conkwest, Inc., a Delaware corporation (the "**Company**"), and each of the undersigned purchasers (each, a "**Purchaser**," and collectively, the "**Purchasers**").

RECITALS

A. In connection with the Subscription and Investment Agreement by and among the parties hereto, dated as of December 13, 2014 (the "**Subscription Agreement**"), the Company has agreed, upon the terms and subject to the conditions of the Subscription Agreement, to issue and sell to each Purchaser the Securities (as defined in the Subscription Agreement).

B. To induce the Purchasers to consummate the transactions contemplated by the Subscription Agreement, the Company has agreed to provide certain registration rights under the Securities Act of 1933, as amended, and the rules and regulations thereunder, or any similar successor statute (collectively, the "**1933 Act**"), and applicable state securities laws.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and each of the Purchasers hereby agree as follows:

1. Definitions.

Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Subscription Agreement. As used in this Agreement, the following terms shall have the following meanings:

(a) "**Business Day**" means any day other than Saturday, Sunday or any other day on which commercial banks in California are authorized or required by law to remain closed.

(b) "**Effective Date**" means the date that the applicable Registration Statement has been declared effective by the SEC.

(c) "**Exempt Financing**" means (i) a financing in which the Company issues shares of Common Stock at a purchase price per share of Common Stock in excess of the purchase price per share paid by the Purchasers (as adjusted for stock splits, stock dividends, recapitalizations or similar events) or (ii) a financing in which the Company issues securities convertible, exercisable or exchangeable for shares of Common Stock at a purchase price per security (including any amount required to be paid to the Company in connection with any conversion, exercise or exchange thereunder) in excess of the purchase price per share paid by the Purchasers (as adjusted for stock splits, stock dividends, recapitalizations or similar events).

(d) "**Filing Deadline**" means (i) with respect to the Demand Registration Statement required to be filed pursuant to Section 2(a), the later of (A) the 90th calendar day after the date of

consummation of a Qualified IPO,(B) the 30th calendar day immediately preceding the expiration of the lock-up agreement described in Section 2(a)(ii) and (C) the 30th calendar day following receipt of the written request for Demand Registration pursuant to Section 2(a)(i), and (ii) with respect to any additional Registration Statements that may be required to be filed by the Company pursuant to this Agreement, the date on which the Company was required to file such additional Registration Statement pursuant to the terms of this Agreement.

(e) "**Investor**" means a Purchaser or any transferee or assignee of any Registrable Securities, as applicable, to whom a Purchaser assigns its rights in accordance with this Agreement and who agrees to become bound by the provisions of this Agreement in accordance with Section 9 and any transferee or assignee thereof to whom a transferee or assignee of any Registrable Securities assigns its rights under this Agreement and who agrees to become bound by the provisions of this Agreement in accordance with Section 9.

(f) "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization or a government or any department or agency thereof.

(g) "**Piggyback Registrable Securities**" means (i) the aggregate number of Securities issued under the Subscription Agreement on the Initial Closing Date, the First Additional Closing Date and the Second Additional Closing Date, and (ii) any capital stock of the Company issued or issuable with respect to such Securities, including, without limitation, (1) as a result of any stock split, stock dividend, recapitalization, exchange or similar event or otherwise and (2) shares of capital stock of the Company into which such Securities are converted or exchanged and shares of capital stock of a successor entity into which such Securities are converted or exchanged.

(h) "**register**," "**registered**," and "**registration**" refer to a registration effected by preparing and filing one or more Registration Statements in compliance with the 1933 Act and pursuant to Rule 415 and the declaration of effectiveness of such Registration Statement(s) by the SEC.

(i) "**Registrable Securities**" means (i) the Securities issued on the Second Additional Closing Date, and (ii) any capital stock of the Company issued or issuable with respect to such Securities, including, without limitation, (1) as a result of any stock split, stock dividend, recapitalization, exchange or similar event or otherwise and (2) shares of capital stock of the Company into which such Securities are converted or exchanged and shares of capital stock of a successor entity into which such Securities are converted or exchanged.

(j) "**Registration Statement**" means a registration statement or registration statements of the Company filed under the 1933 Act covering Registrable Securities.

(k) "**Required Holders**" means the holders of at least a majority of the Registrable Securities (excluding any Registrable Securities held by the Company or any of its Subsidiaries); provided, however, that Required Holders shall mean the holders of at least a majority of the Piggyback Registrable Securities with respect to any amendment of Section 2(g) or the definition of "Piggyback Registrable Securities".

(l) "**Required Registration Amount**" means the aggregate number of Securities

issued on the Second Additional Closing Date pursuant to the Subscription Agreement; provided that the Required Registration Amount shall not include any shares not included in a registration statement due to reductions made in accordance with Section 2(f).

(m) "**Rule 144**" means Rule 144 promulgated by the SEC under the 1933 Act, as such rule may be amended from time to time, or any other similar or successor rule or regulation of the SEC that may at any time permit the Investors to sell securities of the Company to the public without registration.

(n) "**Rule 415**" means Rule 415 promulgated by the SEC under the 1933 Act, as such rule may be amended from time to time, or any other similar or successor rule or regulation of the SEC providing for the offering of securities on a continuous or delayed basis.

(o) "**SEC**" means the United States Securities and Exchange Commission or any successor thereto.

2. Registration.

(a) Demand Registration.

(i) Following the consummation by the Company of the Initial Public Offering, if the Company shall receive from Investors holding not less than 50.1% of the Registrable Securities a written request that the Company effect any registration with respect to all or a part of the Registrable Securities owned by such Investors (each such request shall be referred to herein as a "**Demand Registration**"), the Company shall, subject to the terms of this Agreement, including the terms set forth in Section 2(a)(ii) hereof, prepare and, as soon as practicable, but in no event later than the Filing Deadline, file with the SEC an initial Registration Statement on Form S-3, if the Company is eligible to use Form S-3, otherwise, on Form S-1, covering the resale of all of the Registrable Securities, provided that such initial Registration Statement shall register for resale at least the number of shares of Common Stock equal to the Required Registration Amount as of the date such Registration Statement is initially filed with the SEC. Such initial Registration Statement, and each other Registration Statement required to be filed pursuant to the terms of this Agreement, shall contain (except if otherwise directed by the Required Holders) the "Selling Stockholders" and "Plan of Distribution" sections in substantially the form attached hereto as **Exhibit A**. The Company shall use its reasonable best efforts to have such initial Registration Statement, and each other Registration Statement required to be filed pursuant to the terms of this Agreement, declared effective by the SEC as soon as practicable.

(ii) Each Investor holding Registrable Securities acknowledges and agrees that, if requested by the underwriter for the Company's Qualified IPO, such Investor will execute and deliver a lock-up agreement to such underwriter on terms no less favorable to the Investor than the terms of those provided in the lock-up agreements which other shareholders of the Company executed and delivered to the underwriter in connection with the Qualified IPO.

(iii) Notwithstanding anything contained in Section 2(a)(i) hereof to the contrary, the Company shall not be obligated to effect, or take any action to effect, any such registration pursuant to Section 2(a)(i) with respect to the Registrable Securities:

(1) After the Company has consummated one (1) Demand Registration pursuant to Section 2.1(a)(i);

(2) In any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, unless the Company is already subject to service of process in such jurisdiction and except as may be required by the 1933 Act or applicable rules or regulations thereunder; or

(3) If at the time the Company receives the Demand Registration request to register Registrable Securities, the Company or any of its Subsidiaries is engaged in confidential negotiations to effect a proposed material transaction or other confidential business activities, disclosure of which would be required in such registration statement (but would not be required if such registration statement were not filed), and the Board of Directors of the Company determines in good faith that such disclosure would have a material adverse effect on the Company, any of its Subsidiaries or their respective businesses, or on the ability of any of the foregoing Persons to effect a proposed material transaction, including a proposed material acquisition, disposition, financing, reorganization, recapitalization or similar transaction; provided, however, that (a) a deferral of the filing of a registration statement pursuant to this Section 2(a)(iii)(3) shall be lifted if the negotiations or other activities are disclosed or if the Company determines such negotiations have been terminated, and the requested registration statement shall be filed by the later of (A) the applicable Filing Deadline or (B) thirty (30) calendar days from such disclosure or determination, and (b) the deferral provided pursuant to this Section 2(a)(iii)(3) shall not be used more than once in any consecutive 12-month period.

(b) Legal Counsel. Subject to Section 5 hereof, Sorrento Therapeutics, Inc. (the "**Lead Investor**") shall have the right to select one (1) legal counsel to review and oversee, solely on its behalf, any registration pursuant to this Section 2 ("**Legal Counsel**").

(c) Reserved.

(d) Sufficient Number of Shares Registered. In the event the number of shares available under any Registration Statement is insufficient to cover all of the Registrable Securities required to be covered by such Registration Statement or an Investor's allocated portion of the Registrable Securities pursuant to Section 2(h), the Company shall amend such Registration Statement (if permissible), or file with the SEC a new Registration Statement (on the short form available therefor, if applicable), or both, so as to cover at least the Required Registration Amount as of the Trading Day immediately preceding the date of the filing of such amendment or new Registration Statement, in each case, as soon as practicable, but in any event not later than fifteen (15) days after the Company, acting in good faith, first becomes aware of the necessity therefor (but taking account of any position of the staff of the SEC (the "**Staff**")with respect to the date on which the Staff will permit such amendment to the Registration Statement and/or such new Registration Statement (as the case may be) to be filed with the SEC). The Company shall use its reasonable best efforts to cause such amendment to such Registration Statement and/or such new Registration Statement (as the case may be) to become effective as soon as practicable following the filing thereof with the SEC.

(e) Effect of Failure to File and Obtain and Maintain Effectiveness of any Registration

Statement. If (i) a Registration Statement covering the resale of all of the Registrable Securities required to be covered thereby (disregarding any reduction pursuant to Section 2(f)) and required to be filed by the Company pursuant to this Agreement is not filed with the SEC on or before the Filing Deadline for such Registration Statement (a "**Filing Failure**") (it being understood that if the Company files a Registration Statement without affording Legal Counsel the opportunity to review and comment on the same as required by Section 3(c) hereof, the Company shall be deemed to not have satisfied this clause (i)(A) and such event shall be deemed to be a Filing Failure), (ii) the Company shall not have filed a "final" prospectus for such Registration Statement with the SEC under Rule 424(b) in accordance with Section 3(b) within one (1) Business Day immediately following the Effective Date for such Registration Statement (whether or not such a prospectus is technically required by such rule) (the "**Acceleration Failure**"), (iii) other than during an Allowable Grace Period (as defined below), on any day after the Effective Date of a Registration Statement sales of all of the Registrable Securities required to be included on such Registration Statement (disregarding any reduction pursuant to Section 2(f)) cannot be made pursuant to such Registration Statement (including, without limitation, because of a failure to keep such Registration Statement effective, a failure to disclose such information as is necessary for sales to be made pursuant to such Registration Statement, a suspension or delisting of (or a failure to timely list) the Securities on the applicable Trading Market (as defined in the Subscription Agreement), or a failure to register a sufficient number of Securities or by reason of a stop order) or the prospectus contained therein is not available for use for any reason (a "**Maintenance Failure**"), or (iv) if a Registration Statement is not effective for any reason or the prospectus contained therein is not available for use for any reason, the Company fails to file with the SEC any required reports under Section 13 or 15(d) of the 1934 Act (as defined below) such that it is not in compliance with Rule 144(c)(1) (or Rule 144(i)(2), if applicable) (a "**Current Public Information Failure**" and, together with a Filing Failure, Acceleration Failure and Maintenance Failure, a "**Failure**")) as a result of which any of the Investors are unable to sell Registrable Securities without restriction under Rule 144 (including, without limitation, volume restrictions), then, as partial relief for the damages to any holder by reason of any such delay in, or reduction of, its ability to sell the Securities (which remedy shall not be exclusive of any other remedies available at law or in equity), the Company shall pay to each holder of Registrable Securities relating to such Registration Statement an amount in cash equal to one percent (1%) of the aggregate purchase price paid by such Investor pursuant to the Subscription Agreement for any Registrable Securities held by such Investor on the date of the applicable Failure (or if such Failure relates to only a portion of the Registrable Securities, then only with respect to the Investor's allocable cash investment with respect to such portion of such Registrable Securities) (1) on the date of such Failure, as applicable, and (2) on every thirty (30) day anniversary of (I) a Filing Failure until such Filing Failure is cured; (II) an Acceleration Failure until such Acceleration Failure is cured; (III) a Maintenance Failure until such Maintenance Failure is cured; and (IV) a Current Public Information Failure until the earlier of (i) the date such Current Public Information Failure is cured and (ii) such time that such public information is no longer required pursuant to Rule 144 (in each case, prorated for periods totaling less than thirty (30) days). The payments to which a holder of Registrable Securities shall be entitled pursuant to this Section 2(e) are referred to herein as "**Registration Delay Payments**." Following the initial Registration Delay Payment for any particular event or failure (which shall be paid on the date of such event or failure, as set forth above), without limiting the foregoing, if an event or failure giving rise to the Registration Delay Payments is cured prior to any thirty (30) day anniversary of such event or failure, then such

Registration Delay Payment shall be made on the third (3rd) Business Day after such cure. In the event the Company fails to make Registration Delay Payments in a timely manner in accordance with the foregoing, such Registration Delay Payments shall bear interest at the rate of one percent (1%) per month (prorated for partial months) until paid in full.

(f) Offering. No Investor shall be named as an "underwriter" in any Registration Statement without such Investor's prior written consent. Notwithstanding anything to the contrary contained in this Agreement, in the event the Staff or the SEC seeks to characterize any offering pursuant to a Registration Statement filed pursuant to this Agreement as constituting an offering of securities by, or on behalf of, the Company, or in any other manner, such that the Staff or the SEC does not permit such Registration Statement to become effective and used for resales in a manner that does not constitute such an offering and that permits the continuous resale at the market by the Investors participating therein (or as otherwise may be acceptable to each Investor) without being named therein as an "underwriter," then the Company shall reduce the number of shares to be included in such Registration Statement by all Investors until such time as the Staff and the SEC shall so permit such Registration Statement to become effective as aforesaid. In making such reduction, the Company shall reduce the number of shares to be included by all Investors on a pro rata basis (based upon the number of Registrable Securities otherwise required to be included for each Investor) unless the inclusion of shares by a particular Investor or a particular set of Investors are resulting in the Staff or the SEC's "by or on behalf of the Company" offering position, in which event the shares held by such Investor or set of Investors shall be the only shares subject to reduction (and if by a set of Investors, on a pro rata basis by such Investors or on such other basis as would result in the exclusion of the least number of shares by all such Investors). In addition, in the event that the Staff or the SEC requires any Investor seeking to sell securities under a Registration Statement filed pursuant to this Agreement to be specifically identified as an "underwriter" in order to permit such Registration Statement to become effective, and such Investor does not consent to being so named as an underwriter in such Registration Statement, then, in each such case, the Company shall reduce the total number of Registrable Securities to be registered on behalf of such Investor, until such time as the Staff or the SEC does not require such identification or until such Investor accepts such identification and the manner thereof. Any reduction pursuant to this paragraph will first reduce all Registrable Securities other than those issued pursuant to the Subscription Agreement. In the event of any reduction in Registrable Securities pursuant to this paragraph, an affected Investor shall have the right to require, upon delivery of a written request to the Company signed by such Investor, the Company to file a registration statement within thirty (30) days of such request (subject to any restrictions imposed by Rule 415 or required by the Staff or the SEC) for resale by such Investor in a manner acceptable to such Investor, and the Company shall, following such request, use its reasonable best efforts to cause to be declared effective and to keep effective such registration statement in the same manner as otherwise contemplated in this Agreement for registration statements hereunder, in each case until such time as: (i) all Registrable Securities held by such Investor have been registered and sold pursuant to an effective Registration Statement in a manner acceptable to such Investor, (ii) all Registrable Securities may be resold by such Investor without restriction (including, without limitation, volume limitations) pursuant to Rule 144 (taking account of any Staff position with respect to "affiliate" status) and without the need for current public information required by Rule 144(c)(1) (or Rule 144(i)(2), if applicable), or (iii) such Investor agrees to be named as an underwriter in any such Registration Statement in a manner acceptable to such Investor as to all Registrable Securities held by such Investor and that have not theretofore been included in a Registration Statement under this Agreement.

(g) Piggyback Registrations. Without limiting any obligation of the Company hereunder or under the Subscription Agreement, if there is not an effective Registration Statement covering all of the Piggyback Registrable Securities or a prospectus contained therein is not available for use and the Company shall determine to prepare and file with the SEC a registration statement relating to an offering for its own account or the account of others under the 1933 Act of any of its equity securities (other than on Form S-4 or Form S-8 (each as promulgated under the 1933 Act) or their then equivalents relating to equity securities to be issued solely in connection with any acquisition of any entity or business or equity securities issuable in connection with the Company's equity compensation or other employee benefit plans), then the Company shall deliver to each Investor holding Piggyback Registrable Securities a written notice of such determination and, if within fifteen (15) days after the date of the delivery of such notice, any such Investor shall so request in writing, the Company shall include in such registration statement all or any part of such Piggyback Registrable Securities such Investor requests to be registered; provided, however, the Company shall not be required to register any Piggyback Registrable Securities pursuant to this Section 2(g) that are eligible for resale pursuant to Rule 144 without restriction (including, without limitation, volume restrictions) and without the need for current public information required by Rule 144(c)(1) (or Rule 144(i)(2), if applicable) or that are the subject of a then-effective Registration Statement.

(h) Allocation of Registrable Securities. The initial number of Registrable Securities included in any Registration Statement and any increase or decrease in the number of Registrable Securities included therein shall be allocated pro rata among the Investors based on the number of Registrable Securities held by each Investor at the time such Registration Statement covering such initial number of Registrable Securities or increase or decrease thereof is declared effective by the SEC. In the event that an Investor sells or otherwise transfers any of such Investor's Registrable Securities, each transferee or assignee (as the case may be) that becomes an Investor shall be allocated a pro rata portion of the then-remaining number of Registrable Securities included in such Registration Statement for such transferor or assignee (as the case may be). Any shares of Common Stock included in a Registration Statement and which remain allocated to any Person which ceases to hold any Registrable Securities covered by such Registration Statement shall be allocated to the remaining Investors, pro rata based on the number of Registrable Securities then held by such Investors which are covered by such Registration Statement.

(i) No Inclusion of Other Securities. In no event shall the Company include any securities other than Registrable Securities on any Registration Statement without the prior written consent of the Required Holders.

3. Related Obligations.

The Company shall use its reasonable best efforts to effect the registration of the Registrable Securities in accordance with the intended method of disposition thereof, and, pursuant thereto, the Company shall have the following obligations:

(a) The Company shall promptly prepare and file with the SEC a Registration Statement with respect to the Registrable Securities (but in no event later than the applicable Filing

Deadline) and use its reasonable best efforts to cause such Registration Statement to become effective as soon as practicable after such filing. Subject to Allowable Grace Periods (as defined below), the Company shall keep each Registration Statement effective (and the prospectus contained therein available for use) pursuant to Rule 415 for resales by the Investors on a delayed or continuous basis at then-prevailing market prices (and not fixed prices) at all times until the earlier of (i) the date as of which all of the Investors may sell all of the Registrable Securities required to be covered by such Registration Statement (disregarding any reduction pursuant to Section 2(f)) without restriction pursuant to Rule 144 (including, without limitation, volume restrictions) and without the need for current public information required by Rule 144(c)(1) (or Rule 144(i)(2), if applicable) or (ii) the date on which the Investors shall have sold all of the Registrable Securities covered by such Registration Statement (the "**Registration Period**"). Notwithstanding anything to the contrary contained in this Agreement, the Company shall ensure that, when filed and at all times while effective, each Registration Statement (including, without limitation, all amendments and supplements thereto) and the prospectus (including, without limitation, all amendments and supplements thereto) used in connection with such Registration Statement (1) shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein, or necessary to make the statements therein (in the case of prospectuses, in the light of the circumstances in which they were made) not misleading and (2) will disclose (whether directly or through incorporation by reference to other SEC filings to the extent permitted) all material information regarding the Company and its securities. The Company shall submit to the SEC, within two (2) Business Days after the later of the date that (i) the Company learns that no review of a particular Registration Statement will be made by the Staff or that the Staff has no further comments on a particular Registration Statement (as the case may be) and (ii) the consent of Legal Counsel is obtained pursuant to Section 3(c) (which consent shall be immediately sought), a request for acceleration of effectiveness of such Registration Statement to a time and date not later than forty-eight (48) hours after the submission of such request.

(b) Subject to Section 3(r) of this Agreement, the Company shall prepare and file with the SEC such amendments (including, without limitation, post-effective amendments) and supplements to each Registration Statement and the prospectus used in connection with each such Registration Statement, which prospectus is to be filed pursuant to Rule 424 promulgated under the 1933 Act, as may be necessary to keep each such Registration Statement effective at all times during the Registration Period for such Registration Statement, and, during such period, comply with the provisions of the 1933 Act with respect to the disposition of all Registrable Securities of the Company required to be covered by such Registration Statement until such time as all of such Registrable Securities shall have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof as set forth in such Registration Statement; provided, however, by 8:30 a.m. (California time) on the Business Day immediately following each Effective Date, the Company shall file with the SEC in accordance with Rule 424(b) under the 1933 Act the final prospectus to be used in connection with sales pursuant to the applicable Registration Statement. In the case of amendments and supplements to any Registration Statement which are required to be filed pursuant to this Agreement (including, without limitation, pursuant to this Section 3(b)) by reason of the Company filing a report on Form 10-Q or Form 10-K or any analogous report under the Securities Exchange Act of 1934, as amended (the "**1934 Act**"), the Company shall have incorporated such report by reference into such Registration Statement, if applicable, or shall file such amendments or supplements with the SEC within one] (1) Business Day of the day on which the 1934 Act report is filed which created the requirement for the Company to amend or supplement such Registration Statement.

(c) The Company shall (A) permit Legal Counsel to review and comment upon (i) each Registration Statement at least five (5) Business Days prior to its filing with the SEC and (ii) all amendments and supplements to each Registration Statement (including, without limitation, the prospectus contained therein) (except for Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and any similar or successor reports) within a reasonable number of days prior to their filing with the SEC, and (B) not file any Registration Statement or amendment or supplement thereto in a form to which Legal Counsel reasonably objects. The Company shall not submit a request for acceleration of the effectiveness of a Registration Statement or any amendment or supplement thereto or to any prospectus contained therein without the prior consent of Legal Counsel, which consent shall not be unreasonably withheld, delayed or conditioned. The Company shall promptly furnish to Legal Counsel, without charge, (i) copies of any correspondence from the SEC or the Staff to the Company or its representatives relating to each Registration Statement, provided that such correspondence shall not contain any material, non-public information regarding the Company or any of its Subsidiaries (as defined in the Subscription Agreement), (ii) after the same is prepared and filed with the SEC, one (1) copy of each Registration Statement and any amendment(s) and supplement(s) thereto, including, without limitation, financial statements and schedules, all documents incorporated therein by reference, if requested by an Investor, and all exhibits, and (iii) upon the effectiveness of each Registration Statement, one (1) copy of the prospectus included in such Registration Statement and all amendments and supplements thereto, except in cases (ii) and (iii) above if such documents are filed with the SEC through EDGAR and are available to the public through the EDGAR system promptly after the same is prepared and filed with the SEC. The Company shall reasonably cooperate with Legal Counsel in performing the Company's obligations pursuant to this Section 3.

(d) The Company shall promptly furnish to each Investor whose Registrable Securities are included in any Registration Statement, without charge, to the extent that such documents are not available on the SEC's EDGAR system, (i) after the same is prepared and filed with the SEC, at least one (1) copy of each Registration Statement and any amendment(s) and supplement(s) thereto, including, without limitation, financial statements and schedules, all documents incorporated therein by reference, if requested by an Investor, all exhibits and each preliminary prospectus, (ii) upon the effectiveness of each Registration Statement, ten (10) copies of the prospectus included in such Registration Statement and all amendments and supplements thereto (or such other number of copies as such Investor may reasonably request from time to time), and (iii) such other documents, including, without limitation, copies of any preliminary or final prospectus, as such Investor may reasonably request from time to time in order to facilitate the disposition of the Registrable Securities owned by such Investor.

(e) The Company shall use its reasonable best efforts to (i) register and qualify, unless an exemption from registration and qualification applies, the resale by Investors of the Registrable Securities covered by a Registration Statement under such other securities or "blue sky" laws of all applicable jurisdictions in the United States, (ii) prepare and file in those jurisdictions, such amendments (including, without limitation, post-effective amendments) and supplements to such registrations and qualifications as may be necessary to maintain the effectiveness thereof during the Registration Period, (iii) take such other actions as may be necessary to maintain such

registrations and qualifications in effect at all times during the Registration Period, and (iv) take all other actions reasonably necessary or advisable to qualify the Registrable Securities for sale in such jurisdictions; provided, however, that the Company shall not be required in connection therewith or as a condition thereto to (x) qualify to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 3(e), (y) subject itself to general taxation in any such jurisdiction, or (z) file a general consent to service of process in any such jurisdiction. The Company shall promptly notify Legal Counsel and each Investor who holds Registrable Securities of the receipt by the Company of any notification with respect to the suspension of the registration or qualification of any of the Registrable Securities for sale under the securities or "blue sky" laws of any jurisdiction in the United States or its receipt of actual notice of the initiation or threatening of any proceeding for such purpose.

(f) The Company shall notify Legal Counsel and each Investor in writing of the happening of any event, as promptly as practicable after becoming aware of such event, as a result of which the prospectus included in a Registration Statement, as then in effect, includes an untrue statement of a material fact or omission to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (provided that in no event shall such notice contain any material, non-public information regarding the Company or any of its Subsidiaries), and, subject to Section 3(r), promptly prepare a supplement or amendment to such Registration Statement and such prospectus contained therein to correct such untrue statement or omission and, unless such supplement or amendment has been filed with the SEC through EDGAR and is available to the public through the EDGAR system promptly after the same is prepared and filed with the SEC, deliver ten (10) copies of such supplement or amendment to Legal Counsel and each Investor (or such other number of copies as Legal Counsel or such Investor may reasonably request). The Company shall also promptly notify Legal Counsel and each Investor in writing (i) when a prospectus or any prospectus supplement or post-effective amendment has been filed, when a Registration Statement or any post-effective amendment has become effective (notification of such effectiveness shall be delivered to Legal Counsel and each Investor by facsimile or e-mail on the same day of such effectiveness and by overnight mail), and when the Company receives written notice from the SEC that a Registration Statement or any post-effective amendment will be reviewed by the SEC, (ii) of any request by the SEC for amendments or supplements to a Registration Statement or related prospectus or related information, (iii) of the Company's reasonable determination that a post-effective amendment to a Registration Statement would be appropriate; and (iv) of the receipt of any request by the SEC or any other federal or state governmental authority for any additional information relating to the Registration Statement or any amendment or supplement thereto or any related prospectus. The Company shall respond as promptly as practicable to any comments received from the SEC with respect to each Registration Statement or any amendment thereto, but in no event later than ten (10) Business Days after the Company's receipt of such comments.

(g) The Company shall (i) use its reasonable best efforts to prevent the issuance of any stop order or other suspension of effectiveness of each Registration Statement or the use of any prospectus contained therein, or the suspension of the qualification, or the loss of an exemption from qualification, of any of the Registrable Securities for sale in any jurisdiction and, if such an order or suspension is issued, to obtain the withdrawal of such order or suspension at the earliest possible moment and (ii) as promptly as reasonably practicable, but in any event within one (1) Business Day, via facsimile or electronic mail, notify Legal Counsel and each Investor who holds Registrable Securities of the issuance of such order and the resolution thereof or its receipt of actual notice of the initiation or threat of any proceeding for such purpose.

(h) If any Investor may be required under applicable securities law to be described in any Registration Statement as an underwriter and such Investor consents to so being named an underwriter, at the reasonable request of such Investor, the Company shall furnish to such Investor, on the date of the effectiveness of such Registration Statement and thereafter from time to time on such dates as an Investor may reasonably request (i) a letter, dated such date, from the Company's independent certified public accountants in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the Investors, and (ii) an opinion, dated as of such date, of counsel representing the Company for purposes of such Registration Statement, in form, scope and substance as is customarily given in an underwritten public offering, addressed to the Investors.

(i) If any Investor may be required under applicable securities law to be described in any Registration Statement as an underwriter and such Investor consents to so being named an underwriter, upon the written request of such Investor, the Company shall make available for inspection by (i) such Investor, (ii) legal counsel for such Investor, and (iii) one (1) firm of accountants or other agents retained by such Investor (collectively, the "**Inspectors**"), all pertinent financial and other records, and pertinent corporate documents and properties of the Company (collectively, the "**Records**"), as shall be reasonably deemed necessary by each Inspector, and cause the Company's officers, directors and employees to supply all information which any Inspector may reasonably request; provided, however, each Inspector shall agree in writing to hold in strict confidence and not to make any disclosure (except to such Investor) or use of any Record or other information which the Company's board of directors determines in good faith to be confidential, and of which determination the Inspectors are so notified, unless (1) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in any Registration Statement or is otherwise required under the 1933 Act, (2) the release of such Records is ordered pursuant to a final, non-appealable subpoena or order from a court or government body of competent jurisdiction, or (3) the information in such Records has been made generally available to the public other than by disclosure in violation of this Agreement or any other Transaction Document (as defined in the Subscription Agreement). Such Investor agrees that it shall, upon learning that disclosure of such Records is sought in or by a court or governmental body of competent jurisdiction or through other means, give prompt notice to the Company and allow the Company, at its expense, to undertake appropriate action to prevent disclosure of, or to obtain a protective order for, the Records deemed confidential. Nothing herein (or in any other confidentiality agreement between the Company and such Investor, if any) shall be deemed to limit any Investor's ability to sell Registrable Securities in a manner which is otherwise consistent with applicable laws and regulations.

(j) The Company shall hold in confidence and not make any disclosure of information concerning an Investor provided to the Company unless (i) disclosure of such information is necessary to comply with federal or state securities laws, (ii) the disclosure of such information is necessary to avoid or correct a misstatement or omission in any Registration Statement or is otherwise required to be disclosed in such Registration Statement pursuant to the 1933 Act, (iii) the release of such information is ordered pursuant to a subpoena or other final, non-appealable order from a court or governmental body of competent jurisdiction, or (iv) such information has

been made generally available to the public other than by disclosure in violation of this Agreement or any other Transaction Document. The Company agrees that it shall, upon learning that disclosure of such information concerning an Investor is sought in or by a court or governmental body of competent jurisdiction or through other means, give prompt written notice to such Investor and allow such Investor, at such Investor's expense, to undertake appropriate action to prevent disclosure of, or to obtain a protective order for, such information.

(k) Without limiting any obligation of the Company under the Subscription Agreement, the Company shall use its reasonable best efforts either to (i) cause all of the Registrable Securities covered by each Registration Statement to be listed on each securities exchange on which securities of the same class or series issued by the Company are then listed, if any, if the listing of such Registrable Securities is then permitted under the rules of such exchange, (ii) secure designation and quotation of all of the Registrable Securities covered by each Registration Statement on the applicable Trading Market, or (iii) if, despite the Company's reasonable best efforts to satisfy the preceding clauses (i) or (ii) the Company is unsuccessful in satisfying the preceding clauses (i) or (ii), without limiting the generality of the foregoing, to use its reasonable best efforts to arrange for at least two market makers to register with the Financial Industry Regulatory Authority ("**FINRA**") as such with respect to such Registrable Securities. In addition, the Company shall cooperate with each Investor and any broker or dealer through which any such Investor proposes to sell its Registrable Securities in effecting a filing with FINRA pursuant to FINRA Rule 5110 as requested by such Investor. The Company shall pay all fees and expenses in connection with satisfying its obligations under this Section 3(k).

(l) The Company shall cooperate with the Investors who hold Registrable Securities being offered and, to the extent applicable, facilitate the timely preparation and delivery of certificates (not bearing any restrictive legend) representing the Registrable Securities to be offered pursuant to a Registration Statement and enable such certificates to be in such denominations or amounts (as the case may be) as the Investors may reasonably request from time to time and registered in such names as the Investors may request.

(m) If requested by an Investor, the Company shall, as soon as practicable after receipt of notice from such Investor and subject to Section 3(r) hereof, (i) incorporate in a prospectus supplement or post-effective amendment such information as an Investor reasonably requests to be included therein relating to the sale and distribution of Registrable Securities, including, without limitation, information with respect to the number of Registrable Securities being offered or sold, the purchase price being paid therefor and any other terms of the offering of the Registrable Securities to be sold in such offering; (ii) make all required filings of such prospectus supplement or post-effective amendment after being notified of the matters to be incorporated in such prospectus supplement or post-effective amendment; and (iii) supplement or make amendments to any Registration Statement or prospectus contained therein if reasonably requested by an Investor holding any Registrable Securities.

(n) The Company shall use its reasonable best efforts to cause the Registrable Securities covered by a Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to consummate the disposition of such Registrable Securities.

(o) The Company shall make generally available to its security holders as soon as practical, but not later than ninety (90) days after the close of the period covered thereby, an earnings statement (in form complying with, and in the manner provided by, the provisions of Rule 158 under the 1933 Act) covering a twelve-month period beginning not later than the first day of the Company's fiscal quarter next following the applicable Effective Date of each Registration Statement.

(p) The Company shall otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the SEC in connection with any registration hereunder.

(q) Within one (1) Business Day after a Registration Statement which covers Registrable Securities is declared effective by the SEC, the Company shall deliver, and shall cause legal counsel for the Company to deliver, to the transfer agent for such Registrable Securities (with copies to the Investors whose Registrable Securities are included in such Registration Statement) confirmation that such Registration Statement has been declared effective by the SEC.

(r) Notwithstanding anything to the contrary herein (but subject to the last sentence of this Section 3(r)), at any time after the Effective Date of a particular Registration Statement, (i) the Company may delay the disclosure of material, non-public information concerning the Company or any of its Subsidiaries the disclosure of which at the time is not, in the good faith opinion of the board of directors of the Company, in the best interest of the Company and, upon the advice of counsel to the Company, otherwise required and (ii) the Company may suspend the availability of a Registration Statement on Form S-1 if pursuant to applicable law it must file a post-effective amendment to such Registration Statement in connection with the filing of its Annual Report on Form 10-K or Quarterly Reports on Form 10-Q (each, a "**Grace Period**"), provided that the Company shall promptly (A) notify the Investors in writing of the existence of material, non-public information giving rise to a Grace Period (provided that in each such notice the Company shall not disclose the content of such material, non-public information to any of the Investors) and the date on which such Grace Period will begin and (B) notify the investors in writing of the date on which such Grace Period ends, provided further that (x) no Grace Period shall exceed fifteen (15) consecutive Trading Days and during any three hundred sixty five (365) day period all such Grace Periods shall not exceed an aggregate of forty-five (45) Trading Days, (y) the first day of any Grace Period must be at least five (5) Trading Days after the last day of any prior Grace Period, and (z) no Grace Period may exist during the sixty (60) Trading Day period immediately following the Effective Date of such Registration Statement (provided that such sixty (60) Trading Day period shall be extended by the number of Trading Days during such period and any extension thereof contemplated by this proviso during which such Registration Statement is not effective or the prospectus contained therein is not available for use) (each, an "**Allowable Grace Period**"). For purposes of determining the length of a Grace Period above, such Grace Period shall begin on and include the date the Investors receive the notice referred to in clause (i) above and shall end on and include the later of the date the Investors receive the notice referred to in clause (ii) above and the date referred to in such notice. The provisions of Section 3(g) hereof shall not be applicable during the period of any Allowable Grace Period. Upon expiration of each Grace Period, the Company shall again be bound by the first sentence of Section 3(f) with respect to the information giving rise thereto unless such material, non-public information is no longer applicable. Notwithstanding anything to the contrary contained in this Section 3(r), the Company shall cause its transfer agent to deliver unlegended shares of Common Stock to a transferee of an

Investor in accordance with the terms of the Subscription Agreement in connection with any sale of Registrable Securities made pursuant to an effective and available Registration Statement with respect to which such Investor has entered into a contract for sale, and delivered a copy of the prospectus included as part of the particular Registration Statement to the extent applicable, prior to such Investor's receipt of the notice of a Grace Period and for which the Investor has not yet settled.

4. Obligations of the Investors.

(a) At least five (5) Business Days prior to the first anticipated filing date of each Registration Statement, the Company shall notify each Investor in writing of the information the Company requires from each such Investor with respect to such Registration Statement. It shall be a condition precedent to the obligations of the Company to complete the registration pursuant to this Agreement with respect to the Registrable Securities of a particular Investor that such Investor shall furnish to the Company such information regarding itself, the Registrable Securities held by it and the intended method of disposition of the Registrable Securities held by it, as shall be reasonably required to effect and maintain the effectiveness of the registration of such Registrable Securities and shall execute such documents in connection with such registration as the Company may reasonably request.

(b) Each Investor, by such Investor's acceptance of the Registrable Securities, agrees to cooperate with the Company as reasonably requested by the Company in connection with the preparation and filing of each Registration Statement hereunder, unless such Investor has notified the Company in writing of such Investor's election to exclude all of such Investor's Registrable Securities from such Registration Statement.

(c) Each Investor agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 3(g) or the first sentence of 3(f), such Investor will immediately discontinue disposition of Registrable Securities pursuant to any Registration Statement(s) covering such Registrable Securities until such Investor's receipt of the copies of the supplemented or amended prospectus contemplated by Section 3(g) or the first sentence of Section 3(f) or receipt of notice that no supplement or amendment is required. Notwithstanding anything to the contrary in this Section 4(c), the Company shall cause its transfer agent to deliver unlegended shares of Common Stock to a transferee of an Investor in accordance with the terms of the Subscription Agreement in connection with any sale of Registrable Securities made pursuant to an effective and available Registration Statement with respect to which such Investor has entered into a contract for sale prior to the Investor's receipt of a notice from the Company of the happening of any event of the kind described in Section 3(g) or the first sentence of Section 3(f) and for which such Investor has not yet settled.

5. Expenses of Registration.

All reasonable expenses, other than underwriting discounts and commissions, incurred in connection with registrations, filings or qualifications pursuant to Sections 2 and 3, including, without limitation, all registration, listing and qualifications fees, printers and accounting fees, FINRA filing fees (if any) and fees and disbursements of counsel for the Company shall be paid by the Company.

6. Indemnification.

(a) In the event any Registrable Securities are included in any Registration Statement under this Agreement, to the fullest extent permitted by law, the Company will, and hereby does, indemnify, hold harmless and defend each Investor and each of its directors, officers, shareholders, members, partners, employees, agents, advisors, representatives (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding the lack of such title or any other title) and each Person, if any, who controls such Investor within the meaning of the 1933 Act or the 1934 Act and each of the directors, officers, shareholders, members, partners, employees, agents, advisors, representatives (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding the lack of such title or any other title) of such controlling Persons (each, an "**Indemnified Person**"), against any losses, obligations, claims, damages, liabilities, contingencies, judgments, fines, penalties, charges, costs (including, without limitation, court costs, reasonable and documented attorneys' fees and costs of defense and investigation), amounts paid in settlement or expenses, joint or several, (collectively, "**Claims**") incurred in investigating, preparing or defending any action, claim, suit, inquiry, proceeding, investigation or appeal taken from the foregoing by or before any court or governmental, administrative or other regulatory agency, body or the SEC, whether pending or threatened, whether or not an indemnified party is or may be a party thereto ("**Indemnified Damages**"), to which any of them may become subject insofar as such Claims (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon: (i) any untrue statement or alleged untrue statement of a material fact in a Registration Statement or any post-effective amendment thereto or in any filing made in connection with the qualification of the offering under the securities or other "blue sky" laws of any jurisdiction in which Registrable Securities are offered ("**Blue Sky Filing**"), or the omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus if used prior to the effective date of such Registration Statement, or contained in the final prospectus (as amended or supplemented, if the Company files any amendment thereof or supplement thereto with the SEC) or the omission or alleged omission to state therein any material fact necessary to make the statements made therein, in light of the circumstances under which the statements therein were made, not misleading, or (iii) any violation or alleged violation by the Company of the 1933 Act, the 1934 Act, any other law, including, without limitation, any state securities law, or any rule or regulation thereunder relating to the offer or sale of the Registrable Securities pursuant to a Registration Statement (the matters in the foregoing clauses (i) through (iii) being, collectively, "**Violations**"). Subject to Section 6(c), the Company shall reimburse the Indemnified Persons, promptly as such expenses are incurred and are due and payable, for any reasonable and documented legal fees or other reasonable expenses incurred by them in connection with investigating or defending any such Claim. Notwithstanding anything to the contrary contained herein, the indemnification agreement contained in this Section 6(a): (i) shall not apply to a Claim by an Indemnified Person arising out of or based upon a Violation which occurs in reliance upon and in conformity with information furnished in writing to the Company by such Indemnified Person for such Indemnified Person expressly for use in connection with the preparation of such Registration Statement or any such amendment thereof or supplement thereto and (ii) shall not be available to a particular Investor to the extent such Claim is based on a failure of such Investor to deliver or to cause to be delivered the prospectus made available by the Company, including, without limitation, a corrected prospectus, if such prospectus or corrected

prospectus was timely made available by the Company pursuant to Section 3(d) and then only if, and to the extent that, following the receipt of the corrected prospectus no grounds for such Claim would have existed; and (iii) shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of the Company, which consent shall not be unreasonably withheld, conditioned or delayed. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Indemnified Person and shall survive the transfer of any of the Registrable Securities by any of the Investors pursuant to Section 9.

(b) In connection with any Registration Statement in which an Investor is participating, each such Investor agrees to severally and not jointly indemnify, hold harmless and defend, to the same extent and in the same manner as is set forth in Section 6(a), the Company, each of its directors, each of its officers who signs the Registration Statement and each Person, if any, who controls the Company within the meaning of the 1933 Act or the 1934 Act (each, an "**Indemnified Party**"), against any Claim or Indemnified Damages to which any of them may become subject, under the 1933 Act, the 1934 Act or otherwise, insofar as such Claim or Indemnified Damages arise out of or are based upon any Violation, in each case, to the extent, and only to the extent, that such Violation occurs in reliance upon and in conformity with written information furnished to the Company by such Investor expressly for use in connection with such Registration Statement; and, subject to Section 6(c) and the below provisos in this Section 6(b), such Investor shall reimburse the Indemnified Party for any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such Claim; provided, however, that the indemnity agreement contained in this Section 6(b) and the agreement with respect to contribution contained in Section 7 shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of such Investor, which consent shall not be unreasonably withheld or delayed, provided further that such Investor shall be liable under this Section 6(b) for only that amount of a Claim or Indemnified Damages as does not exceed the net proceeds to such Investor as a result of the applicable sale of Registrable Securities pursuant to such Registration Statement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Indemnified Party and shall survive the transfer of any of the Registrable Securities by any of the Investors pursuant to Section 9.

(c) Promptly after receipt by an Indemnified Person or Indemnified Party (as the case may be) under this Section 6 of notice of the commencement of any action or proceeding (including, without limitation, any governmental action or proceeding) involving a Claim, such Indemnified Person or Indemnified Party (as the case may be) shall, if a Claim in respect thereof is to be made against any indemnifying party under this Section 6, deliver to the indemnifying party a written notice of the commencement thereof, and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume control of the defense thereof with counsel mutually satisfactory to the indemnifying party and the Indemnified Person or the Indemnified Party (as the case may be); provided, however, an Indemnified Person or Indemnified Party (as the case may be) shall have the right to retain its own counsel with the fees and expenses of such counsel to be paid by the indemnifying party if: (i) the indemnifying party has agreed in writing to pay such fees and expenses; (ii) the indemnifying party shall have failed promptly to assume the defense of such Claim and to employ counsel reasonably satisfactory to such Indemnified Person or Indemnified Party (as the case may be) in any such Claim; or (iii) the named parties to any such

Claim (including, without limitation, any impleaded parties) include both such Indemnified Person or Indemnified Party (as the case may be) and the indemnifying party, and such Indemnified Person or such Indemnified Party (as the case may be) shall have been advised by counsel that a conflict of interest is likely to exist if the same counsel were to represent such Indemnified Person or such Indemnified Party and the indemnifying party (in which case, if such Indemnified Person or such Indemnified Party (as the case may be) notifies the indemnifying party in writing that it elects to employ separate counsel at the expense of the indemnifying party, then the indemnifying party shall not have the right to assume the defense thereof and such counsel shall be at the expense of the indemnifying party), provided further that in the case of clause (iii) above the indemnifying party shall not be responsible for the reasonable fees and expenses of more than one (1) separate legal counsel for such Indemnified Person or Indemnified Party (as the case may be). The Indemnified Party or Indemnified Person (as the case may be) shall reasonably cooperate with the indemnifying party in connection with any negotiation or defense of any such action or Claim by the indemnifying party and shall furnish to the indemnifying party all information reasonably available to the Indemnified Party or Indemnified Person (as the case may be) which relates to such action or Claim. The indemnifying party shall keep the Indemnified Party or Indemnified Person (as the case may be) reasonably apprised at all times as to the status of the defense or any settlement negotiations with respect thereto. No indemnifying party shall be liable for any settlement of any action, claim or proceeding effected without its prior written consent; provided, however, the indemnifying party shall not unreasonably withhold, delay or condition its consent. No indemnifying party shall, without the prior written consent of the Indemnified Party or Indemnified Person (as the case may be), consent to the entry of any judgment or enter into any settlement or other compromise which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party or Indemnified Person (as the case may be) of a release from all liability in respect to such Claim or litigation, and such settlement shall not include any admission as to fault on the part of the Indemnified Party or Indemnified Person (as the case may be). Following indemnification as provided for hereunder, the indemnifying party shall be subrogated to all rights of the Indemnified Party or Indemnified Person (as the case may be) with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall not relieve such indemnifying party of any liability to the Indemnified Person or Indemnified Party (as the case may be) under this Section 6, except to the extent that the indemnifying party is materially and adversely prejudiced in its ability to defend such action.

(d) No Person involved in the sale of Registrable Securities who is guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) in connection with such sale shall be entitled to indemnification from any Person involved in such sale of Registrable Securities who is not guilty of fraudulent misrepresentation.

(e) The indemnification required by this Section 6 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or Indemnified Damages are incurred.

(f) The indemnity and contribution agreements contained herein shall be in addition to (i) any cause of action or similar right of the Indemnified Party or Indemnified Person against the indemnifying party or others, and (ii) any liabilities the indemnifying party may be subject to pursuant to the law.

7. Contribution.

To the extent any indemnification by an indemnifying party is prohibited or limited by law, the indemnifying party agrees to make the maximum contribution with respect to any amounts for which it would otherwise be liable under Section 6 to the fullest extent permitted by law; provided, however: (i) no contribution shall be made under circumstances where the maker would not have been liable for indemnification under the fault standards set forth in Section 6 of this Agreement, (ii) no Person involved in the sale of Registrable Securities which Person is guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) in connection with such sale shall be entitled to contribution from any Person involved in such sale of Registrable Securities who was not guilty of fraudulent misrepresentation; and (iii) contribution by any seller of Registrable Securities shall be limited in amount to the amount of net proceeds received by such seller from the applicable sale of such Registrable Securities pursuant to such Registration Statement. Notwithstanding the provisions of this Section 7, no Investor shall be required to contribute, in the aggregate, any amount in excess of the amount by which the net proceeds actually received by such Investor from the applicable sale of the Registrable Securities subject to the Claim exceeds the amount of any damages that such Investor has otherwise been required to pay, or would otherwise be required to pay under Section 6(b), by reason of such untrue or alleged untrue statement or omission or alleged omission.

8. Reports Under the 1934 Act.

With a view to making available to the Investors the benefits of Rule 144, the Company agrees to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the 1933 Act and the 1934 Act so long as the Company remains subject to such requirements (it being understood and agreed that nothing herein shall limit any obligations of the Company under the Subscription Agreement) and the filing of such reports and other documents is required for the applicable provisions of Rule 144; and

(c) furnish to each Investor, so long as such Investor owns Registrable Securities, promptly upon request, (i) a written statement by the Company, if true, that it has complied with the reporting, submission and posting requirements of Rule 144 and the 1934 Act, (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company with the SEC if such reports are not publicly available via EDGAR, and (iii) such other information as may be reasonably requested to permit the Investors to sell such securities pursuant to Rule 144 without registration.

9. Assignment of Registration Rights.

All or any portion of the rights under this Agreement shall be automatically assignable by each Investor to any transferee or assignee (as the case may be) of all or any portion of such

Investor's Registrable Securities if: (i) such Investor agrees in writing with such transferee or assignee (as the case may be) to assign all or any portion of such rights, and a copy of such agreement is furnished to the Company within a reasonable time after such transfer or assignment (as the case may be); (ii) the Company is, within a reasonable time after such transfer or assignment (as the case may be), furnished with written notice of (a) the name and address of such transferee or assignee (as the case may be), and (b) the securities with respect to which such registration rights are being transferred or assigned (as the case may be); (iii) immediately following such transfer or assignment (as the case may be) the further disposition of such securities by such transferee or assignee (as the case may be) is restricted under the 1933 Act or applicable state securities laws if so required; (iv) at or before the time the Company receives the written notice contemplated by clause (ii) of this sentence, such transferee or assignee (as the case may be) agrees in writing with the Company to be bound by all of the provisions contained herein; (v) such transfer or assignment (as the case may be) shall have been made in accordance with the applicable requirements of the Subscription Agreement; and (vi) such transfer or assignment (as the case may be) shall have been conducted in accordance with all applicable federal and state securities laws.

10. Amendment of Registration Rights.

Provisions of this Agreement may be amended only with the written consent of the Company and the Required Holders. Any amendment effected in accordance with this Section 10 shall be binding upon each Investor and the Company, provided that no such amendment shall be effective to the extent that it (1) applies to less than all of the holders of the holders of Registrable Securities, (2) imposes any obligation or liability on any Investor without such Investor's prior written consent (which may be granted or withheld in such Investor's sole discretion), or (3) applies retroactively. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party. No consideration shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of this Agreement unless the same consideration also is offered to all of the parties to this Agreement.

11. Miscellaneous.

(a) Except for registration rights granted in connection with an Exempt Financing, during the term of this Agreement, the Company shall not grant to any third party any registration rights that are senior to the registration rights provided to the Investors pursuant to this Agreement.

(b) Solely for purposes of this Agreement, a Person is deemed to be a holder of Registrable Securities whenever such Person owns, or is deemed to own, of record such Registrable Securities. If the Company receives conflicting instructions, notices or elections from two or more Persons with respect to the same Registrable Securities, the Company shall act upon the basis of instructions, notice or election received from such record owner of such Registrable Securities.

(c) Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party); (iii) with respect to Section 3(c), by electronic mail (provided

confirmation of transmission is electronically generated and kept on file by the sending party); or (iv) one (1) Business Day after deposit with a nationally recognized overnight delivery service with next day delivery specified, in each case, properly addressed to the party to receive the same. The addresses and facsimile numbers for such communications shall be:

If to the Company:

Conkwest, Inc.
The Plastino Building
2533 South Coast Highway 101, Suite 210
Cardiff-by-the-Sea, CA 92007
Telephone: (858) 633-0300
Facsimile: (858) 380-1999
Attention: Barry J. Simon, M.D.
Chief Executive Officer

With a copy (for informational purposes only) to:

Greenberg Traurig, LLP
The MetLife Building
200 Park Avenue
New York, NY 10166
Telephone: (212) 801-9362
Facsimile: (212) 805-9362
Attention: Anthony J. Marsico, Esq.

If to the Transfer Agent:

[ ]
[ ]
[ ]
Telephone: ( ) -
Facsimile: ( ) -
Attention: [ ]

If to Legal Counsel:

Paul Hastings LLP
1117 S. California Avenue
Palo Alto, CA 94304
Telephone: (650) 320-1804
Facsimile: (650) 320-1904
Attention: Jeffrey T. Hartlin, Esq.

If to a Purchaser, to its address and facsimile number set forth on the signature page of such Purchaser attached to the Subscription Agreement, with copies to any of such Purchaser's representatives as set forth on such signature page, or to such other address and/or facsimile

number and/or to the attention of such other Person as the recipient party has specified by written notice given to each other party five (5) days prior to the effectiveness of such change. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication, (B) mechanically or electronically generated by the sender's facsimile machine or electronic mail transmission containing the time, date, recipient facsimile number or electronic mail address and an image of the first page of such transmission, or (C) provided by a courier or overnight courier service shall be rebuttable evidence of personal service, receipt by facsimile, receipt by electronic mail or receipt from a nationally recognized overnight delivery service in accordance with clause (i), (ii), (iii) or (iv) above, respectively.

(d) Failure of any party to exercise any right or remedy under this Agreement or otherwise, or delay by a party in exercising such right or remedy, shall not operate as a waiver thereof. The Company and each Investor acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that each party hereto shall be entitled to an injunction or injunctions to prevent or cure breaches of the provisions of this Agreement by any other party hereto and to enforce specifically the terms and provisions hereof (without the necessity of showing economic loss and without any bond or other security being required), this being in addition to any other remedy to which any party may be entitled by law or equity.

(e) All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of California, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of California or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of California. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of San Diego, State of California, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.

(f) This Agreement, the other Transaction Documents, the schedules and exhibits attached hereto and thereto and the instruments referenced herein and therein constitute the entire

agreement among the parties hereto and thereto solely with respect to the subject matter hereof and thereof. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein and therein. This Agreement, the other Transaction Documents, the schedules and exhibits attached hereto and thereto and the instruments referenced herein and therein supersede all prior agreements, understandings, discussions and representations, oral or written, among the parties hereto solely with respect to the subject matter hereof and thereof; provided, however, nothing contained in this Agreement or any other Transaction Document shall (or shall be deemed to) (i) have any effect on any agreements any Investor has entered into with the Company or any of its Subsidiaries prior to the date hereof with respect to any prior investment made by such Investor in the Company, (ii) waive, alter, modify or amend in any respect any obligations of the Company or any of its Subsidiaries or any rights of or benefits to any Investor or any other Person in any agreement entered into prior to the date hereof between or among the Company and/or any of its Subsidiaries and any Investor and all such agreements shall continue in full force and effect, or (iii) limit any obligations of the Company under any of the other Transaction Documents.

(g) Subject to compliance with Section 9 (if applicable), this Agreement shall inure to the benefit of and be binding upon the permitted successors and assigns of each of the parties hereto. This Agreement is not for the benefit of, nor may any provision hereof be enforced by, any Person, other than the parties hereto, their respective permitted successors and assigns and the Persons referred to in Sections 6 and 7 hereof.

(h) The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof. Unless the context clearly indicates otherwise, each pronoun herein shall be deemed to include the masculine, feminine, neuter, singular and plural forms thereof. The terms “including,” “includes,” “include” and words of like import shall be construed broadly as if followed by the words “without limitation.” The terms “herein,” “hereunder,” “hereof” and words of like import refer to this entire Agreement instead of just the provision in which they are found.

(i) This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such signature page shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

(j) Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(k) The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent and no rules of strict construction will be applied against any party. Notwithstanding anything to the contrary set forth in Section 10, terms used in this

Agreement but defined in the other Transaction Documents shall have the meanings ascribed to such terms on the Initial Closing Date in such other Transaction Documents unless otherwise consented to in writing by each Investor.

(l) All consents and other determinations required to be made by the Investors pursuant to this Agreement shall be made, unless otherwise specified in this Agreement, by the Required Holders.

(m) The obligations of each Investor under this Agreement and the other Transaction Documents are several and not joint with the obligations of any other Investor, and no Investor shall be responsible in any way for the performance of the obligations of any other Investor under this Agreement or any other Transaction Document. Nothing contained herein or in any other Transaction Document, and no action taken by any Investor pursuant hereto or thereto, shall be deemed to constitute the Investors as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Investors are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by the Transaction Documents, and the Company acknowledges that the Investors are not acting in concert or as a group, and the Company shall not assert any such claim, with respect to such obligations or the transactions contemplated by this Agreement or any of the other Transaction Documents. Subject to the provisions on amendment set forth in Section 10, each Investor shall be entitled to independently protect and enforce its rights (including, without limitation, the rights arising out of this Agreement or out of any other Transaction Documents), and it shall not be necessary for any other Investor to be joined as an additional party in any proceeding for such purpose. The use of a single agreement with respect to the obligations of the Company contained herein was solely in the control of the Company, not the action or decision of any Investor, and was done solely for the convenience of the Company and not because it was required or requested to do so by any Investor. It is expressly understood and agreed that each provision contained in this Agreement and in each other Transaction Document is between the Company and an Investor, solely, and not between the Company and the Investors collectively and not between and among Investors.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, Purchaser and the Company have caused their respective signature page to this Registration Rights Agreement to be duly executed as of the date first written above.

COMPANY:

CONKWEST, INC.

By: /s/ Barry J. Simon
Name: Barry J. Simon
Title: President & CEO

IN WITNESS WHEREOF, each Purchaser and the Company have caused their respective signature page to this Registration Rights Agreement to be duly executed as of the date first written above.

PURCHASERS:

SORRENTO THERAPEUTICS, INC.

By: /s/ Henry Ji
Name: Henry Ji
Title: President & CEO

IN WITNESS WHEREOF, each Purchaser and the Company have caused their respective signature page to this Registration Rights Agreement to be duly executed as of the date first written above.

[OTHER PURCHASER]

By: _____
Name:
Title:

EXHIBIT A

SELLING STOCKHOLDERS

The shares of common stock being offered by the selling stockholders are those previously issued to the selling stockholders. For additional information regarding the issuance of common stock, see "Private Placement of Securities" above. We are registering the shares of common stock in order to permit the selling stockholders to offer the shares for resale from time to time. Except for the ownership of the common stock issued pursuant to the Subscription Agreement or as otherwise provided in the footnotes to the table below, the selling stockholders have not had any material relationship with us within the past three years.

The table below lists the selling stockholders and other information regarding the beneficial ownership (as determined under Section 13(d) of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder) of the shares of common stock held by each of the selling stockholders and the nature of any position, office or other material relationship, if any, which the selling stockholder has had, within the past three years, with us or with any of our predecessors or affiliates. The second column lists the number of shares of common stock beneficially owned by the selling stockholders, based on their respective ownership of shares of common stock, as of [●], 20[__]

The third column lists the shares of common stock being offered by this prospectus by the selling stockholders.

In accordance with the terms of a registration rights agreement with the holders of the common stock, this prospectus generally covers the resale of the number of shares of common stock issued in connection with the Subscription Agreement as of the trading day immediately preceding the date this registration statement was initially filed with the SEC. The number of shares that will actually be issued may be more or less than the number of shares being offered by this prospectus. The fourth column assumes the sale of all of the shares offered by the selling stockholders pursuant to this prospectus.

The selling stockholders may sell all, some or none of their shares in this offering. See "Plan of Distribution."

Name of Selling Stockholder	Number of Shares of Common Stock Owned Prior to Offering	Maximum Number of Shares of Common Stock to be Sold Pursuant to this Prospectus	Number of Shares of Common Stock Owned After Offering

PLAN OF DISTRIBUTION

We are registering the shares of common stock previously issued to permit the resale of these shares of common stock by the holders of the common stock from time to time after the date of this prospectus. We will not receive any of the proceeds from the sale by the selling stockholders of the shares of common stock. We will bear all fees and expenses incident to our obligation to register the shares of common stock.

The selling stockholders may sell all or a portion of the shares of common stock held by them and offered hereby from time to time directly or through one or more underwriters, broker-dealers or agents. If the shares of common stock are sold through underwriters or broker-dealers, the selling stockholders will be responsible for underwriting discounts or commissions or agent's commissions. The shares of common stock may be sold in one or more transactions at fixed prices, at prevailing market prices at the time of the sale, at varying prices determined at the time of sale or at negotiated prices. These sales may be effected in transactions, which may involve crosses or block transactions, pursuant to one or more of the following methods:

- on any national securities exchange or quotation service on which the securities may be listed or quoted at the time of sale;
- in the over-the-counter market;
- in transactions otherwise than on these exchanges or systems or in the over-the-counter market;
- through the writing or settlement of options, whether such options are listed on an options exchange or otherwise;
- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- short sales made after the date the Registration Statement is declared effective by the SEC;
- sales pursuant to Rule 144;

- agreements between broker-dealers and the selling securityholders to sell a specified number of such shares at a stipulated price per share;

- a combination of any such methods of sale; and

- any other method permitted pursuant to applicable law.

The selling stockholders may also sell shares of common stock under Rule 144 promulgated under the Securities Act of 1933, as amended, if available, rather than under this prospectus. In addition, the selling stockholders may transfer the shares of common stock by other means not described in this prospectus. If the selling stockholders effect such transactions by selling shares of common stock to or through underwriters, broker-dealers or agents, such underwriters, broker-dealers or agents may receive commissions in the form of discounts, concessions or commissions from the selling stockholders or commissions from purchasers of the shares of common stock for whom they may act as agent or to whom they may sell as principal (which discounts, concessions or commissions as to particular underwriters, broker-dealers or agents may be in excess of those customary in the types of transactions involved). In connection with sales of the shares of common stock or otherwise, the selling stockholders may enter into hedging transactions with broker-dealers, which may in turn engage in short sales of the shares of common stock in the course of hedging in positions they assume. The selling stockholders may also sell shares of common stock short and deliver shares of common stock covered by this prospectus to close out short positions and to return borrowed shares in connection with such short sales. The selling stockholders may also loan or pledge shares of common stock to broker-dealers that in turn may sell such shares.

The selling stockholders may pledge or grant a security interest in some or all of the shares of common stock owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell the shares of common stock from time to time pursuant to this prospectus or any amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act amending, if necessary, the list of selling stockholders to include the pledgee, transferee or other successors in interest as selling stockholders under this prospectus. The selling stockholders also may transfer and donate the shares of common stock in other circumstances in which case the transferees, donees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus.

To the extent required by the Securities Act and the rules and regulations thereunder, the selling stockholders and any broker-dealer participating in the distribution of the shares of common stock may be deemed to be “underwriters” within the meaning of the Securities Act, and any commission paid, or any discounts or concessions allowed to, any such broker-dealer may be deemed to be underwriting commissions or discounts under the Securities Act. At the time a particular offering of the shares of common stock is made, a prospectus supplement, if required, will be distributed, which will set forth the aggregate amount of shares of common stock being offered and the terms of the offering, including the name or names of any broker-dealers or agents, any discounts, commissions and other terms constituting compensation from the selling stockholders and any discounts, commissions or concessions allowed or re-allowed or paid to broker-dealers.

Under the securities laws of some states, the shares of common stock may be sold in such states only through registered or licensed brokers or dealers. In addition, in some states the shares of common stock may not be sold unless such shares have been registered or qualified for sale in such state or an exemption from registration or qualification is available and is complied with.

There can be no assurance that any selling stockholder will sell any or all of the shares of common stock registered pursuant to the registration statement of which this prospectus forms a part.

The selling stockholders and any other person participating in such distribution will be subject to applicable provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, including, without limitation, to the extent applicable, Regulation M of the Exchange Act, which may limit the timing of purchases and sales of any of the shares of common stock by the selling stockholders and any other participating person. To the extent applicable, Regulation M may also restrict the ability of any person engaged in the distribution of the shares of common stock to engage in market-making activities with respect to the shares of common stock. All of the foregoing may affect the marketability of the shares of common stock and the ability of any person or entity to engage in market-making activities with respect to the shares of common stock.

We will pay all expenses of the registration of the shares of common stock pursuant to the registration rights agreement, estimated to be $[●] in total, including, without limitation, Securities and Exchange Commission filing fees and expenses of compliance with state securities or “blue sky” laws; provided, however, a selling stockholder will pay all underwriting discounts and selling commissions, if any. We will indemnify the selling stockholders against liabilities, including some liabilities under the Securities Act in accordance with the registration rights agreements or the selling stockholders will be entitled to contribution. We may be indemnified by the selling stockholders against civil liabilities, including liabilities under the Securities Act that may arise from any written information furnished to us by the selling stockholder specifically for use in this prospectus, in accordance with the related registration rights agreements or we may be entitled to contribution.

Once sold under the registration statement, of which this prospectus forms a part, the shares of common stock will be freely tradable in the hands of persons other than our affiliates.

Exhibit 4.5

Name of Subscriber: _____
(Please Print Your Name Here)

CONKWEST, INC.
SUBSCRIPTION AND SECURITIES PURCHASE AGREEMENT
UNITS

Conkwest, Inc.
The Plastino Building
2533 South Coast Highway 101, Suite 210
Cardiff-by-the-Sea, CA 92007-2133
Phone: (858) 633-0300
Fax: (858) 380-1999

Re: Units of Conkwest, Inc.

Article 1
Subscription

Section 1.1 Subscription. The undersigned (the "Subscriber") hereby irrevocably subscribes for and agrees to purchase from Conkwest. Inc. (the "Company") that number of Units (the "Units") of the Company, with each Unit consisting one share of Series C Preferred Stock of the Company (the "Shares") and a three- year warrant to purchase an additional VI of a share of Common Stock at an initial exercise price equal to $3.00 per share (the "Warrants") set forth below and on the signature page hereof, at a purchase price per Unit of $2.40, for an aggregate purchase price in the dollar amount set forth below and on the signature page hereof, on the terms and conditions described in this Subscription and Securities Purchase Agreement (this "Agreement").

Number of Units: _____

Aggregate Purchase Price of Units: $_____

NOTICE TO SUBSCRIBERS: YOU MUST COMPLETE THE ACCREDITED INVESTOR CERTIFICATION FOUND AT THE END OF THIS SUBSCRIPTION AND SECURITIES PURCHASE AGREEMENT AND CHECK AT LEAST ONE APPROPRIATE BOX CERTIFYING YOUR STATUS AS AN ACCREDITED INVESTOR IN ORDER TO SUBSCRIBE FOR UNITS UNDER THIS AGREEMENT.

Section 1.2 Payment for Units. The undersigned shall deliver to the Escrow Agent, pursuant to the Escrow Agreement attached to the accompanying Private Placement Memorandum as Exhibit D, with this Agreement, immediately available funds in the amount of the purchase price of the Units herein subscribed for in the form of a wire transfer using the following instructions:

Citibank, N.A.
A/C of:
A/C#:
ABM:
SWIFT Code:
REFERENCE:

Section 1.3 Legally Binding; Acceptance or Rejection by Company. The undersigned acknowledges that this is a legally binding subscription agreement and the undersigned may not withdraw this subscription, but that the Company reserves the right, in its sole discretion, to accept or reject this subscription in whole or in part.

If this subscription is rejected in part by the Company, then the difference between the subscription amount paid to the Company and the subscription price allocable to the Units for which this subscription is accepted will be returned promptly to the undersigned, without interest. If this subscription is rejected in its entirety, then the subscription amount paid to the Company will be promptly returned to the undersigned without deduction and without interest, and this Agreement shall have no further force or effect.

Article 2
Investor Representations, Warranties and Covenants

The undersigned makes the following representations, warranties and covenants with the intent that the same will be relied upon by the Company:

Section 2.1 Information. The undersigned acknowledges that the undersigned has been offered the opportunity to obtain information, to verify the accuracy of the information received by the undersigned, to evaluate the merits and risks of this investment and to ask questions and receive satisfactory answers concerning the terms and conditions of this investment. The Company has made its officers available to the undersigned to answer questions concerning the Company and the investment being made hereby. In making the decision to purchase the Units, the undersigned has relied and will rely solely upon independent investigations made by the undersigned. The undersigned is not relying on the Company with respect to any tax or other economic considerations involved in this investment. Other than as set forth in Article 3 hereof, no representations or warranties have been made to the undersigned by the Company. The undersigned has been encouraged by the Company to consult with the undersigned's own attorneys and other advisors with respect to all matters concerning this investment, has been given adequate opportunity to so consult, and has done so to the extent the undersigned has deemed appropriate. The undersigned has reviewed the package of materials accompanying this Agreement, including a Private Placement Memorandum, and the undersigned understands that copies of the Company's other organizational documents (Certificate of Incorporation and Bylaws) are available from the Company upon request.

Section 2.2 Not a Registered Offering. The undersigned understands that the Units and the securities underlying the Units to be issued hereunder have not been and are not being registered with the Securities and Exchange Commission (the "SEC") nor with the governmental entity charged with regulating the offer and sale of securities under the securities laws and regulations of the state of residence of the undersigned, and that such Units are being offered and sold pursuant to the exemptions from registration provided in Section 4(a)(2) of the Securities Act of 1933, as amended (the "1933 Act") and in Regulation D ("Regulation D") promulgated under the 1933 Act by the SEC, and pursuant to limited exemptions provided in the "Blue Sky" laws of the state of residence of the undersigned, and that no governmental agency has recommended or endorsed the Units or made any finding or determination relating to the fairness of the investment terms or the suitability of an investment in the Units by the undersigned. The undersigned is unaware of, and is in no way relying on, any form of general solicitation or general advertising in connection with the offer and sale of the Units. The undersigned is purchasing the Units without being furnished any Offering or sales literature or prospectus, other than the Private Placement Memorandum and other materials contained in the subscription package of which this Agreement is a part.

Section 2.3 Purchase for Investment. The undersigned is subscribing for and acquiring the Units solely for his, her or its own account for investment purposes and not with a view to, or with any intention of, a distribution, sale or subdivision to or for the account of any other individual, corporation, firm, partnership, limited liability company, joint venture, association or person.

Section 2.4 Accredited Investor and other Investment Representations. The undersigned represents and warrants that the undersigned is an "accredited investor" as defined in Rule 501(a) of Regulation D under the 1933 Act and that the undersigned has accurately completed the Accredited Investor Certification which appears at the end of this Agreement.

Section 2.5 Restrictions on Transfer: Other Restrictions.

(a) The undersigned understands and agrees that because the offer and sale of the Units subscribed for herein have not been registered under federal or state securities laws, the Units (including any securities issuable upon conversion or exercise thereof) acquired may not at any time be sold or otherwise disposed of by the undersigned unless they are registered under the 1933 Act or there is applicable to such sale or other disposition one of the exemptions from registration set forth in the 1933 Act, the rules and regulations of the SEC thereunder and applicable state law. The Company has no obligation to register the securities underlying the Units or to permit their sale other than in strict compliance with the 1933 Act, SEC rules and regulations thereunder, and applicable state law. The undersigned recognizes that as a result of the aforementioned restrictions, there is currently no public market for the Units subscribed for hereunder. Unless and until the securities underlying the Units are registered for resale, the undersigned expects to hold the Units (and any securities issuable upon conversion thereof) for an indefinite period and understands that the undersigned will not readily be able to liquidate this investment even in case of an emergency.

(b) Reserved.

(c) In addition to any legends required by the authorities of any state in connection with the issuance or sale of the Units, the certificate(s) evidencing the Shares and the Warrants (and any securities issued upon conversion or exercise thereof) shall have endorsed on the front or back thereof legends substantially as follows:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAW AND MAY NOT BE SOLD, PLEDGED, HYPOTHECATED OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT COVERING THESE SECURITIES UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER THE ACT OR UNDER APPLICABLE STATE SECURITIES LAWS."

Section 2.6 **Investment Risks. The undersigned represents that he, she or it has such knowledge and experience in financial and business matters that he, she or it is capable of evaluating the merits and risks of an investment in the Units. The undersigned recognizes that the Company is a development stage company with no financial or operating history; that the development and testing of medical treatments and therapies is difficult, time-consuming and expensive; that an investment in the Company is highly speculative and involves** very **significant risks; and that these risks include (but are not limited to) the risks specifically listed in the Private Placement Memorandum accompanying this Agreement. If the Company is unable to overcome or successfully manage these and other risks, it may never become profitable or be able to implement its intended business plan, and investors may lose their entire investment. The undersigned is capable of bearing the economic risks of an investment in the Units, including, but not limited to, the possibility of a complete loss of the undersigned's investment, as well as limitations on the transferability of the securities underlying the Units, which may make the liquidation of an investment in the Units difficult or impossible for the indefinite future. The undersigned acknowledges that he, she or it has been advised to seek his, her or its own independent counsel from attorneys, accountants and other advisors with respect to an investment in the Units.**

Section 2.7 Residence. The undersigned, if a natural person, is a bona fide resident of the state set forth in his or her address on the signature page to this Agreement. The undersigned, if an entity, has its principal place of business at the mailing address set forth on the signature page of this Agreement.

Section 2.8 Investor Information; Survival of Representations and Warranties and Covenants. The representations, warranties, covenants and agreements contained in this Article 2 shall survive the execution and acceptance hereof and the issuance of the Units to the undersigned. Any information that the undersigned is furnishing to the Company in this Agreement is correct and complete as of the date of this Agreement, and if there should be any material change in such information prior to the undersigned's admission as a shareholder of the Company, the undersigned will immediately furnish such revised or corrected information to the Company.

Section 2.9 Due Organization. If the undersigned is a corporation, partnership or limited liability company, the undersigned is duly organized, validly existing and in good standing under the jurisdiction of its organization, has all requisite power and authority to own, lease and operate its properties, to carry on its business as currently being conducted, to enter into this Agreement, to perform its obligations hereunder and to acquire and own the Units.

Section 2.10 Due Authorization. If the undersigned is a corporation, partnership or limited liability company, the execution, delivery and performance by the undersigned of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action on the part of the undersigned.

Section 2.11 Capacity. If the undersigned is an individual, the undersigned has the capacity to execute, deliver and perform this Agreement.

Section 2.12 Enforceability. This Agreement will be, upon its execution and delivery and upon acceptance by the Company, a valid and binding obligation of the undersigned, enforceable against the undersigned in accordance with its terms.

Section 2.13 No Conflicts. Neither the execution, delivery or performance by the undersigned of this Agreement, nor the consummation by the undersigned of the transactions contemplated hereby, will (A) conflict with or result in a breach of any provision of the undersigned's certificate of incorporation, bylaws or other organizational documents (if applicable), (B) cause a default (or give rise to any right of termination, cancellation or acceleration) under any of the terms, conditions or provisions of any agreement, instrument or obligation to which the undersigned is a party or (C) violate any law, statute, rule, regulation, judgment, order, writ, injunction or decree of any court, administrative agency or governmental body, in each case applicable to the undersigned or its properties or assets.

Section 2.14 No Approvals. No filing with, and no permit, authorization, consent or approval of, any person (governmental or private) is necessary for the execution, delivery and performance of this Agreement by the undersigned or for the consummation by the undersigned of the transactions contemplated by this Agreement.

Section 2.15 Brokerage Commissions and Finders' Fees. Neither the undersigned nor anyone acting on behalf of the undersigned has taken any action which has resulted, or will result, in any claims for brokerage commissions or finders' fees by any person in connection with the transactions contemplated by this Agreement. However, the undersigned acknowledges that the Company may in its discretion pay finders' fees and/or brokerage commissions to one or more persons engaged by the Company in connection with this offering.

Article 3
Company Representations and Warranties

The Company makes the following representations and warranties with the intent that the same may be relied upon by the undersigned:

Section 3.1 Due Organization. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite power and authority to own, lease and operate its properties, to carry on its business as currently being conducted, to enter into this Agreement, to perform its obligations hereunder and to issue the Units.

Section 3.2 Due Authorization. The execution, delivery and performance by the Company of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action on the part of the Company.

Section 3.3 Enforceability. This Agreement is, or upon its acceptance, execution and delivery by the Company will be, a valid and binding obligation of the Company, enforceable against the Company in accordance with its respective terms.

Section 3.4 No Conflicts. Neither the execution, delivery or performance by the Company of this Agreement, nor the consummation by the Company of the transactions contemplated hereby, will (A) conflict with or result in a breach of any provision of the Company's certificate of incorporation or bylaws, (B) cause a default (or give rise to any right of termination, cancellation or acceleration) under any of the terms, conditions or provisions of any agreement, instrument or obligation to which the Company is a party or (C) violate any law, statute, rule, regulation, judgment, order, writ, injunction or decree of any court, administrative agency or governmental body, in each case applicable to the Company or its properties or assets.

Section 3.5 No Approvals. Assuming the accuracy of the representations and warranties contained in Article 2, no filing with, and no permit, authorization, consent or approval of, any person (governmental or private) is necessary for the execution, delivery and performance of this Agreement by the Company or for the consummation by the Company of the transactions contemplated by this Agreement, other than filings under applicable Federal and state securities laws.

Article 4
Registration Rights

REGISTRATION RIGHTS

If the Company shall decide to prepare and file with the SEC a registration statement relating to an offering for its own account or the account of others under the 1933 Act of any of its equity securities, other than on Form S-4 or Form S-8 (each as promulgated under the 1933 Act) or their then equivalents relating to equity securities to be issued solely in connection with any acquisition of any entity or business or equity securities issuable in connection with the stock option or other employee benefit plans, then the Company shall send to each Subscriber a written notice of such determination and, if within fifteen days after the date of such notice, any such Subscriber shall so request in writing, the Company shall include in such registration statement, all or any part of Subscriber's shares of Common Stock underlying the Series C Preferred Stock and the Warrants (collectively, the "Registrable Securities") such Subscriber requests to be registered; provided, however, that, the Company shall not be required to register any Registrable Securities pursuant to this section that are eligible for resale without restriction pursuant to Rule 144 promulgated under the 1933 Act or that are the subject of a then effective registration statement; provided, further, however:

(i) if the registration statement is an offering to be made on a continuous basis pursuant to Rule 415 and is not on a Form S-3, and the SEC advises the Company that all of the Registrable Securities which such Subscribers have requested to be registered may not be included under Rule 415(a)(i), then the number of Registrable Securities to be registered for each Subscriber shall be reduced pro-rata among all the Subscribers to an amount to which is permitted by the SEC for resale under Rule 415(a)(i) and each Subscriber shall have the right to designate which of its Registrable Securities shall be omitted from the registration statement; provided, further, however, the Registrable Securities hereunder shall have first priority over shares being registered by any other third parties other than the Company; and

(ii) if the registration so proposed by the Company involves an underwritten offering of the securities so being registered for the account of the Company, to be distributed by or through one or more underwriters of recognized standing, and the managing underwriter of such underwritten offering shall advise the Company in writing that, in its opinion, the distribution of all or a specified portion of the Registrable Securities which the Subscriber have requested the Company to register and otherwise concurrently with the securities being distributed by such underwriters will materially and adversely affect the distribution of such securities by such underwriters (such opinion to state the reasons therefor), then the Company will promptly furnish each such Subscriber of Registrable Securities with a copy of such opinion, and by providing such written notice to each such Subscriber, such Purchaser may be denied the registration of all or a specified portion of such Registrable Securities (in case of such a denial as to

a portion of such Registrable Securities, such portion to be allocated pro rata among the Subscribers); provided, however, shares to be registered by the Company for issuance by the Company shall have first priority, each holder of Registrable Securities hereunder shall have second priority, and any other shares being registered on account of other third parties shall have third priority.

Article 5
Miscellaneous Provisions

Section 5.1 Notices and Addresses. All notices, requests, consents and other communications required or permitted to be given under this Agreement or that the Company may be required or may desire to send to you as a shareholder of the Company, pursuant to applicable law, the Company's Certificate of Incorporation, By-laws, contract or otherwise shall be in writing, shall be addressed (a) if to the Company, as set forth below (unless and until changed by the Company by notice given in accordance with this Section 5.1), and (b) if to the undersigned, as set forth on the signature page of this Agreement (unless and until changed by the undersigned, either by notice given in accordance with this Section 5.1 or by a general request in writing to change the contact information for the undersigned in the records of the Company), and shall be delivered (i) by hand, which delivery shall be effective at the time of actual delivery; (ii) by telecopy or facsimile transmission (if the recipient has provided a telecopy or facsimile number for delivery of such transmissions), which delivery shall be effective upon acknowledgment or confirmation of receipt through electronic confirmation or otherwise; (iii) by email or other electronic transmission (if the recipient has provided an email or other similar address for delivery of such transmission), which delivery shall be effective upon transmission unless the transmitting party receives an electronic notification that delivery has not been successful; (iv) by overnight courier, which delivery shall be effective upon actual delivery as established by the records of the courier service; or (v) by registered or certified mail, return receipt requested, postage prepaid, which delivery shall be effective upon the earlier of (A) the date of actual delivery as established by such return receipt or (B) the fifth (5th) business day following the day such mailing is made. Notwithstanding the foregoing provisions regarding effective delivery, **notices to the Company shall in all events be effective only upon actual receipt**. Initial notice information for the Company as contemplated in clause (a) above is as follows:

Conkwest, Inc.
The Plastino Building
2533 South Coast Highway 101, Suite 210
Cardiff-by-the-Sea, CA 92007-2133
Attn: Chief Executive Officer
Phone: (858) 633-0300
Fax: (858) 380-1999
Email: bsimon@conkwest.com

Section 5.2 Governing Law; Jurisdiction. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ITS CONFLICTS OF LAWS PRINCIPLES. THE COMPANY AND THE UNDERSIGNED EACH (i) HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY DELAWARE STATE COURT OR UNITED STATES FEDERAL COURT SITTING IN NEW YORK WITH RESPECT TO ANY ACTION OR PROCEEDING BASED UPON, RELATING TO OR ARISING OUT OF OR [N CONNECTION WITH THIS AGREEMENT; (ii) IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING SHALL BE HEARD AND DETERMINED EXCLUSIVELY IN SUCH NEW YORK STATE OR FEDERAL COURT; (iii) WAIVES ANY OBJECTION TO VENUE IN ANY SUCH NEW YORK STATE OR FEDERAL COURT IN RESPECT OF ANY SUCH ACTION OR PROCEEDING AND ANY OBJECTION TO ANY SUCH ACTION OR PROCEEDING IN ANY SUCH DELAWARE STATE OR FEDERAL COURT ON THE BASIS OF A NON-CONVENIENT FORUM; AND (iv) WAIVES HIS, HER OR ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON, RELATING TO OR ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

Section 5.3 Assignability. This Agreement and the rights, interests and obligations hereunder are not transferable or assignable by the undersigned without the prior written consent of the Company, and the undersigned acknowledges and agrees that any transfer or assignment of the securities underlying the Units shall be made only in accordance with all applicable laws and in accordance with all applicable corporate and contractual restrictions binding upon the undersigned and/or the Units.

Section 5.4 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and each of their respective legal representatives and permitted successors.

Section 5.5 Counterparts. This Agreement may be executed in one or more counterparts, and by different parties hereto on separate counterparts, with the same effect as if all parties had executed the same document, in which event each such counterpart shall constitute an original and all such counterparts collectively shall be construed together and shall constitute a single agreement. The parties agree that signatures transmitted by facsimile or by electronic mail in PDF format shall be binding upon the party transmitting the same and shall have the same effect as original signatures.

Section 5.6 Modifications to Be in Writing. This Agreement constitutes the entire understanding of the parties hereto with respect to the subject matter hereof and no amendment, restatement, modification or alteration will be binding unless the same is in writing signed by the party against whom such amendment, restatement, modification or alteration is sought to be enforced.

Section 5.7 Captions. The captions contained in this Agreement are inserted for convenience of reference only and shall not modify or affect the interpretation of any of the terms or provisions of this Agreement.

Section 5.8 Validity and Severability. If any court of competent jurisdiction determines that any provision, or any portion thereof, contained in this Agreement is invalid or unenforceable in any respect, then (i) such provision shall be deemed limited to the extent that such court determines it to be enforceable, and as so limited shall remain in full force and effect, and (ii) all other provisions of this Agreement shall remain in full force and effect. If such court determines any such provision, or portion thereof, to be wholly invalid or unenforceable, such decision shall not affect the validity or enforceability of any other provision of this Agreement, all of which other provisions shall nevertheless remain in full force and effect.

Section 5.9 Statutory References. Each reference in this Agreement to a particular statute or regulation, or a provision thereof, shall be deemed to refer to such statute or regulation, or provision thereof, and to any similar, amended or superseding statute or regulation, or provision thereof, as is from time to time in effect.

[rest of page intentionally left blank]

If the subscriber is an INDIVIDUAL, or if purchased as JOINT TENANTS, as TENANTS IN COMMON, or as TENANTS BY THE ENTIRETY:

Print Name(s)

Social Security Number(s)

Signature(s) of subscriber(s)

Signature(s) of subscriber(s)

Address and notice information:

Number of Units: _____

Aggregate Purchase Price of Units: _____

Date: _____

Facsimile No.: (____)_____

Email address: _____

If the subscriber is a PARTNERSHIP, CORPORATION, LLC or TRUST:

Print Name of Entity

Federal Taxpayer ID Number

By: _____
Name: _____
Title: _____

State of Organization

Address and notice information:

Number of Units: _____

Aggregate Purchase Price of Units: _____

Date: _____

Attn: _____

Facsimile No.: (__)_____

Email address: _____

SUBSCRIPTION ACCEPTED AND AGREED TO
this ____ day of _____, _____.

Conkwest, Inc.

By: _____
Barry Simon, Chief Executive Officer

ACCREDITED INVESTOR QUESTIONNAIRE
IN CONNECTION WITH INVESTMENT IN
COMMON STOCK AND WARRANTS OF
CONKWEST, INC., A DELAWARE CORPORATION

TO : Barry J. Simon, M.D., CEO
Conkwest, Inc.
2533 South Coast Highway 101, Suite 210
Cardiff-by-the-Sea, California 92007-2133

INSTRUCTIONS

PLEASE ANSWER ALL QUESTIONS. If the appropriate answer is "None" or "Not Applicable", so state. Please print or type your answers to all questions. Attach additional sheets if necessary to complete your answers to any item.

Your answers will be kept strictly confidential at all times. However, Conkwest, Inc. (the "Company") may present this Questionnaire to such parties as it deems appropriate in order to assure itself that the offer and sale of securities of the Company will not result in a violation of the registration provisions of the Securities Act of 1933, as amended, or a violation of the securities laws of any state.

1. Please provide the following information:

Name: _____

Name of additional purchaser: _____
(Please complete information in Question 5)

Date of birth, or if other than an individual, year of organization or incorporation:

_____

2. Residence address, or if other than individual, principal office address:

_____

_____

Telephone number: _____

Social Security Number or Taxpayer Identification Number: _____

3. Business address: _____

_____

Business telephone number: _____

4. Send mail to: Residence_____ Business_____

5. With respect to tenants in common, joint tenants and tenants by the entirety, complete only if information differs from that above:

Residence address: _____

_____

_____

_____

Telephone number: _____

Social Security Number: _____

Taxpayer Identification Number: _____

Business address: _____

_____

_____

_____

Business telephone number: _____

Send mail to: Residence_____ Business_____

6. Please describe your present or most recent business or occupation and indicated such information as the nature of your employment, how long you have been employed there, the principal business of your employer, the principal activities under your management or supervision and the scope (e.g. dollar volume, industry rank, etc.) of such activities:

_____

_____

_____

_____

_____

_____

7. Please state whether you (i) are associated with or affiliated with a member of the Financial Industry Regulatory Association, Inc. ("FINRA"), (ii) are an owner of stock or other securities of FINRA member (other than stock or other securities purchased on the open market), or (iii) have made a subordinated loan to any FINRA member:

_____ Yes _____ No

If you answered yes to any of (i) — (iii) above, please indicate the applicable answer and briefly describe the facts below:

_____

_____

_____

_____

_____

_____

8A. Applicable to Individuals ONLY. Please answer the following questions concerning your financial condition as an "accredited investor" (within the meaning of Rule 501 of Regulation D). If the purchaser is more than one individual, each individual must initial an answer where the question indicates a "yes" or "no" response and must answer any other question fully, indicating to which individual such answer applies. If the purchaser is purchasing jointly with his or her spouse, one answer may be indicated for the couple as a whole:

8.1 Does your net worth* (or joint net worth with your spouse) exceed $1,000,000?

_____ Yes _____ No

8.2 Did you have an individual income** in excess of $200,000 or joint income together with your spouse in excess of $300,000 in each of the two most recent years (2012 and 2013) and do you reasonably expect to reach the same income level in the current year (2014)?

_____ Yes _____ No

8.3 Are you an executive officer of the Company?

_____ Yes _____ No

* For purposes hereof, net worth shall be deemed to include ALL of your assets, liquid or illiquid MINUS any liabilities. For purposes of calculating net worth, (i) YOUR primary residence shall not be included as an asset, (ii) to the extent that the indebtedness that is secured by the primary residence is in excess of the fair market value of the primary residence, the excess amount shall be included as a liability, and (iii) if the amount of outstanding indebtedness that is secured by the primary residence exceeds the amount outstanding 60 days prior to the execution of this Questionnaire, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability.

** For purposes hereof, the term "income" is not limited to "adjusted gross income" as that term is defined for federal income tax purposes, but rather includes certain items of income which are deducted in computing "adjusted gross income". For investors who are salaried employees, the gross salary of such investor, minus any significant expenses personally incurred by such investor in connection with earning the salary, plus any income from any other source including unearned income, is a fair measure of "income" for purposes hereof. For investors who are self-employed, "income" is generally construed to mean total revenues received during the calendar year minus significant expenses incurred in connection with earning such revenues.

8.B Applicable to Corporations, Partnerships, Trusts, Limited Liability Companies and other Entities ONLY:

The purchaser is an accredited investor because the purchaser falls within at least one of the following categories (Check all appropriate lines):

__ (i) a bank as defined in Section 3(a)(2) of the Act or a savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act whether acting in its individual or fiduciary capacity;

__ (ii) a broker-dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended;

__ (iii) an insurance company as defined in Section 2(13) of the Act;

__ (iv) an investment company registered under the Investment Company Act of 1940, as amended (the "Investment Act") or a business development company as defined in Section 2(a)(48) of the Investment Act;

__ (v) a Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958, as amended;

__ (vi) a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, where such plan has total assets in excess of

$5,000,000;

__ (vii) an employee benefit plan within the meaning of Title 1 of the Employee Retirement Income Security Act of 1974, as amended (the "Employee Act"), where the investment decision is made by a plan fiduciary, as defined in Section 3(21) of the Employee Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or an employee benefit plan that has total assets in excess of $5,000,000, or a self-directed plan the investment decisions of which are made solely by persons that are accredited investors;

__ (viii) a private business development company, as defined in Section 202(a)(22) of the Investment Advisers Act of 1940, as amended;

__ (ix) an organization described in Section 501(c)(3) of the Internal Revenue Code, a corporation, a Massachusetts or similar business trust, or a partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $5,000,000;

__ (x) a trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a "sophisticated" person, as described in Rule 506(b)(2)(ii) promulgated under the Act, who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment;

__ (xi) an entity in which all of the equity investors are persons or entities described above ("accredited investors"). ALL EQUITY OWNERS MUST COMPLETE "EXHIBIT A" ATTACHED HERETO.

9.A Do you have sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks associated with investing in the Company?

_____ Yes _____ No

ANSWER QUESTION 9B ONLY IF THE ANSWER TO QUESTION 9A WAS "NO."

9.B If the answer to Question 9A was "NO," do you have a financial or investment adviser (a) that is acting in the capacity as a purchaser representative and (b) who has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks associated with investing in the Company?

_____ Yes _____ No

If you have a financial or investment adviser(s), please identify each such person and indicate his or her business address and telephone number in the space below. (Each such person must complete, and you must review and acknowledge, a separate Purchaser Representative Questionnaire which will be supplied at your request).

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10. You have the right, will be afforded an opportunity, and are encouraged to investigate the Company and review relevant factors and documents pertaining to the officers of the Company, and the Company and its business and to ask questions of a qualified representative of the Company regarding this investment and the properties, operations, and methods of doing business of the Company.

Have you or has your purchaser representative, if any, conducted any such investigation, sought such documents or asked questions of a qualified representative of the Company regarding this investment and the properties, operations, and methods of doing business of the Company?

_____ Yes _____ No

If so, briefly describe: _____

If so, have you completed your investigation and/or received satisfactory answers to your questions?

_____ Yes _____ No

11. Do you understand the nature of an investment in the Company and the risks associated with such an investment?

_____ Yes _____ No

12. Do you understand that there is no guarantee of any financial return on this investment and that you will be exposed to the risk of losing your entire investment?

_____ Yes _____ No

13. Do you understand that this investment is not liquid?

_____ Yes _____ No

14. Do you have adequate means of providing for your current needs and personal contingencies in view of the fact that this is not a liquid investment?

_____ Yes _____ No

15. Are you aware of the Company's business affairs and financial condition, and have you acquired all such information about the Company as you deem necessary and appropriate to enable you to reach an informed and knowledgeable decision to acquire the Interests?

_____ Yes _____ No

16. Do you have a "pre-existing relationship" with the Company or any of the officers of the Company?

_____ Yes _____ No

(For purposes hereof, "pre-existing relationship" means any relationship consisting of personal or business contacts of a nature and duration such as would enable a reasonably prudent investor to be aware of the character, business acumen, and general business and financial circumstances of the person with whom such relationship exists.)

If so, please name the individual or other person with whom you have a pre-existing relationship and describe the relationship:

17. Exceptions to the representations and warranties made in Section 3.2 of the Securities Purchase Agreement (if no exceptions, write "none" — if left blank, the response will be deemed to be "none"):

_____

Dated: _____

If purchaser is one or more individuals (all individuals must sign):

_____

(Type or print name of prospective purchaser)

_____

Signature of prospective purchaser

_____

Social Security Number

_____

(Type or print name of additional purchaser)

_____

Signature of spouse, joint tenant, tenant in common or other signature, if required

_____

Social Security Number

Exhibit 4.6

EXECUTION COPY

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (the "Agreement") is executed as of June 20, 2013, by and among Conkwest, Inc., an Illinois corporation (the "Company"), and the other purchasers of the Company's Series B Convertible Preferred Stock signatory hereto (the "Holders" and, individually, as a "Holder"). Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in Section 1 hereof.

R E C I T A L S

WHEREAS, pursuant to the terms of that certain Securities Purchase Agreement, dated as of the date hereof, by and among the Company and the Holders, the Holders have acquired shares of Series B Convertible Preferred Stock of the Company; and

WHEREAS, the Company and the Holders desire to define their respective registration rights on the terms and subject to the conditions herein set forth.

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the parties hereby agree as follows:

SECTION 1. DEFINITIONS

As used in this Agreement, the following terms have the respective meaning set forth below (and any capitalized terms that are used herein and not otherwise defined herein shall have the meanings set forth in the Securities Purchase Agreement):

"Agreement": shall have the meaning set forth in the preamble hereto;

"Demand Marketing Limitation": shall have the meaning set forth in Section 2(a)(vi) hereof;

"Demand Registration": shall mean an IPO Demand Registration or a Non-IPO Demand Registration, as the case may be;

"Demanding IPO Stockholders": shall mean the Holders holding, in the aggregate, 25% of the Registrable Securities held by the Holders

"Demanding Non-IPO Stockholders": shall have the meaning set forth in Section 2(a)(ii) hereof;

"Indemnified Party": shall have the meaning set forth in Section 3(c)(iii) hereof;

"Indemnifying Party": shall have the meaning set forth in Section 3(c)(iii) hereof;

"Initial Public Offering": shall mean any underwritten initial public offering of the Common Stock of the Company to the public pursuant to an effective registration statement filed under the Securities Act (other than a registration statement on Form S-4 or S-8 or any similar or successor form);

"IPO Demand Registration": shall have the meaning set forth in Section 2(a)(i) hereof;

"Inspectors": shall have the meaning set forth in Section 3(b)(vi) hereof;

"Non-IPO Demand Registration": shall have the meaning set forth in Section 2(a)(ii) hereof;

"Other Registrable Securities": shall mean (i) any Other Securities, (ii) any stock of the Company issued as a dividend or other distribution with respect to, or in exchange for, or in replacement of (including, without limitation, in connection with any recapitalization, merger, consolidation, exchange or other reorganization of the Company (or any successor entity)), any Other Securities. As to any particular Other Registrable Securities, such Common Stock shall cease to be Other Registrable Securities when (1) a registration statement with respect to the sale by the applicable Other Holder of such Common Stock has become effective under the Securities Act and such securities have been disposed of in accordance with such registration statement, (2) such securities have been otherwise transferred, new certificates for such securities not bearing a legend restricting further transfer have been delivered by the Company and subsequent disposition of such securities does not require registration or qualification of such securities under the Securities Act or any state securities or "blue sky" law then in force, whether under Rule 144 or otherwise; (3) such securities are sold to a Person in a transaction in which rights under provisions of this Agreement are not assigned in accordance with this Agreement; (4) such securities shall have ceased to be outstanding; or (5) when such securities can be sold in any 90-day period under Rule 144 without any restriction or limitation, including, without the requirement to be in compliance with Rule 144(c)(1).

"Piggy Back Marketing Limitation": shall have the meaning set forth in Section 2(b)(iii) hereof;

"Records": shall have the meaning set forth in Section 3(b)(vi) hereof;

"Registering Stockholder": shall mean any Holder that participates in any Registration pursuant to Section 2 hereof, including any Demanding IPO Stockholder and Demanding Non-IPO Stockholders;

"Register", "Registered" and "Registration": shall mean a registration effected by preparing and filing a registration statement in compliance with the Securities Act (and any post-effective amendments filed or required to be filed in connection therewith) and the declaration or ordering of effectiveness of such registration statement;

"Registrable Securities": shall mean (i) any shares of Common Stock issuable or issued upon the conversion of any Preferred Stock, (ii) any stock of the Company issued as a dividend or other distribution with respect to, or in exchange for, or in replacement of (including, without limitation, in connection with any recapitalization, merger, consolidation, exchange or

other reorganization of the Company (or any successor entity)), the Preferred Stock. As to any particular Registrable Securities, such Common Stock shall cease to be Registrable Securities when (1) a registration statement with respect to the sale by the applicable Holder of such Common Stock has become effective under the Securities Act and such securities have been disposed of in accordance with such registration statement, (2) such securities have been otherwise transferred, new certificates for such securities not bearing a legend restricting further transfer have been delivered by the Company and subsequent disposition of such securities does not require registration or qualification of such securities under the Securities Act or any state securities or "blue sky" law then in force, whether under Rule 144 or otherwise; (3) such securities are sold to a Person in a transaction in which rights under provisions of this Agreement are not assigned in accordance with this Agreement; (4) such securities shall have ceased to be outstanding; or (5) when such securities can be sold in any 90-day period under Rule 144 without any restriction or limitation, including, without the requirement to be in compliance with Rule 144(c)(1).

"Registration Expenses": shall mean any and all expenses incident to the performance of or compliance with any Registration or marketing of securities pursuant to Section 2 hereof, including all (i) registration and filing fees, and all other fees and expenses payable in connection with the listing of securities on any national securities exchange or automated interdealer quotation system, (ii) fees and expenses of compliance with any securities or "blue sky" laws (including reasonable fees and disbursements of counsel in connection with "blue sky" qualifications of the securities registered), (iii) expenses in connection with the preparation, printing, mailing and delivery of any registration statements, prospectuses and other documents in connection therewith and any amendments or supplements thereto, (iv) security engraving and printing expenses, (v) internal expenses of the Company (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), (vi) fees and disbursements of counsel for the Company and fees and expenses for independent certified public accountants retained by the Company (including the expenses associated with the delivery by independent certified public accountants of any comfort letters requested pursuant to the terms set forth herein), (vii) fees and expenses of any special experts retained by the Company in connection with such Registration, (viii) reasonable and documented fees and expenses of one counsel for all of the Registering Stockholders participating in the offering, which counsel shall be selected by the Registering Stockholder holding the largest number of the Registrable Securities to be sold for the account of any Registering Stockholder in the offering (excluding the fees and expenses of any other counsel which shall be borne solely by the Holder(s) engaging such counsel), in an aggregate amount not to exceed $5,000 unless the offering is underwritten, in which case the fees of underwriters' counsel shall be separately reimbursed up to an amount of $100,000, (ix) fees and expenses in connection with any review by FINRA of any underwriting arrangements or other terms of the offering, and all reasonable fees and expenses of any "qualified independent underwriter," including the fees and expenses of any counsel thereto, (x) reasonable fees and disbursements of underwriters customarily paid by issuers or sellers of securities, but excluding any underwriting fees, discounts and commissions attributable to the sale of Registrable Securities, (xi) costs of printing and producing any agreements among underwriters, underwriting agreements, any "blue sky" or legal investment memoranda and any selling agreements and other documents in connection with the offering, sale or delivery of the Registrable Securities, (xii) transfer agents' and registrars' fees and

expenses and the fees and expenses of any other agent or trustee appointed in connection with such offering, and (xiii) reasonable expenses relating to any analyst or investor presentations or any "road shows" undertaken in connection with the Registration, marketing or selling of the Registrable Securities. Except as set forth in clause (viii) above, Registration Expenses shall not include any out-of-pocket expenses of the Registering Stockholders;

"Rule 144": shall have the meaning set forth in Section 3(e) hereof

"Selling Expenses": shall mean all underwriting fees, discounts and commissions attributable to the sale of Registrable Securities and all fees and disbursements of counsel for each of the Holders other than the fees and expenses of one counsel for all of the Holders which shall be paid for by the Company in accordance with the terms set forth in clause (viii) of the definition of "Registration Expenses" set forth herein;

SECTION 2. REGISTRATION RIGHTS

(a) Demand Registration.

(i) Request for Registration for the IPO. Prior to the Initial Public Offering, if the Company shall receive from the Demanding IPO Stockholders, at any time after (A) the Company has raised a further $3,000,000 in gross proceeds from a placement of its securities and (B) either (I) six months have elapsed since the Initial Public Offering or (II) fifteen (15) calendar days have elapsed since the Company has otherwise become obligated to file reports under Section 13 or 15(d) of the Exchange Act, or (III) three months have elapsed since the Company has raised a further $3,000,000 in gross proceeds from a placement of its securities, a written request that the Company effect any Registration with respect to all or a part of the Registrable Securities owned by such Demanding IPO Stockholders (the "IPO Demand Registration"), the Company shall, subject to the terms hereinafter set forth, including the terms set forth in Section 2(a)(iii) hereof: (x) promptly give written notice of the proposed IPO Demand Registration to all Other Holders as permitted by Section 2(c) hereof; and (y) as soon as practicable, but in no event to exceed ninety (90) days, use all commercially reasonable efforts to effect such Registration (including, without limitation, the execution of an undertaking to file post-effective amendments, appropriate qualification under applicable blue sky or other state securities laws and appropriate compliance with applicable regulations issued under the Securities Act) as may be so requested by the Demanding IPO Stockholders and as would permit or facilitate the sale and distribution of all or such portion of the Registrable Securities of the Demanding IPO Stockholders as are specified in the request of such Demanding IPO Stockholders, together with all or such portion of the Other Registrable Securities of any Other Holders joining in such request as permitted by Section 2(c) hereof The IPO Demand Registration shall be for a firm commitment underwritten offering of such Registrable Securities, and shall have reasonably anticipated gross proceeds of not less than $2,000,000.

(ii) Request for Registration Following the Initial Public Offering. At any time following the consummation by the Company of the Initial Public Offering, if the Company shall receive from Holders of not less than 25% of the Registrable Securities (the "Demanding Non-IPO Stockholders"), at any time, a written request that the Company effect any Registration with respect to all or a part of the Registrable Securities owned by such Demanding Non-IPO Stockholders (each such request shall be referred to herein as a "Non-IPO Demand Registration"), the Company shall, subject to the terms hereinafter set forth, including the terms set forth in Section 2(a)(iii) hereof: (x) promptly give written notice of the proposed Non-IPO Demand Registration to all Other Holders as permitted by Section 2(c) hereof; and (y) as soon as practicable, but in no event more than ninety (90) days, use all commercially reasonable efforts to effect such Registration (including, without limitation, the execution of an undertaking to file post-effective amendments, appropriate qualification under applicable blue sky or other state securities laws and appropriate compliance with applicable regulations issued under the Securities Act) as may be so requested by the Demanding Non-IPO Stockholders and as would permit or facilitate the sale and distribution of all or such portion of the Registrable Securities of the Demanding Non-IPO Stockholders as are specified in the request of such Demanding Non-IPO Stockholders, together with all or such portion of the Other Registrable Securities of any Other Holders joining in such request as permitted by Section 2(c) hereof.

(iii) Notwithstanding anything contained in Section 2(a)(i) or Section 2(a)(ii) hereof to the contrary, the Company shall not be obligated to effect, or take any action to effect, any such Registration pursuant to said Sections 2.1(a)(i) or 2.1(a)(ii) with respect to the Registrable Securities of any Demanding IPO Stockholders, Demanding Non-IPO Stockholders or any Other Holder joining in a request for a Registration as permitted by Section 2(c) hereof:

(1) After the Company has consummated one (1) Registration pursuant to Section 2.1(a)(i) or two (2) Registrations pursuant to Section 2.1(a)(ii) hereof;

(2) In any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such Registration, unless the Company is already subject to service of process in such jurisdiction and except as may be required by the Securities Act or applicable rules or regulations thereunder;

(3) If the Registrable Securities requested to be included in such Registration by the Demanding IPO Stockholders or the Demanding Non-IPO Stockholders, as applicable, together (in either case) with the Other Registrable Securities that all Other Holders have requested be included in such Registration as permitted by Section 2(c) hereof, do not have an anticipated aggregate public offering price (before any underwriting discounts and commissions), determined by the Company in good faith, of at least $2,000,000;

(4) During the period starting with the date thirty (30) days prior to the Company's good faith estimate of the date of filing of, and ending on the date ninety (90) days immediately following the effective date of, any registration statement pertaining to securities of the Company (other than a registration of securities on Forms S-4 or S-8 (or any successor forms)), provided that the Company is actively employing in good faith all commercially reasonable efforts to cause such registration statement to become effective; provided, however, that the Company may only delay an offering pursuant to this Section 2(a)(iii)(3) for a period of not more than ninety (90) days if a filing of any other registration statement is not made within that period and the Company may only exercise this right once in any twelve (12) month period; or

(5) If at the time the Company receives the request to register Registrable Securities from the Demanding IPO Stockholders or the Demanding Non-IPO Stockholders, as applicable, the Company or any of its Subsidiaries is engaged in confidential negotiations to effect a proposed material transaction or other confidential business activities, disclosure of which would be required in such registration statement (but would not be required if such registration statement were not filed), and the Board of Directors of the Company determines in good faith that such disclosure would have a material adverse effect on the Company, any of its Subsidiaries or their respective businesses, or on the ability of any of the foregoing Persons to effect a proposed material transaction, including a proposed material acquisition, disposition, financing, reorganization, recapitalization or similar transaction; provided, however, that a deferral of the filing of a registration statement, or the suspension of the continued use of a registration statement, pursuant to this Section 2(a)(iii)(4) shall be lifted, and the requested registration statement shall be filed forthwith, if the negotiations or other activities are disclosed or if the Company determines such negotiations have been terminated, and in any event, not more than forty five (45) calendar days from the date of any demand for registration.

(iv) Distribution by Partners. In the event any Demanding IPO Stockholders or Demanding Non-IPO Stockholders initiates a Registration pursuant to Section 2(a)(i) or Section 2(a)(ii), as applicable, in connection with a distribution of Registrable Securities to their or its respective stockholders, partners or members, or any Other Holder elects to participate in such a Registration as permitted by Section 2(c) hereof in connection with a distribution of Other Registrable Securities to its stockholders, partners or members, the registration statement shall provide for the resale by such stockholders, partners or members, in each case if requested by such Demanding IPO Stockholders, Demanding Non-IPO Stockholders or other Holder, as the case may be.

(v) Underwriting Agreement. Any IPO Demand Registration must take the form of an underwritten public offering. If a Demanding Non-IPO Stockholders intends to distribute the Registrable Securities covered by its request for a Non-IPO Demand

Registration by means of an underwriting, it shall so advise the Company as a part of the written request made pursuant to Section 2(a)(ii). If any Other Holder requests inclusion in any Demand Registration as permitted by Section 2(c) hereof, the inclusion of the Other Registrable Securities of such Other Holder in such Demand Registration shall be conditioned upon such Other Holder's acceptance of the further applicable provisions of this Agreement, including the applicable provisions set forth in this Section 2. The Company and the Demanding IPO Stockholders or Demanding Non-IPO Stockholders, as applicable, shall (together with any Other Holder that has elected, as permitted by Section 2(c) hereof, to include its Other Registrable Securities in the Demand Registration initiated by the applicable Person or Persons) enter into an underwriting agreement in customary form with the representative of the underwriter or underwriters selected for such underwriting by the Company and reasonably acceptable to the Person or Persons initiating such Demand Registration; provided, however, that no Registering Stockholder shall be required to make any representations or warranties, or provide any indemnity, in connection with any such Demand Registration other than representations and warranties (or indemnities with respect thereto) as to (A) such Registering Stockholder's ownership of its Registrable Securities to be transferred pursuant to such underwriting agreement free and clear of all liens, claims and encumbrances, (B) such Registering Stockholder's power and authority to effect the sale of such Registrable Securities pursuant to such underwriting agreement, (C) such matters pertaining to compliance with securities laws by such Registering Stockholder as may be reasonably requested by the representative of the underwriter or underwriters, (D) such matters relating to written information furnished to the Company by such Registering Stockholder specifically for use in the registration statement and prospectus (and any related documents) to be used by the Company in connection with such Registration and (E) such other matters that are customarily represented and warranted with respect to by a selling stockholder in a registered public offering (it being agreed that such matters shall not include matters in respect of the business and affairs of the Company and its Subsidiaries); provided further, however, that the obligation of such Registering Stockholder to indemnify any Person pursuant to any such underwriting agreement shall be several, not joint and several, among the Registering Stockholders selling Registrable Securities in such Registration, and the liability of each such Registering Stockholder will be in proportion to the number of Registrable Securities sold by such Holder; and provided further, however, that such liability will be limited to the net amount (after giving effect to underwriters discounts and commissions but before expenses) received by such Registering Stockholder from the sale of its Registrable Securities pursuant to such Registration.

(vi) Underwriter Cutback. Notwithstanding any other provision of this Section 2(a) to the contrary, if a Demand Registration involves an underwritten public offering and the representative of the underwriter or underwriters advises the Company and the Demanding IPO Stockholders or the Demanding Non-IPO Stockholders, as applicable, that, in its view, the number of Registrable Securities that the Registering Stockholders propose to include in such Registration exceeds the largest number of Registrable Securities that can be sold in such Registration without having an adverse effect on the offering contemplated thereby (a "Demand Marketing Limitation"), including the price at which such Registrable Securities can be sold,

then first, the number of Other Registrable Securities to be included in such Registration shall be reduced on a pro rata basis (based on the number of Other Registrable Securities that each such Other Holder proposed to include in such Registration) to the extent so required by the Demand Marketing Limitation and, thereafter, the number of Registrable Securities to be included in such Registration shall be reduced on a pro rata basis (based on the number of Registrable Securities that each such Holder proposed to include in such Registration) to the extent so required by the Demand Marketing Limitation. No Registrable Securities or Other Registrable Securities excluded from any Registration by reason of the Demand Marketing Limitation shall be included in such Registration. If the Demanding IPO Stockholders, Demanding Non-IPO Stockholders or any other Holder that has requested inclusion in such Registration as provided above disapproves of the terms of the underwriting, such Person may elect to withdraw therefrom by written notice to the Company, the representative of the underwriter or underwriters and the Demanding IPO Stockholders or Demanding Non-IPO Stockholders, as applicable. The securities so withdrawn shall also be withdrawn from Registration. If the underwriter has not limited the number of Registrable Securities to be underwritten, the Company may include its securities for its own account in such Registration if the representative of the underwriter or underwriters so agrees and if the number of Registrable Securities which would otherwise have been included in such Registration will not thereby be limited.

(b) Piggy Back Registration.

(i) Company Notice. If the Company shall determine to register any of its equity securities (x) for its own account at any time following one hundred eighty (180) days following the consummation by the Company of the Initial Public Offering or of the IPO Demand Registration (it being agreed that no Holder shall have any rights pursuant to this Section 2(b) in connection with the Initial Public Offering if it is a primary offering by the Company or otherwise prior to the date that is one hundred eighty (180) days following the consummation by the Company of the Initial Public Offering), or (y) in connection with a request for a Registration delivered by the Demanding IPO Stockholders or the Demanding Non-IPO Stockholders pursuant to the terms set forth in Sections 2(a)(i) or 2(a)(ii) hereof, respectively, other than a Registration Statement on Form S-4 or S-8 (or any successor form), or a Registration on any registration form which does not permit secondary sales or does not include substantially the same information as would be required to be included in a registration statement covering the sale of Registrable Securities, the Company shall: (A) promptly give to each of the Holders a written notice thereof and (B) subject to the terms set forth in Sections 2(b)(ii) and 2(b)(iii) hereof and the terms set forth in the immediately following proviso, include in such Registration (and any related qualification under blue sky or other state securities laws), and in any underwriting involved therein, any or all of the Registrable Securities held by any such Holder as set forth in a written request or requests, made by such Holder within ten (10) days after receipt of the written notice from the Company described in clause (A) immediately above; provided, however, that, notwithstanding anything contained herein to the contrary, if the representative of the underwriter or underwriters managing any such Registration

advises the Company and the Holders that, in its view, the inclusion of Registrable Securities of any Holder would have a material adverse effect on such Registration, then the number of Registrable Securities that may be included in such Registration by such Holder may be limited pro rata with all other securities to be registered thereunder to the extent required to ensure (in the opinion of such representative of the underwriter or underwriters managing such Registration) that the inclusion of Registrable Securities owned by such Holder in such Registration will not have such a material adverse effect.

(ii) Underwriting Agreement. If the Registration in respect of which the Company gives notice pursuant to Section 2(b)(i)(A) hereof is for a registered public offering involving an underwriting, the Company shall so advise each of the Holders as a part of the written notice given pursuant to said Section 2(b)(i)(A). If any Holder requests inclusion in any Registration in accordance with the terms set forth in this Section 2(b), the inclusion of the Registrable Securities of such Holder in such Registration shall be conditioned upon such Holder's acceptance of the further applicable provisions of this Agreement, including the applicable provisions of this Section 2. The Company and the Holders whose shares of Registrable Securities are to be included in any such Registration shall enter into an underwriting agreement in customary form with the representative of the underwriter or underwriters selected for underwriting by the Company; provided, however, that no Registering Stockholder shall be required to make any representations or warranties, or provide any indemnity, in connection with any such Registration other than representations and warranties (or indemnities with respect thereto) as to (A) such Registering Stockholder's ownership of its Registrable Securities to be transferred pursuant to such underwriting agreement free and clear of all liens, claims and encumbrances, (B) such Registering Stockholder's power and authority to effect such transfer pursuant to such underwriting agreement, (C) such matters pertaining to compliance with securities laws by such Registering Stockholder as may be reasonably requested by the representative of the underwriter or underwriters, (D) such matters relating to written information furnished to the Company by such Registering Stockholder specifically for use in the registration statement and prospectus (and any related documents) to be used by the Company in connection with such Registration; and (E) such other matters that are customarily represented and warranted with respect to by a selling stockholder in a registered public offering (it being agreed that such matters shall not include matters in respect of the business and affairs of the Holder, the Company and its Subsidiaries); provided further, however, that the obligation of such Registering Stockholder to indemnify any Person pursuant to any such underwriting agreement shall be several, not joint and several, among the Registering Stockholders selling Registrable Securities in such Registration, and the liability of each such Registering Stockholder will be in proportion to the number of Common Stock it holders and are being included in such Registration to the aggregate number of Registrable Securities included in such Registration; and provided further, however, that such liability will be limited to the net amount (after giving effect to underwriters discounts and commissions but before expenses) received by such Registering Stockholder from the sale of its Registrable Securities pursuant to such Registration.

(iii) Underwriter Cutback. Notwithstanding any other provision of this Section 2(b) to the contrary, if any Registration in respect of which any Holder is exercising its rights under this Section 2(b) involves an underwritten public offering and the representative of the underwriter or underwriters advises the Company that, in its view, the number of shares of equity securities of the Company (including, as applicable, Registrable Securities) that are proposed to be included in such Registration exceeds the largest number of shares that can be sold in such Registration without having an adverse effect on the offering contemplated thereby (a "Piggy Back Marketing Limitation"), including the price at which such shares can be sold, then the number of Registrable Securities to be included in such Registration shall be reduced in accordance with the following priority: (x) first, the number of Registrable Securities included in such Registration by each Holder shall be reduced on a pro rata basis (based on the number of Registrable Securities that each such Holder proposed to include in such Registration), to the extent so required by the Piggy Back Marketing Limitation and (y) second, if, after the exclusion of the Registrable Securities of the Holders in accordance with the terms set forth in clause (x) immediately above, further reductions are still required, the number of shares of equity securities that the Company proposed to sell in such Registration shall be reduced to the extent so required by the Piggy Back Marketing Limitation. No Registrable Securities excluded from any Registration by reason of the Piggy Back Marketing Limitation shall be included in such Registration. If any Registering Stockholder that has requested inclusion in a Registration as provided in this Section 2(b) disapproves of the terms of the underwriting, such Person may elect to withdraw therefrom by written notice to the Company and the representative of the underwriter or underwriters. The securities so withdrawn shall also be withdrawn from the Registration.

(c) Notwithstanding anything herein to the contrary, but subject to any cutbacks required pursuant to Section 2(a)(vi), the Company shall be permitted to include the shares of Common Stock described on Schedule 2(c) attached hereto on any Registration pursuant to Sections 2(a)(i) or 2(a)(ii) hereof (collectively, the "Other Securities", and the holders thereof, the "Other Holders").

SECTION 3. OTHER REGISTRATION RELATED MATTERS

(a) Expenses of Registration. All Registration Expenses incurred in connection with any Registration effected pursuant to Section 2 hereof shall be borne by the Company, and all Selling Expenses incurred in connection with any such Registration shall be borne by the Registering Stockholders pro rata on the basis of the number of their shares so registered.

(b) Registration Procedures. In the case of each Registration effected by the Company pursuant to Section 2 hereof, the Company will keep the Registering Stockholders advised as to the initiation of each such Registration and as to the completion thereof. Without limiting the foregoing, with respect to each Registration effected by the Company pursuant to Section 2 hereof, the Company and the Holders agree as follows:

(i) The Company shall keep such Registration effective for a period of one hundred twenty (120) days or until the Registering Stockholders (or in the case of a

distribution to the stockholders, partners or members of any such Registering Stockholder, such stockholders, partners or members) have completed the distribution described in the registration statement relating thereto, whichever first occurs; provided, however, that in the case of any Registration of Registrable Securities on Form S-3 (or any successor form) which are intended to be offered on a continuous or delayed basis, such one hundred twenty (120) day period shall be extended until all such Registrable Securities are sold or cease to be Registrable Securities, provided that Rule 415, or any successor rule under the Securities Act, permits an offering on a continuous or delayed basis; provided further, however, that applicable rules under the Securities Act governing the obligation to file a post-effective amendment permit, in lieu of filing a post-effective amendment which (A) includes any prospectus required by Section 10(a) of the Securities Act or (B) reflects facts or events representing a material or fundamental change in the information set forth in the registration statement, the incorporation by reference of information required to be included in clauses (A) and (B) above to be contained in periodic reports filed by the Company pursuant to Section 12 or 15(d) of the Exchange Act in the registration statement;

(ii) Prior to filing a registration statement or prospectus or any amendment or supplement thereto, the Company shall furnish to each Registering and each underwriter, if any, of the Registrable Securities covered by such registration statement, copies of such registration statement as proposed to be filed, and thereafter, if requested in writing by a Registering Stockholder or underwriter, the Company shall furnish to each such requesting Registering Stockholder and underwriter, if any, such reasonable number of copies of such registration statement, and each amendment and supplement thereto (in each case including all exhibits thereto and documents incorporated by reference therein), the prospectus included in such registration statement (including each preliminary prospectus and any summary prospectus) and any other prospectus filed under Rule 424 or Rule 430A under the Securities Act and such other documents as such Registering Stockholder or underwriter may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such Registering Stockholder;

(iii) After the filing of the registration statement, if applicable, the Company shall (A) cause the related prospectus to be supplemented by any required prospectus supplement, and, as so supplemented, to be filed pursuant to Rule 424 under the Securities Act and (B) promptly notify each Registering Stockholder of any stop order issued or threatened in writing by the Commission or any state securities commission and take all reasonable actions required to prevent the entry of such stop order or to remove it if entered;

(iv) The Company shall, subject to the terms set forth in Section 2(a)(i)(1) hereof, use its commercially reasonable efforts to (A) register or qualify the Registrable Securities covered by such registration statement under such other securities or “blue sky” laws of such jurisdictions in the United States as any Registering Stockholder reasonably (in light of such Registering Stockholder’s intended plan of distribution) requests and (B) cause such Registrable Securities to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of the Company and do any and all other acts and things

that may be reasonably necessary or advisable to enable such Registering Stockholder to consummate the disposition of the Registrable Securities owned by such Registering Stockholder pursuant to such registration statement;

(v) The Company shall promptly notify each Registering Stockholder selling Registrable Securities covered by such registration statement, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the occurrence of an event known to the Company requiring the preparation of a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and the Company shall also promptly prepare and make available to each such Registering Stockholder and file with the Commission any such supplement or amendment;

(vi) If such Registration involves an underwriter or if any Registering Stockholder is being named as an "underwriter" or "deemed to be an underwriter" in the registration statement with respect to such Registration, upon execution of confidentiality agreements in form and substance reasonably satisfactory to the Company, the Company shall make available for inspection by any Registering Stockholder and any underwriter participating in any disposition pursuant to a registration statement being filed by the Company pursuant to Section 2 hereof and any attorney, accountant or other professional retained by any such Registering Stockholder or underwriter (collectively, the "Inspectors"), all financial and other records, pertinent corporate documents and properties of the Company (collectively, the "Records") as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and the Company shall cause the Company's officers, directors and employees to supply all information reasonably requested by any Inspectors in connection with such registration statement;

(vii) If such Registration involves an underwriter or if any Registering Stockholder is being named as an "underwriter" or "deemed to be an underwriter" in the registration statement with respect to such Registration, the Company shall cause to be furnished to each underwriter, if any, a signed counterpart, addressed to such underwriter of (A) an opinion or opinions of counsel to the Company (including customary "negative assurance" letters) and (B) a comfort letter or comfort letters from the Company's independent public accountants, each in customary form and covering such matters of the kind customarily covered by opinions or comfort letters, as the case may be, in a transaction of the nature contemplated by the registration statement;

(viii) Each Holder agrees that at the time that such Holder is a Registering Stockholder, upon receipt of any written notice from the Company of the occurrence of any event requiring the preparation of a supplement or amendment of a prospectus relating to the Registrable Securities covered by a registration statement that is required to be delivered under the Securities Act so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or to make the statements therein not misleading, such Holder shall

forthwith discontinue disposition of Registrable Securities pursuant to the registration statement covering such Registrable Securities until such Holder's receipt of the copies of a supplemented or amended prospectus, and, if so directed by the Company, such Holder shall deliver to the Company all copies, other than any permanent file copies then in such Holder's possession, of the most recent prospectus covering such Registrable Securities at the time of receipt of such notice. If the Company shall give such notice, the Company shall extend the period during which such registration statement shall be maintained effective by the number of days during the period from and including the date of the giving of notice pursuant to Section 3(b)(v) to the date when the Company shall make available to such Holder a prospectus supplemented or amended to conform with the requirements of Section 3(b)(v) hereof;

(ix) The Company shall list all Registrable Securities covered by such registration statement on any securities exchange or interdealer quotation system on which any of the Registrable Securities are then listed or quoted and if none of the Registrable Securities are so listed or quoted, on any securities exchange or quotations system on which similar securities issued by the Company are then listed or if no such listing exists, on any securities exchange or quotations system as the Company may reasonably determine; and

(x) If requested by the Demanding IPO Stockholders or the Demanding Non-IPO Stockholders the Company shall cause the appropriate officers of the Company to prepare and make presentations at customary and reasonable "road shows" and before analysts, as the case may be.

(c) Indemnification.

(i) The Company shall indemnify each Holder and, as applicable, each of its officers, directors, partners, beneficiaries, trustees and members, and each Person controlling each such Holder within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, with respect to each Registration in which such Holder has included Registrable Securities pursuant to Section 2 hereof, and each underwriter, if any, and each Person who controls any such underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any registration statement, prospectus, offering circular or other document utilized in connection with any such Registration, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or any violation by the Company of the Securities Act or the Exchange Act or any rule or regulation thereunder applicable to the Company and relating to action or inaction required of the Company in connection with any such Registration, and will reimburse each such Holder and, as applicable, each of its officers, directors, partners, beneficiaries, trustees and members, and each Person controlling each such Holder within the meaning of either Section 15 of the

Securities Act or Section 20 of the Exchange Act, each such underwriter and each Person who controls any such underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, for any legal and any other expenses reasonably incurred in connection with investigating and defending any such claim, loss, damage, liability or action; provided, however, that the Company will not be liable in any such case to the extent that any such claim, loss, damage, liability or expense arises out of or is based on any untrue statement or omission (or alleged untrue statement or omission) based upon written information furnished to the Company by the Holders or the underwriters in connection with any such Registration and stated to be specifically for use in any registration statement, prospectus, offering circular or other document utilized in connection with any such Registration.

(ii) Each Holder shall, if Registrable Securities held by it are included in the securities as to which a Registration is being effected, indemnify the Company, each of its directors and officers and each underwriter, if any, of the Company's securities covered by such Registration, each Person who controls the Company or such underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, each other Holder including securities in such Registration and, as applicable, each of their officers, directors, partners, beneficiaries, trustees and members, and each Person controlling such other Holder within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any registration statement, prospectus, offering circular or other document utilized in connection with any such Registration made by such Holder, or any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements by such Holder therein not misleading, and will reimburse the Company and each of its directors and officers and each underwriter, if any, of the Company's securities covered by such Registration, each Person who controls the Company or such underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, each other Holder including securities in such Registration and, as applicable, each of their officers, directors, partners, beneficiaries, trustees and members, and each Person controlling such other Holder within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, for any legal or any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability or action, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such registration statement, prospectus, offering circular or other document utilized in connection with such Registration in reliance upon and in conformity with written information furnished to the Company by such Holder and stated to be specifically for use therein; provided, however, that the indemnification obligations of each Holder hereunder shall be limited to an amount equal to the net proceeds that such Holder receives in respect of the Registrable Securities sold by such Holder in such Registration as contemplated herein.

(iii) Each party entitled to indemnification under this Section 3(c) (the "Indemnified Party") shall give written notice to the party required to provide indemnification hereunder (the "Indemnifying Party") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom, provided, that counsel for the Indemnifying Party, who shall conduct the defense of such claim or any litigation resulting therefrom, shall be approved by the Indemnified Party (whose approval shall not unreasonably be withheld or delayed) and the Indemnified Party may participate in such defense at such party's expense (unless the Indemnified Party shall have reasonably concluded that there may be an actual or potential conflict of interest between the Indemnifying Party and the Indemnified Party in such claim or any litigation resulting therefrom, in which case the reasonable fees and expenses of one counsel for the Indemnified Party shall be paid by the Indemnifying Party), and provided further that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 2 unless, and only to the extent that, the Indemnifying Party is materially prejudiced thereby. No Indemnifying Party, in the defense of any such claim or litigation shall, except with the consent of each Indemnified Party (which consent shall not be unreasonably withheld or delayed), consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect of such claim or litigation. No Indemnified Party may consent to entry of any judgment or enter into any settlement, in the defense of any claim or litigation, except with the consent of each Indemnifying Party. Each Indemnified Party shall furnish such information regarding itself or the claim in question as an Indemnifying Party may reasonably request in writing and as shall be reasonably required in connection with the defense of such claim and litigation resulting therefrom, provided that no party shall be required to disclose any information hereunder that is subject to the attorney-client or a similar privilege.

(iv) If the indemnification provided for in this Section 3(c) is held by a court of competent jurisdiction to be unavailable to an Indemnified Party with respect to any loss, liability, claim, damage or expense referred to herein, then the Indemnifying Party, in lieu of indemnifying such Indemnified Party hereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party, on the one hand, and of the Indemnified Party, on the other hand, in connection with the statements or omissions which resulted in such loss, liability, claim, damage or expense, as well as any other relevant equitable considerations; provided, however, that the contribution obligations of any Holder hereunder shall (x) be limited to an amount equal to the net proceeds that such Holder receives in respect of the Registrable Securities sold by such Holder in the Registration to which such contribution is being made and (y) be several in the proportion that the net proceeds of the offering received by such Holder bears to the total net proceeds of the offering received by all Registering Stockholders. The relative fault of the Indemnifying Party and of the Indemnified Party shall be determined by reference to, among other things, whether the untrue (or alleged untrue) statement of a material fact or the omission (or alleged

omission) to state a material fact relates to information supplied by the Indemnifying Party or by the Indemnified Party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. Notwithstanding the foregoing, 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.

(v) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with any underwritten public offering contemplated by this Agreement are in conflict with the foregoing provisions, the provisions in such underwriting agreement shall be controlling; provided, however, that the terms set forth in any such underwriting agreement shall be subject to the terms set forth in Sections 2(a)(v) and 2(b)(ii) hereof.

(d) Information by the Holders.

(i) Each of the Holders holding securities included in any Registration shall furnish to the Company, no later than the tenth (10th) business day following notice therefor from the Company (each, an "Information Deadline"), such information regarding such Holder and the distribution proposed by such Holder as the Company may reasonably request in writing (each, an "Investor Questionnaire") and as shall be reasonably required in connection with any Registration referred to Section 2 hereof. Notwithstanding anything herein to the contrary, the failure of any Holder to deliver the applicable Investor Questionnaire to the Company prior to the applicable Information Deadline shall release the Company of any obligation to include any Registrable Securities of such Holder on such registration statement.

(ii) In the event that, either immediately prior to or subsequent to the effectiveness of any registration statement, any Holder shall distribute Registrable Securities to its stockholders, partners or members, such Holder shall so advise the Company and provide such information as shall be necessary to permit an amendment to such registration statement to provide required information with respect to such stockholders, partners, beneficiaries or members, as selling securityholders. Promptly following receipt of such information, the Company shall file an appropriate amendment to such registration statement reflecting the information so provided. Any incremental expense to the Company resulting from such amendment shall be borne by such Holder.

(e) Rule 144 Reporting. With a view to making available the benefits of certain rules and regulations of the Commission which may permit the sale of restricted securities to the public without registration, the Company agrees to use best efforts to:

(i) make and keep public information available as those terms are understood and defined in Rule 144 under the Securities Act ("Rule 144"), at all times from and after ninety (90) days following the effective date of the first registration under the Securities Act filed by the Company for an offering of its securities to the general public;

(ii) use all commercially reasonable efforts to file with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act at any time after it has become subject to such reporting requirements; and

(iii) so long as the Holder owns any Registrable Securities, furnish to such Holder, upon request, a written statement by the Company as to its compliance with the reporting requirements of Rule 144 (at any time from and after ninety (90) days following the effective date of the first registration statement filed by the Company for an offering of its securities to the general public), and of the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements), a copy of the most recent annual or quarterly report of the Company, and such other reports and documents so filed by the Company with the Commission as such Holder may reasonably request in availing itself of any rule or regulation of the Commission allowing such Holder to sell any such securities without registration.

(f) "Market Stand-Off" Agreement. Each of the Holders and the Company agrees, if requested by the representative of the underwriter or underwriters in connection with any underwritten public offering of equity securities of the Company, not to sell or otherwise transfer or dispose (except for standard exceptions agreed to by the representative of the underwriter or underwriters) of any Registrable Securities or other equity securities of the Company during the one hundred eighty (180) day period (in the case of the Initial Public Offering) or ninety (90) day period (in the case of any underwritten public offering other than the Initial Public Offering) following the effective date of a registration statement of the Company filed under the Securities Act (except to the extent that the underwriter(s) agree to a shorter lockup period), such periods subject to extension on customary terms if required by the representative of the underwriter or underwriters to take into account the issuance or potential issuance of research or similar reports, provided that all executive officers and directors and other 5% or greater shareholders of the Company enter into similar agreements. If requested by the representative of the underwriter or underwriters, the Company and the Holders shall execute a separate agreement to the foregoing effect. The Company may impose stop-transfer instructions with respect to the shares (or securities) subject to the foregoing restriction until the end of the applicable period referred to in this Section 3(f).

(g) Partial Liquidated Damages: If: (i) the IPO Registration Statement or the Non-IPO Registration Statement is not declared effective within ninety (90) days of the date of demand for such Registration, or (ii) the Company fails to file with the Commission a request for acceleration of a Registration Statement in accordance with Rule 461 promulgated by the Commission pursuant to the Securities Act, within five Trading Days of the date that the Company is notified (orally or in writing, whichever is earlier) by the Commission that such Registration Statement will not be "reviewed" or will not be subject to further review, or (iii) after the effective date of a Registration Statement, such Registration Statement ceases for any reason to remain continuously effective as to all Registrable Securities included in such Registration Statement, or the Holders are otherwise not permitted to utilize the Prospectus therein to resell such Registrable Securities, for more than the periods set forth herein (any such failure or breach being referred to as an "Event", then, in addition to any

other rights the Holders may have hereunder or under applicable law, on the date of each such Event and on each monthly anniversary of each such Event (if the applicable Event shall not have been cured by such date) until the applicable Event is cured, the Company shall pay to each Holder an amount in cash, as partial liquidated damages and not as a penalty, equal to the product of (1) the product of (A) 1.5% multiplied by (B) the quotient of (1) the number of such Holder's Registrable Securities that are not then covered by a Registration Statement that is then effective and available for use by such Holder divided by (II) the total number of such Holder's Registrable Securities multiplied by (2) the aggregate Subscription Price paid by such Holder pursuant to the Purchase Agreement; provided, however, that, in the event that none of such Holder's Registrable Securities are then covered by a Registration Statement that is effective and available for use by such Holder, the quotient of (I) divided by (II) in clause (1) (B) herein shall be deemed to equal 1. The parties agree that the maximum aggregate liquidated damages payable to a Holder under this Agreement shall be 9% of the aggregate Subscription Amount paid by such Holder pursuant to the Purchase Agreement. If the Company fails to pay any partial liquidated damages pursuant to this Section in full within seven business days after the date payable, the Company will pay interest thereon at a rate of 15% per annum (or such lesser maximum amount that is permitted to be paid by applicable law) to the Holder, accruing daily from the date such partial liquidated damages are due until such amounts, plus all such interest thereon, are paid in full. The partial liquidated damages pursuant to the terms hereof shall apply on a daily pro rata basis for any portion of a month prior to the cure of an Event.

SECTION 4. MISCELLANEOUS

(a) Directly or Indirectly. Where any provision in this Agreement refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

(b) Governing Law; Jurisdiction; Waiver of Jury Trial. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of this Agreement), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and

sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If either party shall commence an action, suit or proceeding to enforce any provisions of this Agreement, the prevailing party in such action, suit or proceeding shall be reimbursed by the other party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding. IN ANY ACTION, SUIT, OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVES FOREVER TRIAL BY JURY.

(c) Section Headings. The headings of the sections and subsections of this Agreement are inserted for convenience only and shall not be deemed to constitute a part thereof.

(d) Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of: (a) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto at or prior to 5:30 p.m. (New York City time) on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (c) the second (2nd) Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto.

(e) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties hereto; provided, that it shall be a condition precedent to the assignment of any rights to any Person hereunder that such assignee agrees to be bound by the terms and conditions set forth herein that are applicable to Holders hereunder pursuant to a written instrument that is reasonably satisfactory in form and substance to the Company. In connection with any restructuring of the legal status and/or capital structure of the Company or any Subsidiary thereof or successor to the Company or any such Subsidiary in the future in order to facilitate a public offering of securities by the Company, the Company shall cause the successor Company to assume the obligations of the Company hereunder and references to the Company shall be deemed to be references to the Company.

(f) Amendment and Waiver. This Agreement may be amended, modified or supplemented and the observance of any term of this Agreement may be waived, with (and only with) (i) in the case of an amendment, modification or supplementation, the written consent of the Company and the Holders that, as of any applicable date of determination, own at least 75% of the Registrable Securities owned by all Holders as of such date of determination and (ii) in the case of a waiver, the Person or Persons who are waiving rights hereunder. If any amendment, modification or supplement is adopted and approved as herein provided, such amendment, modification or supplement shall be effective with respect to all Holders hereunder, whether or not such Holder shall have agreed to such amendment, modification, supplement or waiver, and the Company shall promptly notify all other Holders who have not so agreed of the material terms of such amendment, modification, supplement or waiver and the effective date thereof.

(g) Severability. In the event that any part or parts of this Agreement shall be held illegal or unenforceable by any court or administrative body of competent jurisdiction, such determination shall not affect the remaining provisions of this Agreement which shall remain in full force and effect.

(h) Counterparts. This Agreement may be executed in one or more counterparts (including by facsimile), each of which shall be deemed an original and all of which together shall be considered one and the same agreement.

[*Signature page follows.*]

IN WITNESS WHEREOF, the undersigned have executed this Registration Rights Agreement as of the date first set forth above.

CONKWEST, INC.

By: /s/ Barry Simon
Name: Barry Simon
Title: Chief Executive Officer

BIO IP VENTURES LLC:

By: /s/ Yoav Roth
Name: Yoav Roth
Title: Authorized Signatory

Schedule 2(c)

1. 2009 Bridge Lenders up to 1,000,000 shares
2. Investors in the Private Placement
3. Healthpro Bioventures, LLC warrant shares up to 930,233 shares.

NUMBER

CW

coNKwest

SHARES

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

CUSIP 207371 10 5

SEE REVERSE FOR CERTAIN DEFINITIONS

This certifies that

is the record holder of

FULLY PAID AND NONASSESSABLE SHARES OF COMMON STOCK $0.0001 PAR VALUE PER SHARE, OF

CONKWEST, INC.

transferable on the books of the corporation in person or by duly authorized attorney upon surrender of this Certificate properly endorsed. This Certificate is not valid until countersigned by the Transfer Agent and registered by the Registrar.

WITNESS the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

Dated:

President

CONKWEST, INC. CORPORATE SEAL MARCH 12, 2014 DELAWARE

Secretary

COUNTERSIGNED AND REGISTERED
AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC
(NEW YORK, NY)
TRANSFER AGENT AND REGISTRAR

BY:

AUTHORIZED SIGNATURE

HERITAGE BANKNOTE

The Corporation shall furnish without charge to each stockholder who so requests a statement of the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock of the Corporation or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Such requests shall be made to the Corporation's Secretary at the principal office of the Corporation.

KEEP THIS CERTIFICATE IN A SAFE PLACE. IF IT IS LOST, STOLEN,OR DESTROYED THE CORPORATION WILL REQUIRE A BOND INDEMNITY AS A CONDITION TO THE ISSUANCE OF A REPLACEMENT CERTIFICATE.

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

TEN COM	–	as tenants in common
TEN ENT	–	as tenants by the entireties
JT TEN	–	as joint tenants with right of survivorship and not as tenants in common
COM PROP	–	as community property

UNIF GIFT MIN ACT – ..... Custodian .....
(Cust) (Minor)
under Uniform Gifts to Minors Act.....
(State)

UNIF TRF MIN ACT – ..... Custodian (until age .....)
(Cust)
..... under Uniform Transfers
(Minor)
to Minors Act.....
(State)

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

FOR VALUE RECEIVED, _____ hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

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

_____

_____

_____ shares of the capital stock represented by within Certificate, and do hereby irrevocably constitute and appoint

_____ attorney-in-fact to transfer the said stock on the books of the within named Corporation with full power of the substitution in the premises.

Dated _____

X _____

X _____

Signature(s) Guaranteed:

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

By _____

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION, (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17Ad-15. GUARANTEES BY A NOTARY PUBLIC ARE NOT ACCEPTABLE. SIGNATURE GUARANTEES MUST NOT BE DATED.

Exhibit 10.1

CONKWEST, INC.

INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this "***Agreement***") is dated as of _____ __, ___ and is between Conkwest, Inc., a Delaware corporation (the "***Company***"), and _____ ("***Indemnitee***").

RECITALS

A. The Company desires to attract and retain the services of highly qualified individuals such as Indemnitee to serve as officers, directors or employees of the Company

B. Individuals are reluctant to serve as directors or officers of corporations or in certain other capacities unless they are provided with adequate protection through insurance or indemnification against the risks of claims and actions against them arising out of such service.

C. Indemnitee does not regard the protection currently provided by applicable law, the Company's governing documents and any insurance as adequate under the present circumstances, and Indemnitee may not be willing to serve as a director or officer without additional protection.

D. In order to induce Indemnitee to continue to provide services to the Company, it is reasonable, prudent and necessary for the Company and its stockholders to contractually obligate itself to indemnify, and to advance expenses on behalf of, Indemnitee as permitted by applicable law in order that Indemnitee will serve or continue to serve the Company free from undue concern that Indemnitee will not be so indemnified.

E. This Agreement is a supplement to and in furtherance of the indemnification provided in the Company's certificate of incorporation and bylaws, and any resolutions adopted pursuant thereto, and this Agreement shall not be deemed a substitute therefor, nor shall this Agreement be deemed to limit, diminish or abrogate any rights of Indemnitee thereunder.

The parties therefore agree as follows:

1. **Definitions.**

(a) 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;

(ii) *Change in Board Composition*. During any period of two consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Company's board of directors, and any new directors (other than a director designated by a person who has entered into an agreement with the Company to

effect a transaction described in Sections 1(a)(i), 1(a)(iii) or 1(a)(iv)) whose election by the board of directors 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 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 Company's board of directors;

(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 50% 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*. 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 in response to any similar item on any similar schedule or form) promulgated under the Securities Exchange Act of 1934, as amended, whether or not the Company is then subject to such reporting requirement.

For purposes of this Section 1(a), the following terms shall have the following meanings:

(1) "***Person***" shall have the meaning as set forth in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended; ***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.

(2) "***Beneficial Owner***" shall have the meaning given to such term in Rule 13d-3 under the Securities Exchange Act of 1934, as amended; *provided*, *however*, that "***Beneficial Owner***" shall exclude any Person otherwise becoming a Beneficial Owner by reason of (i) the stockholders of the Company approving a merger of the Company with another entity or (ii) the Company's board of directors approving a sale of securities by the Company to such Person.

(b) "***Corporate Status***" describes the status of a person who is or was a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of the Company or any other Enterprise.

(c) "***DGCL***" means the General Corporation Law of the State of Delaware.

(d) "***Disinterested Director***" means 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***" means the Company and any other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary.

(f) "***Expenses***" include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees and costs of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding. Expenses also 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 their equivalent, and (ii) for purposes of Section 12(d), Expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(g) "***Independent Counsel***" means a law firm, or a partner or member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent (i) the Company or Indemnitee in any matter material to either such party (other than as Independent Counsel with respect to matters concerning Indemnitee under this Agreement, or 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.

(h) "***Proceeding***" means any threatened, pending or completed action, suit, arbitration, mediation, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative or investigative nature, including any appeal therefrom and including without limitation any such Proceeding pending as of the date of this Agreement, in which Indemnitee was, is or will be involved as a party, a potential party, a non-party witness or otherwise by reason of (i) the fact that Indemnitee is or was a director or officer of the Company, (ii) any action taken by Indemnitee or any action or inaction on Indemnitee's part while acting as a director or officer of the Company, or (iii) the fact that he or she is or was serving at the request of the Company as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of the Company or any other Enterprise, in each case whether or not serving in such capacity at the time any liability or Expense is incurred for which indemnification or advancement of Expenses can be provided under this Agreement.

(i) Reference to "***other Enterprises***" shall include employee benefit plans; references to "***fines***" shall include any excise taxes assessed on a person 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 a manner "***not opposed to the best interests of the Company***" as referred to in this Agreement.

2. **Indemnity in Third-Party Proceedings**. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 2 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 2, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all 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, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

3. **Indemnity in Proceedings by or in the Right of the Company**. 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 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 actually and reasonably incurred by Indemnitee or on Indemnitee's 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 3 in respect of any claim, issue or matter as to which Indemnitee shall have been adjudged by a court of competent jurisdiction 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 for such expenses as the Delaware Court of Chancery or such other court shall deem proper.

4. **Indemnification for Expenses of a Party Who is Wholly or Partly Successful**. 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 any claim, issue or matter therein, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith. To the extent permitted by applicable law, if Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, in 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 Indemnitee or on Indemnitee's behalf in connection with (a) each successfully resolved claim, issue or matter, and (b) any claim, issue or matter related to any such successfully resolved claim, issue or matter. For purposes of this section, 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.

5. **Indemnification for Expenses of a Witness**. To the extent that Indemnitee is, by reason of his or her Corporate Status, a witness in any Proceeding to which Indemnitee is not a party, Indemnitee shall be indemnified to the extent permitted by applicable law against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith.

6. **Additional Indemnification.**

(a) Notwithstanding any limitation in Sections 2, 3 or 4, the Company shall indemnify Indemnitee to the fullest extent permitted by applicable law if Indemnitee is, or is 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 actually and reasonably incurred by Indemnitee or on his or her behalf in connection with the Proceeding or any claim, issue or matter therein.

(b) For purposes of Section 6(a), the meaning of the phrase "***to the fullest extent permitted by applicable law***" shall include, but not be limited to:

(i) 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) 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.

7. **Exclusions**. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity in connection with any Proceeding (or any part of any Proceeding):

(a) for which payment has actually been made to or on behalf of Indemnitee under any insurance policy or indemnity provision, except with respect to any excess beyond the amount paid;

(b) for an accounting or disgorgement of profits pursuant to Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of state statutory law or common law, if Indemnitee is held liable therefor;

(c) for any reimbursement of the Company by Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company, as required in each case under the Securities Exchange Act of 1934, as amended (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), if Indemnitee is held liable therefor; or

(d) initiated by Indemnitee and not by way of defense, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees, agents or other indemnitees, unless (i) the Company's board of directors authorized the Proceeding (or the relevant part of the Proceeding) prior to its initiation, (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law, (iii) otherwise authorized in Section 12(d) or (iv) otherwise required by applicable law.

8. **Advances of Expenses**. The Company shall advance the Expenses incurred by or on behalf of Indemnitee in connection with any Proceeding prior to its final resolution, and such advancement shall be made as soon as reasonably practicable, but in any event no later than 30 days, after the receipt by the Company of a written statement or statements requesting such advances from time to time (which shall include invoices received by Indemnitee in connection with such Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditure made that would cause Indemnitee to waive any privilege accorded by applicable law shall not be included with the invoice. Advances shall be unsecured and interest free and made without regard to Indemnitee's ability to repay such advances. The Company's obligation to provide an advancement of expenses is subject to the following conditions: (a) if the proceeding arose in connection with Indemnitee's service as a director or officer, as applicable, then the Indemnitee or his or her representative shall have executed and delivered to the Company an undertaking, which need not be secured and shall be accepted without reference to Indemnitee's financial ability to make repayment, by or on behalf of Indemnitee to repay all advances if and to the extent that it shall ultimately be determined by a final, non-appealable decision rendered by a court having jurisdiction over the parties and the question that Indemnitee is not entitled to be indemnified for such advances under this Agreement or otherwise; (b) Indemnitee shall give the Company such information and cooperation as it may reasonably request and as shall be within Indemnitee's power; and (c) Indemnitee shall furnish, upon request by the Company and if required under applicable law, a written affirmation of Indemnitee's good faith belief that any applicable standards of conduct have been met by Indemnitee. Indemnitee's entitlement to such advances shall include those incurred in connection with any proceeding by Indemnitee seeking an adjudication pursuant to this Agreement. Indemnitee hereby undertakes to repay any advance to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company.

9. **Procedures 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 as soon as reasonably practicable following the receipt by Indemnitee of notice thereof. The written notification to the Company shall include, in reasonable detail, a description of the nature of the Proceeding and the facts underlying the Proceeding. The failure by Indemnitee to notify the Company will not relieve the Company from any liability which it may have to Indemnitee hereunder or otherwise than under this Agreement, except to the extent that such failure or delay materially prejudices the Company.

(b) If, at the time of the receipt of a notice of a Proceeding pursuant to the terms hereof, the Company has directors' and officers' liability insurance in effect, the Company shall give prompt notice of the commencement of the Proceeding to the insurers in accordance with the procedures set forth in the applicable policies. The Company shall thereafter take all action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

(c) The Company will be entitled to participate in the defense of any Proceeding at its own expense.

10. **Procedures upon Application for Indemnification.**

(a) To obtain indemnification, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and as is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification following the final disposition of the Proceeding. Any delay in providing the request will not relieve the Company from its obligations under this Agreement, except to the extent such failure is prejudicial.

(b) Upon written request by Indemnitee for indemnification pursuant to Section 10(a), a determination 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 Company's board of directors, a copy of which shall be delivered to Indemnitee or (ii) if a Change in Control shall not have occurred if required by applicable law (A) by a majority vote of the Disinterested Directors, even though less than a quorum of the Company's board of directors, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum of the Company's board of directors, (C) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Company's board of directors, a copy of which shall be delivered to Indemnitee or (D) if so directed by the Company's board of directors, by the stockholders of the Company. If it is determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten days after such determination. Indemnitee shall cooperate with the person, persons or entity making the 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 that is not privileged or otherwise protected from disclosure and that is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or expenses (including attorneys' fees and disbursements) reasonably incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company, to the extent permitted by applicable law.

(c) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 10(b), the Independent Counsel shall be selected as provided in this Section 10(c). If a Change in Control shall not have occurred, the Independent Counsel shall be selected by the Company's board of directors, 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 Company's board of directors, 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 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 1 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 a court has determined that such objection is without merit. If, within 20 days after the later of (i) submission by Indemnitee of a written request for indemnification pursuant to Section 10(a) hereof and (ii) the final disposition of the Proceeding, the parties have not agreed upon an Independent Counsel, either the Company or Indemnitee may petition a court of competent jurisdiction for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and for the appointment as Independent Counsel of a person selected by the court or by such other person as the 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 10(b) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 12(a) of this Agreement, the Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing). The Company shall pay the reasonable fees and expenses of any Independent Counsel.

11. **Presumptions and Effect of Certain Proceedings.**

(a) In making a determination with respect to entitlement to indemnification hereunder, the person, 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, and the Company shall, to the fullest extent not prohibited by law, have the burden of proof to overcome that presumption.

(b) 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 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.

(c) Neither the knowledge, actions nor failure to act of any other director, officer, agent or employee of the Enterprise shall be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

12. **Remedies of Indemnitee.**

(a) Subject to Section 12(e), in the event that (i) a determination is made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 8 or 12(d) of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 10 of this Agreement within 90 days after the receipt by the Company of the request for indemnification, (iv) payment of indemnification pursuant to this Agreement is not made (A) within ten days after a determination has been made that Indemnitee is entitled to indemnification or (B) with respect to indemnification pursuant to Sections 4, 5 and 12(d) of this Agreement, within 30 days after receipt by the Company of a written request therefor, or (v) the Company or any other person or entity 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, Indemnitee the benefits provided or intended to be provided to Indemnitee hereunder, Indemnitee shall be entitled to an adjudication by a court of competent jurisdiction 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 with respect to his or her entitlement to such indemnification or advancement of Expenses, 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 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 12(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 4 of this Agreement. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration in accordance with this Agreement.

(b) Neither (i) the failure of the Company, its board of directors, any committee or subgroup of the board of directors, Independent Counsel or stockholders to have made a determination that indemnification of Indemnitee is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor (ii) an actual determination by the Company, its board of directors, any committee or subgroup of the board of directors, Independent Counsel or stockholders that Indemnitee has not met the applicable standard of conduct, shall create a presumption that Indemnitee has or has not met the applicable standard of conduct. In the event that a determination shall have been made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration *commenced pursuant* to this Section 12 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 12, the Company shall, to the fullest extent not prohibited by law, have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be.

(c) To the fullest extent not prohibited by law, the Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 12 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. If a determination shall have been made pursuant to Section 10 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 12, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statements not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) To the fullest extent not prohibited by law, the Company shall indemnify Indemnitee against all Expenses that are incurred by Indemnitee in connection with any action 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, unless the court (or arbitrator) finds that each material argument or defense advanced by Indemnitee in such action or arbitration was either frivolous or not made in good faith. Further, if requested by Indemnitee, the Company shall (as soon as reasonably practicable, but in any event no later than 30 days, after receipt by the Company of a written request therefor) advance such Expenses to Indemnitee, subject to the provisions of Section 8, subject to Indemnitee's agreement to repay the sums advanced if the court (or arbitrator) finds that each material argument or defense advanced by Indemnitee in such action or arbitration was either frivolous or not made in good faith.

(e) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification shall be required to be made prior to the final disposition of the Proceeding.

13. **Contribution**. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amounts incurred by Indemnitee, whether for Expenses, judgments, fines or amounts paid or to be paid in settlement, 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 events and transactions giving rise to such Proceeding; and (ii) the relative fault of Indemnitee and the Company (and its other directors, officers, employees and agents) in connection with such events and transactions.

14. **Non-exclusivity**. The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Company's certificate of incorporation or bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. 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 Company's certificate of incorporation and bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change, subject to the restrictions expressly set forth herein or therein. Except as expressly set forth herein, 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. Except as expressly set forth herein, 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.

15. **Primary Responsibility**. The Company acknowledges that to the extent Indemnitee is serving as a director on the Company's board of directors at the request or direction of a venture capital fund or other entity and/or certain of its affiliates (collectively, the "***Secondary Indemnitors***"), Indemnitee may have certain rights to indemnification and advancement of expenses provided by such Secondary Indemnitors. The Company agrees that, as between the Company and the Secondary Indemnitors, the Company is primarily responsible for amounts required to be indemnified or advanced under the Company's certificate of incorporation or bylaws or this Agreement and any obligation of the Secondary Indemnitors to provide indemnification or advancement for the same amounts is secondary to those Company obligations. To the extent not in contravention of any insurance policy or policies providing liability or other insurance for the Company or any director, trustee, general partner, managing member, officer, employee, agent or fiduciary of the Company or any other Enterprise, the Company waives any right of contribution or subrogation against the Secondary Indemnitors with respect to the liabilities for which the Company is primarily responsible under this Section 15. In the event of any payment by the Secondary Indemnitors of amounts otherwise required to be indemnified or advanced by the Company under the Company's certificate of incorporation or bylaws or this Agreement, the Secondary Indemnitors shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee for indemnification or advancement of expenses under the Company's certificate of incorporation or bylaws or this Agreement or, to the extent such subrogation is unavailable and contribution is found to be the applicable remedy, shall have a right of contribution with respect to the amounts paid. The Secondary Indemnitors are express third-party beneficiaries of the terms of this Section 15.

16. **No Duplication of Payments**. The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received payment for such amounts under any insurance policy, contract, agreement or otherwise.

17. **Insurance**. To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, trustees, general partners, managing members, officers, employees, agents or fiduciaries of the Company or any other Enterprise, Indemnitee shall be covered by such policy or policies to the same extent as the most favorably-insured persons under such policy or policies in a comparable position.

18. **Subrogation**. 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.

19. **Services to the Company**. Indemnitee agrees to serve as a director or officer of the Company or, at the request of the Company, as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of another Enterprise, for so long as Indemnitee is duly elected or appointed or until Indemnitee tenders his or her resignation or is removed from such position. 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 any employment with the Company (or any of its subsidiaries or any Enterprise) is at will, and Indemnitee may be discharged at any time for any reason, with or without cause, with or without notice, except as may be otherwise expressly provided in any executed, written employment contract or change of control agreement between Indemnitee and the Company (or any of its subsidiaries or any Enterprise), any existing formal severance policies adopted by the Company's board of directors or, with respect to service as a director or officer of the Company, the Company's certificate of incorporation or bylaws or the DGCL. No such document shall be subject to any oral modification thereof. In the event that any indemnification provision in any written employment contract or change of control agreement conflicts with this Agreement, the provisions of this Agreement will govern.

20. **Duration**. This Agreement shall continue until and terminate upon the later of (a) ten years after the date that Indemnitee shall have ceased to serve as a director or officer of the Company or as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of any other Enterprise, as applicable; or (b) one year after the final termination of any Proceeding, including any appeal, then pending in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any proceeding commenced by Indemnitee pursuant to Section 12 of this Agreement relating thereto.

21. **Successors**. This Agreement shall be binding upon the Company and its 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, and shall inure to the benefit of Indemnitee and Indemnitee's heirs, executors and administrators. The Company shall require and 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, by written agreement, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

22. **Severability**. Nothing in this Agreement is intended to require or shall be construed as requiring the Company to do or fail to do any act in violation of applicable law. The Company's inability, pursuant to court order or other applicable law, to perform its obligations under this Agreement shall not constitute a breach of this Agreement. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (i) 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; (ii) 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 (iii) 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.

23. **Enforcement**. 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.

24. **Entire Agreement**. 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 Company's certificate of incorporation and bylaws and applicable law.

25. **Modification and Waiver**. No supplement, modification or amendment to this Agreement shall be binding unless executed in writing by the parties hereto. No amendment, alteration or repeal of this Agreement shall adversely affect 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. No waiver of any of the provisions of this Agreement shall constitute or be deemed a waiver of any other provision of this Agreement nor shall any waiver constitute a continuing waiver.

26. **Notices**. All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, sent by electronic mail or otherwise delivered by hand, messenger or courier service addressed:

(a) if to Indemnitee, to Indemnitee's address or electronic mail address as shown on the signature page of this Agreement or in the Company's records, as may be updated in accordance with the provisions hereof; or

(b) if to the Company, to the attention of the Chief Executive Officer or Chief Financial Officer of the Company at 2533 South Coast Highway 101, Cardiff-by-the-Sea, California 92007, or at such other current address as the Company shall have furnished to Indemnitee, with a copy (which shall not constitute notice) to Dan Koeppen at Wilson Sonsini Goodrich & Rosati, P.C., 12235 El Camino Real, Suite 200, San Diego, California 92130.

Each such notice or other communication shall for all purposes of this Agreement be treated as effective or having been given (i) if delivered by hand, messenger or courier service, when delivered (or if sent *via* a nationally-recognized overnight courier service, freight prepaid, specifying next-business-day delivery, one business day after deposit with the courier), or (ii) if sent *via* mail, at the earlier of its receipt or five days after the same has been deposited in a regularly-maintained receptacle for the deposit of the United States mail, addressed and mailed as aforesaid.

27. **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 12(a) of this Agreement, or except as mutually agreed by the parties in writing, 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 Delaware Court of Chancery, 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 of Chancery 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, The Corporation Trust Company, Wilmington, Delaware as its agent in the State of Delaware as such party's agent 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 of Chancery, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court of Chancery has been brought in an improper or inconvenient forum.

28. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. This Agreement may also be executed and delivered by facsimile signature and in 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.

29. **Captions**. The headings of the paragraphs 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.

(*signature page follows*)

The parties are signing this Indemnification Agreement as of the date stated in the introductory sentence.

CONKWEST, INC.

_____

(Signature)

_____

(Print Name)

_____

(Title)

INDEMNITEE

_____

(Signature)

_____

(Print Name)

_____

(Street address)

_____

(City, State and ZIP)

CONKWEST, INC. 2014 EQUITY INCENTIVE PLAN

1. PURPOSE OF PLAN

1.1 The purpose of this 2014 Equity Incentive Plan (this "**Plan**") of Conkwest, Inc., a Delaware corporation (the "**Corporation**"), is to promote the success of the Corporation and to increase stockholder value by providing an additional means through the grant of awards to attract, motivate, retain and reward selected employees and other eligible persons. To the extent certain provisions in this Plan are applicable to "public reporting companies", such provisions shall only become applicable to the Corporation and the receipient of any grant hereunder at such time when the Corporation becomes required to file reports under either Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") as a result of the Corporation's consummation of an initial public offering of its common stock or the consummation of a reverse merger, share exchange or other business combination with a publicly traded company resulting in the Corporation becoming a "public reporting company" required to file reports under either Section 13 or 15(d) of the Exchange Act.

2. ELIGIBILITY

2.1 The Administrator (as such term is defined in Section 3.1) may grant awards under this Plan only to those persons that the Administrator determines to be Eligible Persons. An "**Eligible Person**" is any person who is either: (a) an officer (whether or not a director) or employee of the Corporation or one of its Subsidiaries; (b) a director of the Corporation or one of its Subsidiaries; or (c) an individual consultant who renders bona fide services (other than services in connection with the offering or sale of securities of the Corporation or one of its Subsidiaries in a capital-raising transaction or as a market maker or promoter of securities of the Corporation or one of its Subsidiaries) to the Corporation or one of its Subsidiaries and who is selected to participate in this Plan by the Administrator; *provided*, *however*, that a person who is otherwise an Eligible Person under clause (c) above may participate in this Plan only if such participation would not adversely affect either the Corporation's eligibility to use Form S-8 to register under the Securities Act of 1933, as amended (the "**Securities Act**"), the offering and sale of shares issuable under this Plan by the Corporation, or the Corporation's compliance with any other applicable laws. An Eligible Person who has been granted an award (a "**participant**") may, if otherwise eligible, be granted additional awards if the Administrator shall so determine. As used herein, "**Subsidiary**" means any corporation or other entity a majority of whose outstanding voting stock or voting power is beneficially owned directly or indirectly by the Corporation; and "**Board**" means the Board of Directors of the Corporation.

3. PLAN ADMINISTRATION

3.1 ***The Administrator***. This Plan shall be administered by and all awards under this Plan shall be authorized by the Administrator. The "**Administrator**" means the Board or one or more committees appointed by the Board or another committee (within its delegated authority) to administer all or certain aspects of this Plan. Any such committee shall be comprised solely of one or more directors or such number of directors as may be required under applicable law. A committee may delegate some or all of its authority to another committee so constituted. The Board or a committee comprised solely of directors may also delegate, to the extent permitted by Section 157 of the Delaware General Corporation Law and any other applicable law, to one or more officers of the Corporation, its powers under this Plan (a) to Eligible Persons who will receive grants of awards under this Plan, and (b) to determine the number of shares subject to, and the other terms and conditions of, such awards. The Board may delegate different levels of authority to different committees with administrative and grant authority under this Plan. Unless otherwise provided in the bylaws of the Corporation or the applicable charter of any Administrator: (a) a majority of the members of the acting Administrator shall constitute a quorum, and (b) the affirmative vote of a majority of the members present assuming the presence of a quorum or the unanimous written consent of the members of the Administrator shall constitute due authorization of an action by the acting Administrator.

With respect to awards, if any, intended to satisfy the requirements for performance-based compensation under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "**Code**"), this Plan shall be administered by a committee consisting solely of two or more outside directors (as this requirement is applied under Section 162(m) of the Code); *provided, however,* that the failure to satisfy such requirement shall not affect the validity of the action of any committee otherwise duly authorized and acting in the matter. Award grants, and transactions in or involving awards, intended to be exempt under Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), must be duly and timely authorized by the Board or a committee consisting solely of two or more non-employee directors (as this requirement is applied under Rule 16b-3 promulgated under the Exchange Act). To the extent required by any applicable stock exchange, this Plan shall be administered by a committee composed entirely of independent directors (within the meaning of the applicable stock exchange).

3.2 ***Powers of the Administrator***. Subject to the express provisions of this Plan, the Administrator is authorized and empowered to do all things necessary or desirable in connection with the authorization of awards and the administration of this Plan (in the case of a committee or delegation to one or more officers, within the authority delegated to that committee or person(s)), including, without limitation, the authority to:

(a) determine eligibility and, from among those persons determined to be eligible, the particular Eligible Persons who will receive awards under this Plan;

(b) grant awards to Eligible Persons, determine the price at which securities will be offered or awarded and the number of securities to be offered or awarded to any of such persons, determine the other specific terms and conditions of such awards consistent with the express limits of this Plan, establish the installments (if any) in which such awards shall become exercisable or shall vest (which may include, without limitation, performance and/or time-based schedules), or determine that no delayed exercisability or vesting is required, establish any applicable performance targets, and establish the events of termination or reversion of such awards;

(c) approve the forms of award agreements (which need not be identical either as to type of award or among participants);

(d) construe and interpret this Plan and any agreements defining the rights and obligations of the Corporation, its Subsidiaries, and participants under this Plan, further define the terms used in this Plan, and prescribe, amend and rescind rules and regulations relating to the administration of this Plan or the awards granted under this Plan;

(e) cancel, modify, or waive the Corporation's rights with respect to, or modify, discontinue, suspend, or terminate any or all outstanding awards, subject to any required consent under Section 8.6.5;

(f) accelerate or extend the vesting or exercisability or extend the term of any or all such outstanding awards (in the case of options or stock appreciation rights, within the maximum ten-year term of such awards) in such circumstances as the Administrator may deem appropriate (including, without limitation, in connection with a termination of employment or services or other events of a personal nature) subject to any required consent under Section 8.6.5;

(g) adjust the number of shares of Common Stock subject to any award, adjust the price of any or all outstanding awards or otherwise change previously imposed terms and conditions, in such circumstances as the Administrator may deem appropriate, in each case subject to compliance with applicable any stock exchange requirements, Sections 4 and 8.6 and the applicable requirements of Code Section 162(m) and treasury regulations thereunder with respect to awards that are intended to satisfy the requirements for performance-based compensation under Section 162(m), and provided that in no case (except due to an adjustment contemplated by Section 7 or any repricing that may be approved by stockholders) shall such an adjustment constitute a repricing (by amendment, cancellation and regrant, exchange or other means) of the per share exercise or base price of any stock option or stock appreciation right or other award granted under this Plan, and further provided that any adjustment or change in terms made pursuant to this Section 3.2(g) shall be made in a manner that, in the good faith determination of the Administrator will not likely result in the imposition of additional taxes or interest under Section 409A of the Code;

(h) determine the date of grant of an award, which may be a designated date after but not before the date of the Administrator's action (unless otherwise designated by the Administrator, the date of grant of an award shall be the date upon which the Administrator took the action granting an award);

(i) determine whether, and the extent to which, adjustments are required pursuant to Section 7 hereof and authorize the termination, conversion, substitution, acceleration or succession of awards upon the occurrence of an event of the type described in Section 7;

(j) acquire or settle (subject to Sections 7 and 8.6) rights under awards in cash, stock of equivalent value, or other consideration; and

(k) determine the Fair Market Value (as defined in Section 5.6) of the Common Stock or awards under this Plan from time to time and/or the manner in which such value will be determined.

3.3 ***Binding Determinations.*** Any action taken by, or inaction of, the Corporation, any Subsidiary, or the Administrator relating or pursuant to this Plan and within its authority hereunder or under applicable law shall be within the absolute discretion of that entity or body and shall be conclusive and binding upon all persons. Neither the Board, the Administrator, nor any Board committee, nor any member thereof or person acting at the direction thereof, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with this Plan (or any award made under this Plan), and all such persons shall be entitled to indemnification and reimbursement by the Corporation in respect of any claim, loss, damage or expense (including, without limitation, legal fees) arising or resulting therefrom to the fullest extent permitted by law and/or under any directors and officers liability insurance coverage that may be in effect from time to time.

3.4 ***Reliance on Experts*****.** In making any determination or in taking or not taking any action under this Plan, the Administrator may obtain and may rely upon the advice of experts, including professional advisors to the Corporation. The Administrator shall not be liable for any such action or determination taken or made or omitted in good faith based upon such advice.

3.5 ***Delegation of Non-Discretionary Functions*****.** In addition to the ability to delegate certain grant authority to officers of the Corporation as set forth in Section 3.1, the Administrator may also delegate ministerial, non-discretionary functions to individuals who are officers or employees of the Corporation or any of its Subsidiaries or to third parties.

4. SHARES OF COMMON STOCK SUBJECT TO THE PLAN; SHARE LIMIT

4.1 ***Shares Available*****.** Subject to the provisions of Section 7.1, the capital stock available for issuance under this Plan shall be shares of the Corporation's authorized but unissued Common Stock. For purposes of this Plan, "**Common Stock**" shall mean the common stock of the Corporation and such other securities or property as may become the subject of awards under this Plan, or may become subject to such awards, pursuant to an adjustment made under Section 7.1.

4.2 ***Share Limit.*** The maximum number of shares of Common Stock that may be delivered pursuant to awards granted to Eligible Persons under this Plan may not exceed 6,000,000 shares of Common Stock (the "**Share Limit**").

The foregoing Share Limit is subject to adjustment as contemplated by Section 4.3, Section 7.1, and Section 8.10.

4.3 ***Awards Settled in Cash, Reissue of Awards and Shares.*** The Administrator may adopt reasonable counting procedures to ensure appropriate counting, avoid double counting (as, for example, in the case of tandem or substitute awards) and make adjustments in accordance with this Section 4.3. Shares shall be counted against those reserved to the extent such shares have been delivered and are no longer subject to a substantial risk of

forfeiture. Accordingly, (i) to the extent that an award under the Plan, in whole or in part, is canceled, expired, forfeited, settled in cash, settled by delivery of fewer shares than the number of shares underlying the award, or otherwise terminated without delivery of shares to the participant, the shares retained by or returned to the Corporation will not be deemed to have been delivered under the Plan and will be deemed to remain or to become available under this Plan; and (ii) shares that are withheld from such an award or separately surrendered by the participant in payment of the exercise price or taxes relating to such an award shall be deemed to constitute shares not delivered and will be deemed to remain or to become available under the Plan. To the extent applicable, the foregoing adjustments to the Share Limit of this Plan are subject to any applicable limitations under Section 162(m) of the Code with respect to awards intended as performance-based compensation thereunder.

4.4 ***Reservation of Shares; No Fractional Shares*****.** The Corporation shall at all times reserve a number of shares of Common Stock sufficient to cover the Corporation's obligations and contingent obligations to deliver shares with respect to awards then outstanding under this Plan (exclusive of any dividend equivalent obligations to the extent the Corporation has the right to settle such rights in cash). No fractional shares shall be delivered under this Plan. The Administrator may pay cash in lieu of any fractional shares in settlements of awards under this Plan.

5. AWARDS

5.1 ***Type and Form of Awards*****.** The Administrator shall determine the type or types of award(s) to be made to each selected Eligible Person. Awards may be granted singly, in combination or in tandem. Awards also may be made in combination or in tandem with, in replacement of, as alternatives to, or as the payment form for grants or rights under any other employee or compensation plan of the Corporation or one of its Subsidiaries. The types of awards that may be granted under this Plan are:

5.1.1 ***Stock Options*****.** A stock option is the grant of a right to purchase a specified number of shares of Common Stock during a specified period as determined by the Administrator. An option may be intended as an incentive stock option within the meaning of Section 422 of the Code (an "**ISO**") or a nonqualified stock option (an option not intended to be an ISO). The award agreement for an option will indicate if the option is intended as an ISO; otherwise it will be deemed to be a nonqualified stock option. The maximum term of each option (ISO or nonqualified) shall be ten (10) years. The per share exercise price for each option shall be not less than 100% of the Fair Market Value of a share of Common Stock on the date of grant of the option. When an option is exercised, the exercise price for the shares to be purchased shall be paid in full in cash or such other method permitted by the Administrator consistent with Section 5.5.

5.1.2 ***Additional Rules Applicable to ISOs*****.** To the extent that the aggregate Fair Market Value (determined at the time of grant of the applicable option) of stock with respect to which ISOs first become exercisable by a participant in any calendar year exceeds $100,000, taking into account both Common Stock subject to ISOs under this Plan and stock subject to ISOs under all other plans of the Corporation or one of its Subsidiaries (or any parent or predecessor corporation to the extent required by and within the meaning of Section 422 of the Code and the regulations promulgated thereunder), such options shall be treated as nonqualified stock options. In reducing the number of options treated as ISOs to meet the $100,000 limit, the most recently granted options shall be reduced first. To the extent a reduction of simultaneously granted options is necessary to meet the $100,000 limit, the Administrator may, in the manner and to the extent permitted by law, designate which shares of Common Stock are to be treated as shares acquired pursuant to the exercise of an ISO. ISOs may only be granted to employees of the Corporation or one of its subsidiaries (for this purpose, the term "subsidiary" is used as defined in Section 424(f) of the Code, which generally requires an unbroken chain of ownership of at least 50% of the total combined voting power of all classes of stock of each subsidiary in the chain beginning with the Corporation and ending with the subsidiary in question). There shall be imposed in any award agreement relating to ISOs such other terms and conditions as from time to time are required in order that the option be an "incentive stock option" as that term is defined in Section 422 of the Code. No ISO may be granted to any person who, at the time the option is granted, owns (or is deemed to own under Section 424(d) of the Code) shares of outstanding Common Stock possessing more than 10% of the total combined voting power of all classes of stock of the Corporation, unless the exercise price of such option is at least 110% of the Fair Market Value of the stock subject to the option and such option by its terms is not exercisable after the expiration of five years from the date such option is granted.

5.1.3 ***Stock Appreciation Rights***. A stock appreciation right or "**SAR**" is a right to receive a payment, in cash and/or Common Stock, equal to the number of shares of Common Stock being exercised multiplied by the excess of (i) the Fair Market Value of a share of Common Stock on the date the SAR is exercised, over (ii) the Fair Market Value of a share of Common Stock on the date the SAR was granted as specified in the applicable award agreement (the "**base price**"). The maximum term of a SAR shall be ten (10) years.

5.1.4 ***Restricted Shares***.

(a) *Restrictions*. Restricted shares are shares of Common Stock subject to such restrictions on transferability, risk of forfeiture and other restrictions, if any, as the Administrator may impose, which restrictions may lapse separately or in combination at such times, under such circumstances (including based on achievement of performance goals and/or future service requirements), in such installments or otherwise, as the Administrator may determine at the date of grant or thereafter. Except to the extent restricted under the terms of this Plan and the applicable award agreement relating to the restricted stock, a participant granted restricted stock shall have all of the rights of a shareholder, including the right to vote the restricted stock and the right to receive dividends thereon (subject to any mandatory reinvestment or other requirement imposed by the Administrator).

(b) *Certificates for Shares*. Restricted shares granted under this Plan may be evidenced in such manner as the Administrator shall determine. If certificates representing restricted stock are registered in the name of the participant, the Administrator may require that such certificates bear an appropriate legend referring to the terms, conditions and restrictions applicable to such restricted stock, that the Corporation retain physical possession of the certificates, and that the participant deliver a stock power to the Corporation, endorsed in blank, relating to the restricted stock. The Administrator may require that restricted shares are held in escrow until all restrictions lapse.

(c) *Dividends and Splits*. As a condition to the grant of an award of restricted stock, subject to applicable law, the Administrator may require or permit a participant to elect that any cash dividends paid on a share of restricted stock be automatically reinvested in additional shares of restricted stock or applied to the purchase of additional awards under this Plan. Unless otherwise determined by the Administrator, stock distributed in connection with a stock split or stock dividend, and other property distributed as a dividend, shall be subject to restrictions and a risk of forfeiture to the same extent as the restricted stock with respect to which such stock or other property has been distributed.

5.1.5 ***Restricted Share Units*****.**

(a) *Grant of Restricted Share Units*. A restricted share unit, or "**RSU**", represents the right to receive from the Corporation on the respective scheduled vesting or payment date for such RSU, one Common Share. An award of RSUs may be subject to the attainment of specified performance goals or targets, forfeitability provisions and such other terms and conditions as the Administrator may determine, subject to the provisions of this Plan. At the time an award of RSUs is made, the Administrator shall establish a period of time during which the restricted share units shall vest and the timing for settlement of the RSU.

(b) *Dividend Equivalent Accounts*. Subject to the terms and conditions of the Plan and the applicable award agreement, as well as any procedures established by the Administrator, prior to the expiration of the applicable vesting period of an RSU, the Administrator may determine to pay dividend equivalent rights with respect to RSUs, in which case, the Corporation shall establish an account for the participant and reflect in that account any securities, cash or other property comprising any dividend or property distribution with respect to the shares of Common Stock underlying each RSU. Each amount or other property credited to any such account shall be subject to the same vesting conditions as the RSU to which it relates. The participant shall have the right to be paid the amounts or other property credited to such account upon vesting of the subject RSU.

(c) *Rights as a Shareholder*. Subject to the restrictions imposed under the terms and conditions of this Plan and the applicable award agreement, each participant receiving RSUs shall have no rights as a shareholder with respect to such RSUs until such time as shares of Common Stock are issued to the participant. No shares of Common Stock shall be issued at the time a RSU is granted, and the Company will not be required to set aside a fund for the payment of any such award. Except as otherwise provided in the applicable award agreement, shares of Common Stock issuable under an RSU shall be treated as issued on the first date that the holder of the RSU is no longer subject to a substantial risk of forfeiture as determined for purposes of Section 409A of the Code, and the holder shall be the owner of such shares of Common Stock on such date. An award agreement may provide that issuance of shares of Common Stock under an RSU may be deferred beyond the first date that the RSU is no longer subject to a substantial risk of forfeiture, provided that such deferral is structured in a manner that is intended to comply with the requirements of Section 409A of the Code.

5.1.6 ***Cash Awards.*** The Administrator may, from time to time, subject to the provisions of the Plan and such other terms and conditions as it may determine, grant cash bonuses (including without limitation, discretionary awards, awards based on objective or subjective performance criteria, awards subject to other vesting criteria or awards granted consistent with Section 5.2 below). Cash awards shall be awarded in such amount and at such times during the term of the Plan as the Administrator shall determine.

5.1.7 ***Other Awards***. The other types of awards that may be granted under this Plan include: (a) stock bonuses, performance stock, performance units, dividend equivalents, or similar rights to purchase or acquire shares, whether at a fixed or variable price or ratio related to the Common Stock (subject to the requirements of Section 5.1.1 and in compliance with applicable laws), upon the passage of time, the occurrence of one or more events, or the satisfaction of performance criteria or other conditions, or any combination thereof; or (b) any similar securities with a value derived from the value of or related to the Common Stock and/or returns thereon.

5.2 ***Section 162(m) Performance-Based Awards*****.** To the extent applicable, and without limiting the generality of the foregoing, any of the types of awards listed in Sections 5.1.4 through 5.1.7 above may be, and options and SARs granted with an exercise or base price not less than the Fair Market Value of a share of Common Stock at the date of grant ("**Qualifying Options**" and "**Qualifying SARs**," respectively) may be granted as awards intended to satisfy the requirements for "performance-based compensation" within the meaning of Section 162(m) of the Code ("**Performance-Based Awards**"). The grant, vesting, exercisability or payment of Performance-Based Awards may depend (or, in the case of Qualifying Options or Qualifying SARs, may also depend) on the degree of achievement of one or more performance goals relative to a pre-established targeted level or levels using the Business Criteria provided for below for the Corporation on a consolidated basis or for one or more of the Corporation's subsidiaries, segments, divisions or business units, or any combination of the foregoing. Such criteria may be evaluated on an absolute basis or relative to prior periods, industry peers, or stock market indices. Any Qualifying Option or Qualifying SAR shall be subject to the requirements of Section 5.2.1 and 5.2.3 in order for such award to satisfy the requirements for "performance-based compensation" under Section 162(m) of the Code. Any other Performance-Based Award shall be subject to all of the following provisions of this Section 5.2.

5.2.1 ***Class; Administrator.*** The eligible class of persons for Performance-Based Awards under this Section 5.2 shall be officers and employees of the Corporation or one of its Subsidiaries. The Administrator approving Performance-Based Awards or making any certification required pursuant to Section 5.2.4 must be constituted as provided in Section 3.1 for awards that are intended as performance-based compensation under Section 162(m) of the Code.

5.2.2 ***Performance Goals.*** The specific performance goals for Performance-Based Awards (other than Qualifying Options and Qualifying SARs) shall be, on an absolute or relative basis, established based on such business criteria as selected by the Administrator in its sole discretion ("**Business Criteria**"), including the following: (1) earnings per share, (2) cash flow (which means cash and cash equivalents derived from either (i) net cash flow from operations or (ii) net cash flow from operations, financing and investing activities), (3) total stockholder return, (4) price per share of Common Stock, (5) gross revenue, (6) revenue growth, (7) operating income (before or after taxes), (8) net earnings (before or after interest, taxes, depreciation and/or amortization),

(9) return on equity, (10) capital employed, or on assets or on net investment, (11) cost containment or reduction, (12) cash cost per ounce of production, (13) operating margin, (14) debt reduction, (15) resource amounts, (16) production or production growth, (17) resource replacement or resource growth, (18) successful completion of financings, or (19) any combination of the foregoing. To qualify awards as performance-based under Section 162(m), the applicable Business Criterion (or Business Criteria, as the case may be) and specific performance goal or goals ("targets") must be established and approved by the Administrator during the first 90 days of the performance period (and, in the case of performance periods of less than one year, in no event after 25% or more of the performance period has elapsed) and while performance relating to such target(s) remains substantially uncertain within the meaning of Section 162(m) of the Code. Performance targets shall be adjusted to mitigate the unbudgeted impact of material, unusual or nonrecurring gains and losses, accounting changes or other extraordinary events not foreseen at the time the targets were set unless the Administrator provides otherwise at the time of establishing the targets; provided that the Administrator may not make any adjustment to the extent it would adversely affect the qualification of any compensation payable under such performance targets as "performance-based compensation" under Section 162(m) of Code. The applicable performance measurement period may not be less than 3 months nor more than 10 years. Notwithstanding the foregoing, the Administrator may grant Performance Based Awards that are not intended to comply with Section162(m) of the Code prior to such time that the Corporation becomes required to file reports under either Section 13 or 15(d) of the Exchange Act.

5.2.3 ***Form of Payment.*** Grants or awards intended to qualify under this Section 5.2 may be paid in cash or shares of Common Stock or any combination thereof as determined by the Administrator.

5.2.4 ***Certification of Payment.*** Before any Performance-Based Award under this Section 5.2 (other than Qualifying Options and Qualifying SARs) is paid and to the extent required to qualify the award as performance-based compensation within the meaning of Section 162(m) of the Code, the Administrator must certify in writing that the performance target(s) and any other material terms of the Performance-Based Award were in fact timely satisfied.

5.2.5 ***Reservation of Discretion***. The Administrator will have the discretion to determine the restrictions or other limitations of the individual awards granted under this Section 5.2 including the authority to reduce awards, payouts or vesting or to pay no awards, in its sole discretion, if the Administrator preserves such authority at the time of grant by language to this effect in its authorizing resolutions or otherwise.

5.2.6 ***Expiration of Grant Authority***. As required pursuant to Section 162(m) of the Code and the regulations promulgated thereunder, the Administrator's authority to grant new awards that are intended to qualify as performance-based compensation within the meaning of Section 162(m) of the Code (other than Qualifying Options and Qualifying SARs) shall terminate upon the first meeting of the Corporation's stockholders that occurs in the fifth year following the year in which the Corporation's stockholders first approve this Plan (the "**162(m) Term**").

5.2.7 ***Compensation Limitations***. The maximum aggregate number of shares of Common Stock that may be issued to any Eligible Person during the term of this Plan pursuant to Qualifying Options and Qualifying SARs may not exceed 6,000,000 shares of Common Stock. The maximum aggregate number of shares of Common Stock that may be issued to any Eligible Person pursuant to Performance-Based Awards granted during the 162(m) Term (other than cash awards granted pursuant to Section 5.1.6 and Qualifying Options or Qualifying SARs) may not exceed 3,000,000 shares of Common Stock. The maximum amount that may be paid to any Eligible Person pursuant to Performance-Based Awards granted pursuant to Sections 5.1.6 (cash awards) during the 162(m) Term may not exceed $1,000,000. Notwithstanding the foregoing, the foregoing limitations shall not be apply if Section 162(m) of the Code is not applicable.

5.3 ***Award Agreements.*** Each award shall be evidenced by a written or electronic award agreement in the form approved by the Administrator and, if required by the Administrator, executed by the recipient of the award. The Administrator may authorize any officer of the Corporation (other than the particular award recipient) to execute any or all award agreements on behalf of the Corporation (electronically or otherwise). The award agreement shall set forth the material terms and conditions of the award and such other terms as may be established by the Administrator consistent with the express limitations of this Plan.

5.4 ***Deferrals and Settlements.*** Payment of awards may be in the form of cash, Common Stock, other awards or combinations thereof as the administrator shall determine, and with such restrictions as it may impose. The Administrator may also require or permit participants to elect to defer the issuance of shares of Common Stock or the settlement of awards in cash under such rules and procedures as it may establish under this Plan. The Administrator may also provide that deferred settlements include the payment or crediting of interest or other earnings on the deferral amounts, or the payment or crediting of dividend equivalents where the deferred amounts are denominated in shares. All mandatory or elective deferrals of the issuance of shares of Common Stock or the settlement of cash awards shall be structured in a manner that is intended to comply with, or be exempt from, the requirements of Section 409A of the Code.

5.5 ***Consideration for Common Stock or Awards*****.** The purchase price for any award granted under this Plan or the Common Stock to be delivered pursuant to an award, as applicable, may be paid by means of any lawful consideration as determined by the Administrator and subject to compliance with applicable laws, including, without limitation, one or a combination of the following methods:

- services rendered or to be rendered by the recipient of such award;
- cash, check payable to the order of the Corporation, or electronic funds transfer;
- notice and third party payment in such manner as may be authorized by the Administrator;
- the delivery of previously owned shares of Common Stock that are fully vested and unencumbered;
- by a reduction in the number of shares otherwise deliverable pursuant to the award; or
- subject to such procedures as the Administrator may adopt, pursuant to a "cashless exercise" with a third party who provides financing for the purposes of (or who otherwise facilitates) the purchase or exercise of awards.

In the event that the Administrator allows a participant to exercise an award by delivering shares of Common Stock previously owned by such participant and unless otherwise expressly provided by the Administrator, any shares delivered which were initially acquired by the participant from the Corporation (upon exercise of a stock option or otherwise) must have been owned by the participant at least six months as of the date of delivery (or such other period as may be required by the Administrator in order to avoid adverse accounting treatment). Shares of Common Stock used to satisfy the exercise price of an option shall be valued at their Fair Market Value on the date of exercise. The Corporation will not be obligated to deliver any shares unless and until it receives full payment of the exercise or purchase price therefor and any related withholding obligations under Section 8.5 and any other conditions to exercise or purchase, as established from time to time by the Administrator, have been satisfied. Unless otherwise expressly provided in the applicable award agreement, the Administrator may at any time eliminate or limit a participant's ability to pay the purchase or exercise price of any award by any method other than cash payment to the Corporation.

5.6 ***Definition of Fair Market Value*****.** For purposes of this Plan "**Fair Market Value**" shall mean, unless otherwise determined or provided by the Administrator in the circumstances, the closing price for a share of Common Stock on the trading day immediately before the grant date, as furnished by the NASDAQ Stock Market or other principal stock exchange on which the Common Stock is then listed for the date in question, or if the Common Stock is no longer listed on a principal stock exchange, then by the Over-the-Counter Bulletin Board or OTC Markets If the Common Stock is no longer listed on the NASDAQ Capital Market or listed on a principal stock exchange or is not actively traded on the Over-the-Counter Bulletin Board or OTC Markets as of the applicable date, the Fair Market Value of the Common Stock shall be the value as reasonably determined by the Administrator for purposes of the award in the circumstances and shall comply with any requirements imposed under Section 409A of the Code and/or Section 422 of the Code, if and to the extent applicable.

5.7 ***Transfer Restrictions***.

5.7.1 ***Limitations on Exercise and Transfer*****.** Unless otherwise expressly provided in (or pursuant to) this Section 5.7, by applicable law and by the award agreement, as the same may be amended, (a) all awards are nontransferable and shall not be subject in any manner to sale, transfer, anticipation, alienation, assignment, pledge, encumbrance or charge; (b) awards shall be exercised only by the participant; and (c) amounts payable or shares issuable pursuant to any award shall be delivered only to (or for the account of) the participant.

5.7.2 ***Exceptions*****.** The Administrator may permit awards to be exercised by and paid to, or otherwise transferred to, other persons or entities pursuant to such conditions and procedures, including limitations on subsequent transfers, as the Administrator may, in its sole discretion, establish in writing (provided that any such transfers of ISOs shall be limited to the extent permitted under the federal tax laws governing ISOs). Any permitted transfer shall be subject to compliance with applicable federal and state securities laws.

5.7.3 ***Further Exceptions to Limits on Transfer*****.** The exercise and transfer restrictions in Section 5.7.1 shall not apply to:

(a) transfers to the Corporation,

(b) the designation of a beneficiary to receive benefits in the event of the participant's death or, if the participant has died, transfers to or exercise by the participant's beneficiary, or, in the absence of a validly designated beneficiary, transfers by will or the laws of descent and distribution,

(c) subject to any applicable limitations on ISOs, transfers to a family member (or former family member) pursuant to a domestic relations order if approved or ratified by the Administrator,

(d) subject to any applicable limitations on ISOs, if the participant has suffered a disability, permitted transfers or exercises on behalf of the participant by his or her legal representative, or

(e) the authorization by the Administrator of "cashless exercise" procedures with third parties who provide financing for the purpose of (or who otherwise facilitate) the exercise of awards consistent with applicable laws and the express authorization of the Administrator.

5.8 ***International Awards*****.** One or more awards may be granted to Eligible Persons who provide services to the Corporation or one of its Subsidiaries outside of the United States. Any awards granted to such persons may, if deemed necessary or advisable by the Administrator, be granted pursuant to the terms and conditions of any applicable sub-plans, if any, appended to this Plan and approved by the Administrator.

5.9 ***Vesting***. Subject to Section 5.1.2 hereof, awards shall vest at such time or times and subject to such terms and conditions as shall be determined by the Administrator at the time of grant; **provided, however**, that in the absence of any award vesting periods designated by the Administrator at the time of grant in the applicable award agreement, awards shall vest as to one-third of the total number of shares subject to the award on each of the first, second and third anniversaries of the date of grant.

6. EFFECT OF TERMINATION OF SERVICE ON AWARDS

6.1 ***Termination of Employment***.

6.1.1 The Administrator shall establish the effect of a termination of employment or service on the rights and benefits under each award under this Plan and in so doing may make distinctions based upon, inter alia, the cause of termination and type of award. If the participant is not an employee of the Corporation or one of its Subsidiaries and provides other services to the Corporation or one of its Subsidiaries, the Administrator shall be the sole judge for purposes of this Plan (unless a contract or the award agreement otherwise provides) of whether the participant continues to render services to the Corporation or one of its Subsidiaries and the date, if any, upon which such services shall be deemed to have terminated.

6.1.2 For awards of stock options or SARs, unless the award agreement provides otherwise, the exercise period of such options or SARs shall expire: (1) three months after the last day that the participant is employed by or provides services to the Corporation or a Subsidiary (provided; however, that in the event of the participant's death during this period, those persons entitled to exercise the option or SAR pursuant to the laws of descent and distribution shall have one year following the date of death within which to exercise such option or SAR); (2) in the case of a participant whose termination of employment is due to death or disability (as defined in the applicable award agreement), 12 months after the last day that the participant is employed by or provides services to the Corporation or a Subsidiary; and (3) immediately upon a participant's termination for "cause". The Administrator will, in its absolute discretion, determine the effect of all matters and questions relating to a termination of employment, including, but not by way of limitation, the question of whether a leave of absence constitutes a termination of employment and whether a participant's termination is for "cause."

If not otherwise defined in the applicable award agreement, employment agreement or similar agreement, "**Cause**" shall mean:

(i) conviction of a felony or a crime involving fraud or moral turpitude; or

(ii) theft, material act of dishonesty or fraud, intentional falsification of any employment or Company records, or commission of any criminal act which impairs participant's ability to perform appropriate employment duties for the Corporation; or

(iii) intentional or reckless conduct or gross negligence materially harmful to the Company or the successor to the Corporation after a Change in Control, including violation of a non-competition or confidentiality agreement; or

(iv) willful failure to follow lawful instructions of the person or body to which participant reports; or

(v) gross negligence or willful misconduct in the performance of participant's assigned duties. Cause shall not include mere unsatisfactory performance in the achievement of participant's job objectives.

6.1.3 For awards of restricted shares, unless the award agreement provides otherwise, restricted shares that are subject to restrictions at the time that a participant whose employment or service is terminated shall be forfeited and reacquired by the Corporation without the payment of any consideration for the forfeiture of such shares; *provided that*, the Administrator may provide, by rule or regulation or in any award agreement, or may determine in any individual case, that restrictions or forfeiture conditions relating to restricted shares shall be waived in whole or in part in the event of terminations resulting from specified causes, and the Administrator may in other cases waive in whole or in part the forfeiture of restricted shares. Similar rules shall apply in respect of RSUs.

6.2 ***Events Not Deemed Terminations of Service.*** Unless the express policy of the Corporation or one of its Subsidiaries, or the Administrator, otherwise provides, the employment relationship shall not be considered terminated in the case of (a) sick leave, (b) military leave, or (c) any other leave of absence authorized by the Corporation or one of its Subsidiaries, or the Administrator; provided that unless reemployment upon the expiration of such leave is guaranteed by contract or law, such leave is for a period of not more than 3 months. In the case of any employee of the Corporation or one of its Subsidiaries on an approved leave of absence, continued vesting of the award while on leave from the employ of the Corporation or one of its Subsidiaries may be suspended until the employee returns to service, unless the Administrator otherwise provides or applicable law otherwise requires. In no event shall an award be exercised after the expiration of the term set forth in the award agreement.

6.3 ***Effect of Change of Subsidiary Status*****.** For purposes of this Plan and any award, if an entity ceases to be a Subsidiary of the Corporation, a termination of employment or service shall be deemed to have occurred with respect to each Eligible Person in respect of such Subsidiary who does not continue as an Eligible Person in respect of another entity within the Corporation or another Subsidiary that continues as such after giving effect to the transaction or other event giving rise to the change in status.

7. ADJUSTMENTS; ACCELERATION

7.1 ***Adjustments***. Upon or in contemplation of any of the following events described in this Section 7.1, any reclassification, recapitalization, stock split (including a stock split in the form of a stock dividend) or reverse stock split ("**stock split**"); any merger, arrangement, combination, consolidation, or other reorganization; any spin-off, split-up, or similar extraordinary dividend distribution in respect of the Common Stock (whether in the form of securities or property); any exchange of Common Stock or other securities of the Corporation, or any similar, unusual or extraordinary corporate transaction in respect of the Common Stock; then the Administrator shall in such manner, to such extent and at such time as it deems appropriate and equitable in the circumstances (but subject to compliance with applicable laws and any stock exchange requirements) proportionately adjust any or all of (1) the number and type of shares of Common Stock (or other securities) that thereafter may be made the subject of awards (including the number of shares provided for in this Plan), (2) the number, amount and type of shares of Common Stock (or other securities or property) subject to any or all outstanding awards, (3) the grant, purchase, or exercise price (which term includes the base price of any SAR or similar right) of any or all outstanding awards, (4) the securities, cash or other property deliverable upon exercise or payment of any outstanding awards, and (5) the 162(m) compensation limitations set forth in Section 5.2.7, if applicable, and (subject to Section 8.8.3(a)) the performance standards applicable to any outstanding awards (provided that no adjustment shall be allowed to the extent inconsistent with the requirements of Code Section 162(m), if applicable). Any adjustment made pursuant to this Section 7.1 shall be made in a manner that, in the good faith determination of the Administrator, will not likely result in the imposition of additional taxes or interest under Section 409A of the Code. With respect to any award of an ISO, the Administrator may make such an adjustment that causes the option to cease to qualify as an ISO without the consent of the affected participant.

7.2 ***Change in Control***. Unless an award agreement provides otherwise, upon a Change in Control, each then-outstanding option and SAR shall automatically become fully vested, all restricted shares then outstanding shall automatically fully vest free of restrictions, and each other award granted under this Plan that is then outstanding shall automatically become vested and payable to the holder of such award **unless** the Administrator has made appropriate provision for the substitution, assumption, exchange or other continuation of the award pursuant to the Change in Control. Notwithstanding the foregoing, the Administrator, in its sole and absolute discretion, may choose (in an award agreement or otherwise) to provide for full or partial accelerated vesting of any award upon a Change In Control (or upon any other event or other circumstance related to the Change in Control, such as an involuntary termination of employment occurring after such Change in Control, as the Administrator may determine), irrespective of whether such any such award has been substituted, assumed, exchanged or otherwise continued pursuant to the Change in Control.

For purposes of this Plan, "**Change in Control**" shall, unless the Administrator determines otherwise, be deemed to have occurred if:

(i) a tender offer (or series of related offers) shall be made and consummated for the ownership of 50% or more of the outstanding voting securities of the Corporation, unless as a result of such tender offer more than 50% of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the stockholders of the Corporation (as of the time immediately prior to the commencement of such offer), any employee benefit plan of the Corporation or its Subsidiaries, and their affiliates;

(ii) the Corporation shall be merged or consolidated with another entity, unless as a result of such merger or consolidation more than 50% of the outstanding voting securities of the surviving or resulting entity shall be owned in the aggregate by the stockholders of the Corporation (as of the time immediately prior to such transaction), any employee benefit plan of the Corporation or its Subsidiaries, and their affiliates;

(iii) the Corporation shall sell substantially all of its assets to another entity that is not wholly owned by the Corporation, unless as a result of such sale more than 50% of such assets shall be owned in the aggregate by the stockholders of the Corporation (as of the time immediately prior to such transaction), any employee benefit plan of the Corporation or its Subsidiaries and their affiliates; or

(iv) a Person (as defined below) shall acquire 50% or more of the outstanding voting securities of the Corporation (whether directly, indirectly, beneficially or of record), unless as a result of such acquisition more than 50% of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the stockholders of the Corporation (as of the time immediately prior to the first acquisition of such securities by such Person), any employee benefit plan of the Corporation or its Subsidiaries, and their affiliates.

For purposes of this Section 5(c), ownership of voting securities shall take into account and shall include ownership as determined by applying the provisions of Rule 13d-3(d)(I)(i) (as in effect on the date hereof) under the Exchange Act. In addition, for such purposes, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof; provided, however, that a Person shall not include (A) the Company or any of its Subsidiaries; (B) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Subsidiaries; (C) an underwriter temporarily holding securities pursuant to an offering of such securities; or (D) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportion as their ownership of stock of the Company.

Notwithstanding the foregoing, (1) the Administrator may waive the requirement described in paragraph (iv) above that a Person must acquire more than 50% of the outstanding voting securities of the Corporation for a Change in Control to have occurred if the Administrator determines that the percentage acquired by a person is significant (as determined by the Administrator in its discretion) and that waiving such condition is appropriate in light of all facts and circumstances, and (2) no compensation that has been deferred for purposes of Section 409A of the Code shall be payable as a result of a Change in Control unless the Change in Control qualifies as a change in ownership or effective control of the Corporation within the meaning of Section 409A of the Code.

7.3 ***Early Termination of Awards***. Any award that has been accelerated as required or permitted by Section 7.2 upon a Change in Control (or would have been so accelerated but for Section 7.4 or 7.5) shall terminate upon such event, subject to any provision that has been expressly made by the Administrator, through a plan of reorganization or otherwise, for the survival, substitution, assumption, exchange or other continuation of such award and provided that, in the case of options and SARs that will not survive, be substituted for, assumed, exchanged, or otherwise continued in the transaction, the holder of such award shall be given reasonable advance notice of the impending termination and a reasonable opportunity to exercise his or her outstanding options and SARs in accordance with their terms before the termination of such awards (except that in no case shall more than ten days' notice of accelerated vesting and the impending termination be required and any acceleration may be made contingent upon the actual occurrence of the event).

The Administrator may make provision for payment in cash or property (or both) in respect of awards terminated pursuant to this section as a result of the Change in Control and may adopt such valuation methodologies for outstanding awards as it deems reasonable and, in the case of options, SARs or similar rights, and without limiting other methodologies, may base such settlement solely upon the excess if any of the per share amount payable upon or in respect of such event over the exercise or base price of the award.

7.4 ***Other Acceleration Rules***. Any acceleration of awards pursuant to this Section 7 shall comply with applicable legal and stock exchange requirements and, if necessary to accomplish the purposes of the acceleration or if the circumstances require, may be deemed by the Administrator to occur a limited period of time

not greater than 30 days before the event. Without limiting the generality of the foregoing, the Administrator may deem an acceleration to occur immediately prior to the applicable event and/or reinstate the original terms of an award if an event giving rise to the acceleration does not occur. Notwithstanding any other provision of the Plan to the contrary, the Administrator may override the provisions of Section 7.2, 7.3, and/or 7.5 by express provision in the award agreement or otherwise. The portion of any ISO accelerated pursuant to Section 7.2 or any other action permitted hereunder shall remain exercisable as an ISO only to the extent the applicable $100,000 limitation on ISOs is not exceeded. To the extent exceeded, the accelerated portion of the option shall be exercisable as a nonqualified stock option under the Code.

7.5 ***Possible Rescission of Acceleration***. If the vesting of an award has been accelerated expressly in anticipation of an event and the Administrator later determines that the event will not occur, the Administrator may rescind the effect of the acceleration as to any then outstanding and unexercised or otherwise unvested awards; ***provided, that***, in the case of any compensation that has been deferred for purposes of Section 409A of the Code, the Administrator determines that such rescission will not likely result in the imposition of additional tax or interest under Code Section 409A.

8. OTHER PROVISIONS

8.1 ***Compliance with Laws.*** This Plan, the granting and vesting of awards under this Plan, the offer, issuance and delivery of shares of Common Stock, the acceptance of promissory notes and/or the payment of money under this Plan or under awards are subject to compliance with all applicable federal and state laws, rules and regulations (including but not limited to state and federal securities law, federal margin requirements) and to such approvals by any applicable stock exchange listing, regulatory or governmental authority as may, in the opinion of counsel for the Corporation, be necessary or advisable in connection therewith. The person acquiring any securities under this Plan will, if requested by the Corporation or one of its Subsidiaries, provide such assurances and representations to the Corporation or one of its Subsidiaries as the Administrator may deem necessary or desirable to assure compliance with all applicable legal and accounting requirements.

8.2 ***Future Awards/Other Rights.*** No person shall have any claim or rights to be granted an award (or additional awards, as the case may be) under this Plan, subject to any express contractual rights (set forth in a document other than this Plan) to the contrary.

8.3 ***No Employment/Service Contract.*** Nothing contained in this Plan (or in any other documents under this Plan or in any award) shall confer upon any Eligible Person or other participant any right to continue in the employ or other service of the Corporation or one of its Subsidiaries, constitute any contract or agreement of employment or other service or affect an employee's status as an employee at will, nor shall it interfere in any way with the right of the Corporation or one of its Subsidiaries to change a person's compensation or other benefits, or to terminate his or her employment or other service for any reason with or without cause. Nothing in this Section 8.3, however, is intended to adversely affect any express independent right of such person under a separate employment or service contract other than an award agreement.

8.4 ***Plan Not Funded.*** Awards payable under this Plan shall be payable in shares or from the general assets of the Corporation, and no special or separate reserve, fund or deposit shall be made to assure payment of such awards. No participant, beneficiary or other person shall have any right, title or interest in any fund or in any specific asset (including shares of Common Stock, except as expressly otherwise provided) of the Corporation or one of its Subsidiaries by reason of any award hereunder. Neither the provisions of this Plan (or of any related documents), nor the creation or adoption of this Plan, nor any action taken pursuant to the provisions of this Plan shall create, or be construed to create, a trust of any kind or a fiduciary relationship between the Corporation or one of its Subsidiaries and any participant, beneficiary or other person. To the extent that a participant, beneficiary or other person acquires a right to receive payment pursuant to any award hereunder, such right shall be no greater than the right of any unsecured general creditor of the Corporation.

8.5 ***Tax Withholding*****.** Upon any exercise, vesting, or payment of any award, the Corporation or one of its Subsidiaries shall have the right at its option to:

(a) require the participant (or the participant's personal representative or beneficiary, as the case may be) to pay or provide for payment of at least the minimum amount of any taxes which the Corporation or one of its Subsidiaries may be required to withhold with respect to such award event or payment; or

(b) deduct from any amount otherwise payable in cash to the participant (or the participant's personal representative or beneficiary, as the case may be) the minimum amount of any taxes which the Corporation or one of its Subsidiaries may be required to withhold with respect to such cash payment.

In any case where a tax is required to be withheld in connection with the delivery of shares of Common Stock under this Plan, the Administrator may in its sole discretion (subject to Section 8.1) grant (either at the time of the award or thereafter) to the participant the right to elect, pursuant to such rules and subject to such conditions as the Administrator may establish, to have the Corporation reduce the number of shares to be delivered by (or otherwise reacquire) the appropriate number of shares, valued in a consistent manner at their Fair Market Value or at the sales price in accordance with authorized procedures for cashless exercises, necessary to satisfy the minimum applicable withholding obligation on exercise, vesting or payment. In no event shall the shares withheld exceed the minimum whole number of shares required for tax withholding under applicable law.

8.6 ***Effective Date, Termination and Suspension, Amendments.***

8.6.1 ***Effective Date and Termination.*** This Plan was approved by the Board and became effective on March 17, 2014. Unless earlier terminated by the Board, this Plan shall terminate at the close of business on March 16, 2024. After the termination of this Plan either upon such stated expiration date or its earlier termination by the Board, no additional awards may be granted under this Plan, but previously granted awards (and the authority of the Administrator with respect thereto, including the authority to amend such awards) shall remain outstanding in accordance with their applicable terms and conditions and the terms and conditions of this Plan.

8.6.2 ***Board Authorization.*** The Board may, at any time, terminate or, from time to time, amend, modify or suspend this Plan, in whole or in part. No awards may be granted during any period that the Board suspends this Plan.

8.6.3 ***Stockholder Approval.*** To the extent then required by applicable law or any applicable stock exchange or required under Sections 162, 422 or 424 of the Code to preserve the intended tax consequences of this Plan, or deemed necessary or advisable by the Board, this Plan and any amendment to this Plan shall be subject to stockholder approval.

8.6.4 ***Amendments to Awards.*** Without limiting any other express authority of the Administrator under (but subject to) the express limits of this Plan, the Administrator by agreement or resolution may waive conditions of or limitations on awards to participants that the Administrator in the prior exercise of its discretion has imposed, without the consent of a participant, and (subject to the requirements of Sections 3.2 and 8.6.5) may make other changes to the terms and conditions of awards. Any amendment or other action that would constitute a repricing of an award is subject to the limitations set forth in Section 3.2(g).

8.6.5 ***Limitations on Amendments to Plan and Awards.*** No amendment, suspension or termination of this Plan or change of or affecting any outstanding award shall, without written consent of the participant, affect in any manner materially adverse to the participant any rights or benefits of the participant or obligations of the Corporation under any award granted under this Plan prior to the effective date of such change. Changes, settlements and other actions contemplated by Section 7 shall not be deemed to constitute changes or amendments for purposes of this Section 8.6.

8.7 ***Privileges of Stock Ownership.*** Except as otherwise expressly authorized by the Administrator or this Plan, a participant shall not be entitled to any privilege of stock ownership as to any shares of Common Stock not actually delivered to and held of record by the participant. No adjustment will be made for dividends or other rights as a stockholder for which a record date is prior to such date of delivery.

8.8 ***Governing Law; Construction; Severability.***

8.8.1 ***Choice of Law.*** This Plan, the awards, all documents evidencing awards and all other related documents shall be governed by, and construed in accordance with the laws of the State of Delaware, without regard to the principles of conflicts of laws and in accordance with applicable U.S. federal laws.

8.8.2 ***Severability.*** If a court of competent jurisdiction holds any provision invalid and unenforceable, the remaining provisions of this Plan shall continue in effect.

8.8.3 ***Plan Construction.***

(a) *Rule 16b-3.* To the extent applicable, it is the intent of the Corporation that the awards and transactions permitted by awards be interpreted in a manner that, in the case of participants who are or may be subject to Section 16 of the Exchange Act, qualify, to the maximum extent compatible with the express terms of the award, for exemption from matching liability under Rule 16b-3 promulgated under the Exchange Act. Notwithstanding the foregoing, the Corporation shall have no liability to any participant for Section 16 consequences of awards or events under awards if an award or event does not so qualify.

(b) *Section 162(m).* To the extent applicable, awards under Sections 5.1.4 through 5.1.7 to persons described in Section 5.2 that are either granted or become vested, exercisable or payable based on attainment of one or more performance goals related to the Business Criteria, as well as Qualifying Options and Qualifying SARs granted to persons described in Section 5.2, that are approved by a committee composed solely of two or more outside directors (as this requirement is applied under Section 162(m) of the Code) shall be deemed to be intended as performance-based compensation within the meaning of Section 162(m) of the Code unless such committee provides otherwise at the time of grant of the award. It is the further intent of the Corporation that (to the extent the Corporation or one of its Subsidiaries or awards under this Plan may be or become subject to limitations on deductibility under Section 162(m) of the Code) any such awards and any other Performance-Based Awards under Section 5.2 that are granted to or held by a person subject to Section 162(m) will qualify as performance-based compensation or otherwise be exempt from deductibility limitations under Section 162(m).

(c) *Code Section 409A Compliance.* The Board intends that, except as may be otherwise determined by the Administrator, any awards under the Plan are either exempt from or satisfy the requirements of Section 409A of the Code and related regulations and Treasury pronouncements ("**Section 409A**") to avoid the imposition of any taxes, including additional income or penalty taxes, thereunder. If the Administrator determines that an award, award agreement, acceleration, adjustment to the terms of an award, payment, distribution, deferral election, transaction or any other action or arrangement contemplated by the provisions of the Plan would, if undertaken, cause a participant's award to become subject to Section 409A, unless the Administrator expressly determines otherwise, such award, award agreement, payment, acceleration, adjustment, distribution, deferral election, transaction or other action or arrangement shall not be undertaken and the related provisions of the Plan and/or award agreement will be deemed modified or, if necessary, rescinded in order to comply with the requirements of Section 409A to the extent determined by the Administrator without the content or notice to the participant. Notwithstanding the foregoing, neither the Company nor the Administrator shall have any obligation to take any action to prevent the assessment of any excise tax or penalty on any participant under Section 409A and neither the Company nor the Administrator will have any liability to any participant for such tax or penalty.

(d) *No Guarantee of Favorable Tax Treatment.* Although the Company intends that awards under the Plan will be exempt from, or will comply with, the requirements of Section 409A of the Code, the Company does not warrant that any award under the Plan will qualify for favorable tax treatment under Section 409A of the Code or any other provision of federal, state, local or foreign law. The Company shall not be liable to any participant for any tax, interest or penalties the participant might owe as a result of the grant, holding, vesting, exercise or payment of any award under the Plan.

8.9 ***Captions.*** Captions and headings are given to the sections and subsections of this Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Plan or any provision thereof.

8.10 ***Stock-Based Awards in Substitution for Stock Options or Awards Granted by Other Corporation.*** Awards may be granted to Eligible Persons in substitution for or in connection with an assumption of employee stock options, SARs, restricted stock or other stock-based awards granted by other entities to persons who are or who will become Eligible Persons in respect of the Corporation or one of its Subsidiaries, in connection with a distribution, arrangement, business combination, merger or other reorganization by or with the granting entity or an affiliated entity, or the acquisition by the Corporation or one of its Subsidiaries, directly or indirectly, of all or a substantial part of the stock or assets of the employing entity. The awards so granted need not comply with other specific terms of this Plan, provided the awards reflect only adjustments giving effect to the assumption or substitution consistent with the conversion applicable to the Common Stock in the transaction and any change in the issuer of the security. Any shares that are delivered and any awards that are granted by, or become obligations of, the Corporation, as a result of the assumption by the Corporation of, or in substitution for, outstanding awards previously granted by an acquired company (or previously granted by a predecessor employer (or direct or indirect parent thereof) in the case of persons that become employed by the Corporation or one of its Subsidiaries in connection with a business or asset acquisition or similar transaction) shall not be counted against the Share Limit or other limits on the number of shares available for issuance under this Plan, except as may otherwise be provided by the Administrator at the time of such assumption or substitution or as may be required to comply with the requirements of any applicable stock exchange.

8.11 ***Non-Exclusivity of Plan.*** Nothing in this Plan shall limit or be deemed to limit the authority of the Board or the Administrator to grant awards or authorize any other compensation, with or without reference to the Common Stock, under any other plan or authority.

8.12 ***No Corporate Action Restriction.*** The existence of this Plan, the award agreements and the awards granted hereunder shall not limit, affect or restrict in any way the right or power of the Board or the stockholders of the Corporation to make or authorize: (a) any adjustment, recapitalization, reorganization or other change in the capital structure or business of the Corporation or any Subsidiary, (b) any merger, arrangement, business combination, amalgamation, consolidation or change in the ownership of the Corporation or any Subsidiary, (c) any issue of bonds, debentures, capital, preferred or prior preference stock ahead of or affecting the capital stock (or the rights thereof) of the Corporation or any Subsidiary, (d) any dissolution or liquidation of the Corporation or any Subsidiary, (e) any sale or transfer of all or any part of the assets or business of the Corporation or any Subsidiary, or (f) any other corporate act or proceeding by the Corporation or any Subsidiary. No participant, beneficiary or any other person shall have any claim under any award or award agreement against any member of the Board or the Administrator, or the Corporation or any employees, officers or agents of the Corporation or any Subsidiary, as a result of any such action.

8.13 ***Other Corporation Benefit and Compensation Programs.*** Payments and other benefits received by a participant under an award made pursuant to this Plan shall not be deemed a part of a participant's compensation for purposes of the determination of benefits under any other employee welfare or benefit plans or arrangements, if any, provided by the Corporation or any Subsidiary, except where the Administrator expressly otherwise provides or authorizes in writing or except as otherwise specifically set forth in the terms and conditions of such other employee welfare or benefit plan or arrangement. Awards under this Plan may be made in addition to, in combination with, as alternatives to or in payment of grants, awards or commitments under any other plans or arrangements of the Corporation or its Subsidiaries.

8.14 ***Prohibition on Repricing***. After such time that the Corporation becomes required to file reports under either Section 13 or 15(d) of the Exchange Act and subject to Section 4, the Administrator shall not, without the approval of the stockholders of the Corporation (i) reduce the exercise price, or cancel and reissue options so as to in effect reduce the exercise price or (ii) change the manner of determining the exercise price so that the exercise price is less than the fair market value per share of Common Stock.

As adopted by the Board of Directors of Conkwest, Inc. on March 17, 2014.

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CONKWEST, INC. 2014 EQUITY INCENTIVE PLAN

INCENTIVE STOCK OPTION AGREEMENT

This **INCENTIVE STOCK OPTION AGREEMENT** (the "Option Agreement"), dated as of the [__] day of [__], 20[__] and effective as of [__], 20[__] (the "Grant Date"), is between Conkwest, Inc. a Delaware corporation (the "Company"), and [__] (the "Optionee"), a employee of the Company or of a Subsidiary of the Company (a "Related Corporation"), pursuant to Conkwest, Inc. 2014 Equity Incentive Plan (the "Plan").

WHEREAS, the Company desires to give the Optionee the opportunity to purchase shares of common stock of the Company, par value $0.0001 ("Common Shares") in accordance with the provisions of the Plan, a copy of which is attached hereto;

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Grant of Option. The Company hereby grants to the Optionee the right and option (the "Option") to purchase all or any part of an aggregate of **[__] (_____)** Common Shares. The Option is in all respects limited and conditioned as hereinafter provided, and is subject in all respects to the terms and conditions of the Plan now in effect and as it may be amended from time to time (but only to the extent that such amendments apply to outstanding options). Such terms and conditions are incorporated herein by reference, made a part hereof, and shall control in the event of any conflict with any other terms of this Option Agreement. The Option granted hereunder is intended to be an incentive stock option ("ISO") meeting the requirements of the Plan and section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), and not a nonqualified stock option ("NQSO"). To the extent this Option (or any portion hereof) does not qualify as an ISO, it shall be treated as a NQSO.

2. Exercise Price. The exercise price of the Common Shares covered by this Option shall be $_____ per share. It is the determination of the committee administering the Plan (the "Committee") that on the Grant Date the exercise price was not less than the greater of (i) 100% (110% for an Optionee who owns more than 10% of the total combined voting power of all shares of stock of the Company or of a Related Corporation – a "More-Than-10% Owner") of the "Fair Market Value" (as defined in the Plan) of a Common Share, or (ii) the par value of a Common Share.

3. Term. Unless earlier terminated pursuant to any provision of the Plan or of this Option Agreement, this Option shall expire on [_____] (the "Expiration Date"), which date is not more than 10 years (five years in the case of a More-Than-10% Owner) from the Grant Date. This Option shall not be exercisable on or after the Expiration Date.

4. Exercise of Option. The Option shall vest in [_____] equal installments on each [_____] of the date hereof, provided that Optionee remains continuously engaged as a director, officer or employee of, or consultant or advisor to, the Company or a Related Corporation from the date hereof through the applicable vesting date.

The Committee may accelerate any vesting date of the Option, in its discretion, if it deems such acceleration to be desirable. Once the Option becomes exercisable, it will remain exercisable until it is exercised or until it terminates.

5. Method of Exercising Option. Subject to the terms and conditions of this Option Agreement and the Plan, the Option may be exercised by written notice to the Company at its principal office. The form of such notice is attached hereto and shall state the election to exercise the Option and the number of whole shares with respect to which it is being exercised; shall be signed by the person or persons so exercising the Option; and shall be accompanied by payment of the full exercise price of such shares. Only full shares will be issued.

The exercise price shall be paid to the Company:

(a) in cash, or by certified check, bank draft, or postal or express money order;

(b) through the delivery of Common Shares previously acquired by the Optionee;

(c) by delivering a properly executed notice of exercise of the Option to the Company and a broker, with irrevocable instructions to the broker promptly to deliver to the Company the amount necessary to pay the exercise price of the Option;

(d) in Common Shares newly acquired by the Optionee upon exercise of the Option (which shall constitute a disqualifying disposition with respect to this ISO); or

(e) in any combination of (a), (b), (c) or (d) above.

In the event the exercise price is paid, in whole or in part, with Common Shares, the portion of the exercise price so paid shall be equal to the Fair Market Value of the Common Shares surrendered on the date of exercise.

Upon receipt of notice of exercise and payment, the Company shall deliver a certificate or certificates representing the Common Shares with respect to which the Option is so exercised. The Optionee shall obtain the rights of a shareholder upon receipt of a certificate(s) representing such Common Shares.

Such certificate(s) shall be registered in the name of the person so exercising the Option (or, if the Option is exercised by the Optionee and if the Optionee so requests in the notice exercising the Option, shall be registered in the name of the Optionee and the Optionee's spouse, jointly, with right of survivorship), and shall be delivered as provided above to, or upon the written order of, the person exercising the Option. In the event the Option is exercised by any person after the death or disability (as determined in accordance with Section 22(e)(3) of the Code) of the Optionee, the notice shall be accompanied by appropriate proof of the right of such person to exercise the Option. All Common Shares that are purchased upon exercise of the Option as provided herein shall be fully paid and non-assessable.

Upon exercise of the Option, Optionee shall be responsible for all employment and income taxes then or thereafter due (whether Federal, State or local), and if the Optionee does not remit to the Company sufficient cash (or, with the consent of the Committee, Common Shares) to satisfy all applicable withholding requirements, the Company shall be entitled to satisfy any withholding requirements for any such tax by disposing of Common Shares at exercise, withholding cash from Optionee's salary or other compensation or such other means as the Committee considers appropriate to the fullest extent permitted by applicable law. Nothing in the preceding sentence shall impair or limit the Company's rights with respect to satisfying withholding obligations under Section 8.5 of the Plan.

6. Non-Transferability of Option. This Option is not assignable or transferable, in whole or in part, by the Optionee other than by will or by the laws of descent and distribution. During the lifetime of the Optionee, the Option shall be exercisable only by the Optionee or, in the event of his or her disability, by his or her guardian or legal representative.

7. Change in Control. (a) For purposes of this Option Agreement, unless otherwise defined in an agreement between the Company and the Optionee, a Change in Control shall be deemed to have occurred if:

(i) a tender offer (or series of related offers) shall be made and consummated for the ownership of 50% or more of the outstanding voting securities of the Company, unless as a result of such tender offer more than 50% of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the stockholders of the Company (as of the time immediately prior to the commencement of such offer), any employee benefit plan of the Company or its subsidiaries, and their affiliates;

(ii) the Company shall be merged or consolidated with another corporation, unless as a result of such merger or consolidation more than 50% of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the stockholders of the Company (as of the time immediately prior to such transaction), any employee benefit plan of the Company or its subsidiaries, and their affiliates;

(iii) the Company shall sell substantially all of its assets to another corporation that is not wholly owned by the Company, unless as a result of such sale more than 50% of such assets shall be owned in the aggregate by the stockholders of the Company (as of the time immediately prior to such transaction), any employee benefit plan of the Company or its subsidiaries and their affiliates; or

(iv) a Person (as defined in the Plan) shall acquire 50% or more of the outstanding voting securities of the Company (whether directly, indirectly, beneficially or of record), unless as a result of such acquisition more than 50% of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the stockholders of the Company (as of the time immediately prior to the first acquisition of such securities by such Person), any employee benefit plan of the Company or its subsidiaries, and their affiliates.

(b) If, at any time, the Company shall effect a Change in Control transaction, then, on the date of the occurrence of such Change in Control transaction, the Option shall immediately vest.

(c) Notwithstanding the foregoing, if Change in Control is defined in an agreement between the Company and the Optionee, then, with respect to such Optionee and the Option, Change in Control shall have the meaning ascribed to it in such agreement.

8. Termination of Employment. If the Optionee's employment with or service to the Company and all Related Corporations is terminated by the Optionee for any reason other than death, Disability, Normal or Early Retirement or Good Reason (as defined below), the Option shall thereupon terminate, except that the portion of any Option that was exercisable on the date of such termination of employment or service may be exercised for the lesser of three (3) months after the date of termination or the balance of such Option's term, which ever period is shorter. The transfer of an Optionee from the employ of or service to the Company to the employ of or service to a Related Corporation, or vice versa, or from one Related Corporation to another, shall not be deemed to constitute a termination of employment or service for purposes of the Option Agreement.

(a) In the event that the Optionee's employment or service with the Company and all Related Corporations is terminated by the Company or any Related Corporations for "Cause" any unexercised portion of any Option shall immediately terminate in its entirety. For purposes hereof, unless otherwise defined in an employment agreement between the Company and the Optionee, "Cause" shall be defined in accordance with the Plan and shall exist upon a good-faith determination by the Board of Directors, ; provided, however, that it is specifically understood that "Cause" shall not include any act of commission or omission in the good-faith exercise of the Optionee's business judgment as a director, officer or employee of the Company, as the case may be, or upon the advice of counsel to the Company. Notwithstanding the foregoing, if Cause is defined in an employment agreement between the Company and the Optionee, then, with respect to such Optionee, Cause shall have the meaning ascribed to it in such employment agreement.

(b) In the event that an Optionee is removed as a director, officer or employee by the Company at any time other than for "Cause" then the Option granted to such Optionee shall immediately vest. In the event that an Optionee resigns as a director, officer of employee for "Good Reason" then the Option granted to such Optionee may be exercised by the Optionee, to the extent the Option was exercisable on the date such Optionee ceases to be a director, officer or employee. Such Option may be exercised at any time within one (1) year after the date the Optionee ceases to be a director, officer or employee for "Good Reason", or the date on which the Option otherwise expires by its terms; whichever period is shorter, at which time the Option shall terminate; provided, however, if the Optionee dies before the Options terminate and are no longer exercisable, the terms and provisions of Section 11 shall control. For purposes of this Section 8(b), and unless otherwise defined in an employment agreement between the Company and the relevant Optionee, Good Reason shall exist upon the occurrence of the following:

(A) the assignment to Optionee of any duties inconsistent with the position in the Company that Optionee held immediately prior to the assignment;

(B) a Change in Control resulting in a significant adverse alteration in the status or conditions of Optionee's participation with the Company or other nature of Optionee's responsibilities from those in effect prior to such Change in Control, including any significant alteration in Optionee's responsibilities immediately prior to such Change in Control;

(C) the failure by the Company to continue to provide Optionee with benefits substantially similar to those enjoyed by Optionee prior to such failure (other than a reduction in benefits applicable to all, or substantially all, employees, officers or directors, as the case may be); and

(D) a relocation of the Company's offices or Optionee's assigned place of work resulting in Optionee having to travel on a daily basis more than fifty (50) miles total from Optionee's residence, if Optionee is not permitted to regularly work from Optionee's residence.

Notwithstanding the foregoing, if Good Reason is defined in an employment agreement between the Company and the relevant Optionee, then, with respect to such Optionee, Good Reason shall have the meaning ascribed to it in such employment agreement.

9. Disability. If the Optionee's employment with or service to the Company and all Related Corporations terminates by reason of Disability (as defined below), then any Option held by the Optionee may thereafter be exercised, to the extent it was exercisable at the time of termination due to Disability (or on such accelerated basis as the Committee shall determine at or after grant), but may not be exercised after twelve (12) months after the date of such termination of employment or service or the expiration of the stated term of such Option, whichever period is shorter; provided, however, that, if the Optionee dies within such twelve (12) month period, any unexercised Option held by the Optionee shall thereafter be exercisable to the extent to which it was exercisable at the time of death for a period of one (1) year after the date of such death or for the stated term of such Option, whichever period is shorter. "Disability" shall mean an Optionee's total and permanent disability; provided, that if Disability is defined in an employment agreement between the Company and the Optionee, Disability shall have the meaning ascribed to it in such employment agreement.

10. Retirement. If the Optionee's employment with or service to the Company and all Related Corporations terminates by reason of Normal or Early Retirement (as such terms are defined below), the Option held by the Optionee may thereafter be exercised to the extent it was exercisable at the time of such Retirement, but may not be exercised after ninety (90) days after the date of such termination of employment or service or the expiration of the stated term of such Option, whichever date is earlier; provided, however, that, if the Optionee dies within such ninety (90) day period, any unexercised Option held by such Optionee shall thereafter be exercisable, to the extent to which it was exercisable at the time of death, for a period of one (1) year after the date of such death or for the stated term of such Option, whichever period is shorter.

For purposes of this Section 10, "Normal Retirement" shall mean retirement from active employment with the Company or any Subsidiary on or after the normal retirement date specified in the applicable Company or Subsidiary pension plan or if no such pension plan, age 65, and "Early Retirement" shall mean retirement from active employment with the Company or and Related Corporations pursuant to the early retirement provisions of the applicable Company or and all Related Corporations pension plan or if no such pension plan, age 55.

11. Death. If the Optionee's employment with or service to the Company and all Related Corporations terminates by reason of death, the Option may thereafter be exercised, to the extent then exercisable (or on such accelerated basis as the Committee shall determine at or after grant), by the legal representative of the estate or by the legatee of the Optionee under the will of the Optionee, for a period of one (1) year after the date of such death or until the expiration of the stated term of such Option as provided under the Plan, whichever period is shorter.

12. Disqualifying Disposition of Option Shares. The Optionee agrees to give written notice to the Company, at its principal office, if a "disposition" of the Common Shares acquired through exercise of the Option granted hereunder occurs at any time within two years after the Grant Date or within one year after the transfer to the Optionee of such shares. Optionee acknowledges that if such disposition occurs, the Optionee generally will recognize ordinary income as of the date the Option was exercised in an amount equal to the lesser of (i) the Fair Market Value of the Common Shares on the date of exercise minus the exercise price, or (ii) the amount realized on disposition of such shares minus the exercise price. If requested by the Company at the time of and in the case of any such disposition, Optionee shall pay to the Company an amount sufficient to satisfy the Company's federal, state and local withholding tax obligations with respect to such disposition. The provisions of this Section 12 shall apply, whether or not the Optionee is in the employ of the Company at the time of the relevant disposition. For purposes of this Paragraph, the term "disposition" shall have the meaning assigned to such term by section 424(c) of the Code.

13. Securities Matters. (a) If, at any time, counsel to the Company shall determine that the listing, registration or qualification of the Common Shares subject to the Option upon any securities exchange or under any state or federal law, or the consent or approval of any governmental or regulatory body, or that the disclosure of non-public information or the satisfaction of any other condition is necessary as a condition of, or in connection with, the issuance or purchase of Common Shares hereunder, such Option may not be exercised, in whole or in part, unless such listing, registration, qualification, consent or approval, or satisfaction of such condition shall have been effected or obtained on conditions acceptable to the Board of Directors. The Company shall be under no obligation to apply for or to obtain such listing, registration or qualification, or to satisfy such condition. The Committee shall inform the Optionee in writing of any decision to defer or prohibit the exercise of an Option. During the period that the effectiveness of the exercise of an Option has been deferred or prohibited, the Optionee may, by written notice, withdraw the Optionee's decision to exercise and obtain a refund of any amount paid with respect thereto.

(b) The Company may require: (i) the Optionee (or any other person exercising the Option in the case of the Optionee's death or Disability) as a condition of exercising the Option, to give written assurances, in substance and form satisfactory to the Company, to the effect that such person is acquiring the Common Shares subject to the Option for his or her own account for investment and not with any present intention of selling or otherwise distributing the same, and to make such other representations or covenants; and (ii) that any certificates for Common Shares delivered in connection with the exercise of the Option bear such legends, in each case as the Company deems necessary or appropriate, in order to comply with federal and applicable state

securities laws, to comply with covenants or representations made by the Company in connection with any public offering of its Common Shares or otherwise. The Optionee specifically understands and agrees that the Common Shares, if and when issued upon exercise of the Option, may be "restricted securities," as that term is defined in Rule 144 under the Securities Act of 1933 and, accordingly, the Optionee may be required to hold the shares indefinitely unless they are registered under such Securities Act of 1933, as amended, or an exemption from such registration is available.

(c) The Optionee shall have no rights as a shareholder with respect to any Common Shares covered by the Option (including, without limitation, any rights to receive dividends or non-cash distributions with respect to such shares) until the date of issue of a stock certificate to the Optionee for such Common Shares. No adjustment shall be made for dividends or other rights for which the record date is prior to the date such stock certificate is issued.

14. Governing Law. This Option Agreement shall be governed by the applicable Code provisions to the maximum extent possible. Otherwise, the laws of the State of Delaware (without reference to the principles of conflict of laws) shall govern the operation of, and the rights of the Optionee under, the Plan and Options granted thereunder.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have duly executed this Incentive Stock Option Agreement as of the ___ day of _____, 20__.

CONKWEST, INC.

By: _____
Name:
Title:

_____
Optionee

2533 South Coast Highway 101, Suite 210, Cardiff-by-the-Sea, CA 92007-2133
Main: (858) 633-0300 Fax: (858) 380-1999 www.conkwest.com

CONKWEST, INC. 2014 EQUITY INCENTIVE PLAN

Notice of Exercise of Incentive Stock Option

I hereby exercise the incentive stock option granted to me pursuant to the Incentive Stock Option Agreement dated as of _____, 20__, by Conkwest, Inc. (the "Company"), with respect to the following number of shares of the Company's common stock ("Shares"), par value $0.0001 per Share, covered by said option:

Number of Shares to be purchased: _____

Purchase price per Share: $_____

Total purchase price: $_____

___ A. Enclosed is cash or my certified check, bank draft, or postal or express money order in the amount of $_____ in full/partial [circle one] payment for such Shares;

and/or

___ B. Enclosed is/are _____ Share(s) with a total fair market value of $_____ on the date hereof in full/partial [circle one] payment for such Shares;

and/or

___ C. I have provided notice to _____ **[insert name of broker]** , a broker, who will render full/partial **[circle one]** payment for such Shares. **[Optionee should attach to the notice of exercise provided to such broker a copy of this Notice of Exercise and irrevocable instructions to pay to the Company the full/partial (as elected above) exercise price.]**

and/or

___ D. I elect to satisfy the payment for Shares purchased hereunder by having the Company withhold newly acquired Shares pursuant to the exercise of the Option. I understand that this will result in a "disqualifying disposition," as described in Section 11 of my Incentive Stock Option Agreement.

Please have the certificate or certificates representing the purchased Shares registered in the following name or names * : _____ _____; and sent to _____ .

DATED: _____ __, 20__

_____

Optionee's Signature

Certificates may be registered in the name of the Optionee alone or in the joint names (with right of survivorship) of the Optionee and his or her spouse.

2533 South Coast Highway 101, Suite 210, Cardiff-by-the-Sea, CA 92007-2133
Main: (858) 633-0300 Fax: (858) 380-1999 www.conkwest.com

CONKWEST, INC. 2014 EQUITY INCENTIVE PLAN

NONQUALIFIED STOCK OPTION AGREEMENT

This **NONQUALIFIED STOCK OPTION AGREEMENT** (the "Option Agreement"), dated as of the [__] day of [__] 20[_] and effective as of [__], 20[_] (the "Grant Date"), is between Conkwest, Inc., a Delaware corporation (the "Company"), and [____] (the "Optionee"), a director, officer or employee of, or consultant or advisor to, the Company or a Subsidiary of the Company (a "Related Corporation"), pursuant to Conkwest, Inc. 2014 Equity Incentive Plan (the "Plan").

WHEREAS, the Company desires to give the Optionee the opportunity to purchase shares of common stock of the Company, par value $0.0001 ("Common Shares") in accordance with the provisions of the Plan, a copy of which is attached hereto;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Grant of Option. The Company hereby grants to the Optionee the right and option (the "Option") to purchase all or any part of an aggregate of [_____] (_____) Common Shares. The Option is in all respects limited and conditioned as hereinafter provided, and is subject in all respects to the terms and conditions of the Plan now in effect and as it may be amended from time to time (but only to the extent that such amendments apply to outstanding options). Such terms and conditions are incorporated herein by reference, made a part hereof, and shall control in the event of any conflict with any other terms of this Option Agreement. The Option granted hereunder is intended to be a nonqualified stock option ("NQSO") and not an incentive stock option ("ISO") as such term is defined in section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

2. Exercise Price. The exercise price of the Common Shares covered by this Option shall be $[__] per share. It is the determination of the committee administering the Plan (the "Committee") that on the Grant Date the exercise price was not less than the greater of (i) 100% of the "Fair Market Value" (as defined in the Plan) of a Common Share, or (ii) the par value of a Common Share.

3. Term. Unless earlier terminated pursuant to any provision of the Plan or of this Option Agreement, this Option shall expire on _____, 20[__] (the "Expiration Date"), which date is not more than 10 years from the Grant Date. This Option shall not be exercisable on or after the Expiration Date.

4. Exercise of Option. The Option shall vest in [__] equal installments on [__] anniversary of the date hereof, provided that Optionee remains continuously engaged as a director, officer or employee of, or consultant or advisor to, the Company or a Related Corporation from the date hereof through the applicable vesting date.

The Committee may accelerate any vesting date of the Option, in its discretion, if it deems such acceleration to be desirable. Once the Option becomes exercisable, it will remain exercisable until it is exercised or until it terminates.

5. Method of Exercising Option. Subject to the terms and conditions of this Option Agreement and the Plan, the Option may be exercised by written notice to the Company at its principal office. The form of such notice is attached hereto and shall state the election to exercise the Option and the number of whole shares with respect to which it is being exercised; shall be signed by the person or persons so exercising the Option; and shall be accompanied by payment of the full exercise price of such shares. Only full shares will be issued.

The exercise price shall be paid to the Company:

(a) in cash, or by certified check, bank draft, or postal or express money order;

(b) through the delivery of Common Shares previously acquired by the Optionee;

(c) by delivering a properly executed notice of exercise of the Option to the Company and a broker, with irrevocable instructions to the broker promptly to deliver to the Company the amount necessary to pay the exercise price of the Option;

(d) in Common Shares newly acquired by the Optionee upon exercise of the Option; or

(e) in any combination of (a), (b), (c) or (d) above.

In the event the exercise price is paid, in whole or in part, with Common Shares, the portion of the exercise price so paid shall be equal to the Fair Market Value of the Common Shares surrendered on the date of exercise.

Upon receipt of notice of exercise and payment, the Company shall deliver a certificate or certificates representing the Common Shares with respect to which the Option is so exercised. The Optionee shall obtain the rights of a shareholder upon receipt of a certificate(s) representing such Common Shares.

Such certificate(s) shall be registered in the name of the person so exercising the Option (or, if the Option is exercised by the Optionee and if the Optionee so requests in the notice exercising the Option, shall be registered in the name of the Optionee and the Optionee's spouse, jointly, with right of survivorship), and shall be delivered as provided above to, or upon the written order of, the person exercising the Option. In the event the Option is exercised by any person after the death or disability (as determined in accordance with Section 22(e)(3) of the Code) of the Optionee, the notice shall be accompanied by appropriate proof of the right of such person to exercise the Option. All Common Shares that are purchased upon exercise of the Option as provided herein shall be fully paid and non-assessable.

Upon exercise of the Option, Optionee shall be responsible for all employment and income taxes then or thereafter due (whether Federal, State or local), and if the Optionee does not remit to the Company sufficient cash (or, with the consent of the Administrator, Common Shares) to satisfy all

applicable withholding requirements, the Company shall be entitled to satisfy any withholding requirements for any such tax by disposing of Common Shares at exercise, withholding cash from Optionee's salary or other compensation or such other means as the Committee considers appropriate to the fullest extent permitted by applicable law. Nothing in the preceding sentence shall impair or limit the Company's rights with respect to satisfying withholding obligations under Section 8.5 of the Plan.

6. Non-Transferability of Option. This Option is not assignable or transferable, in whole or in part, by the Optionee other than by will or by the laws of descent and distribution. During the lifetime of the Optionee, the Option shall be exercisable only by the Optionee or, in the event of his or her disability, by his or her guardian or legal representative.

7. Change in Control. (a) For purposes of this Option Agreement, unless otherwise defined in an agreement between the Company and the Optionee, a Change in Control shall be deemed to have occurred if:

(i) a tender offer (or series of related offers) shall be made and consummated for the ownership of 50% or more of the outstanding voting securities of the Company, unless as a result of such tender offer more than 50% of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the stockholders of the Company (as of the time immediately prior to the commencement of such offer), any employee benefit plan of the Company or its subsidiaries, and their affiliates;

(ii) the Company shall be merged or consolidated with another corporation, unless as a result of such merger or consolidation more than 50% of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the stockholders of the Company (as of the time immediately prior to such transaction), any employee benefit plan of the Company or its subsidiaries, and their affiliates;

(iii) the Company shall sell substantially all of its assets to another corporation that is not wholly owned by the Company, unless as a result of such sale more than 50% of such assets shall be owned in the aggregate by the stockholders of the Company (as of the time immediately prior to such transaction), any employee benefit plan of the Company or its subsidiaries and their affiliates; or

(iv) a Person (as defined in the Plan) shall acquire 50% or more of the outstanding voting securities of the Company (whether directly, indirectly, beneficially or of record), unless as a result of such acquisition more than 50% of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the stockholders of the Company (as of the time immediately prior to the first acquisition of such securities by such Person), any employee benefit plan of the Company or its subsidiaries, and their affiliates.

(b) [If, at any time, the Company shall effect a Change in Control transaction, then, on the date of the occurrence of such Change in Control transaction, the Option shall immediately vest].

(c) Notwithstanding the foregoing, if Change in Control is defined in an agreement between the Company and the Optionee, then, with respect to such Optionee and the Option, Change in Control shall have the meaning ascribed to it in such agreement.

8. Termination of Employment. If the Optionee's employment with or service to the Company and all Related Corporations is terminated by the Optionee for any reason other than death, Disability, Normal or Early Retirement or Good Reason (as such terms are defined below), the Option shall thereupon terminate, except that the portion of any Option that was exercisable on the date of such termination of employment or service may be exercised for the lesser of three (3) months after the date of termination or the balance of such Option's term, whichever period is shorter. The transfer of an Optionee from the employ of or service to the Company to the employ of or service to a Related Corporation, or vice versa, or from one Related Corporation to another, shall not be deemed to constitute a termination of employment or service for purposes of the Option Agreement.

(a) In the event that the Optionee's employment or service with the Company and all Related Corporations is terminated by the Company or any Related Corporations for "Cause", any unexercised portion of any Option shall immediately terminate in its entirety. For purposes hereof, unless otherwise defined in an employment agreement between the Company and the Optionee, "Cause" shall be defined in accordance with the Plan and shall exist upon a good-faith determination by the Board of Directors; provided, however, that it is specifically understood that "Cause" shall not include any act of commission or omission in the good-faith exercise of the Optionee's business judgment as a director, officer or employee of the Company, as the case may be, or upon the advice of counsel to the Company. Notwithstanding the foregoing, if Cause is defined in an employment agreement between the Company and the Optionee, then, with respect to such Optionee, Cause shall have the meaning ascribed to it in such employment agreement.

(b) In the event that an Optionee is removed as a director, officer or employee by the Company at any time other than for "Cause" or resigns as a director, officer or employee for "Good Reason" the Option granted to such Optionee may be exercised by the Optionee, to the extent the Option was exercisable on the date such Optionee ceases to be a director, officer or employee. Such Option may be exercised at any time within one (1) year after the date the Optionee ceases to be a director, officer or employee, or the date on which the Option otherwise expires by its terms; whichever period is shorter, at which time the Option shall terminate; provided, however, if the Optionee dies before the Options terminate and are no longer exercisable, the terms and provisions of Section 10 shall control. For purposes of this Section 8(b), and unless otherwise defined in an employment agreement between the Company and the relevant Optionee, Good Reason shall exist upon the occurrence of the following:

(A) the assignment to Optionee of any duties materially inconsistent with the position in the Company that Optionee held immediately prior to the assignment;

(B) a Change in Control resulting in a significant adverse alteration in the status or conditions of Optionee's participation with the Company or other nature of Optionee's responsibilities from those in effect prior to such Change in Control, including any significant alteration in Optionee's responsibilities immediately prior to such Change in Control; and

(C) the failure by the Company to continue to provide Optionee with benefits substantially similar to those enjoyed by Optionee prior to such failure.

Notwithstanding the foregoing, if Good Reason is defined in an employment agreement between the Company and the relevant Optionee, then, with respect to such Optionee, Good Reason shall have the meaning ascribed to it in such employment agreement.

9. Disability. If the Optionee's employment with or service to the Company and all Related Corporations terminates by reason of Disability (as defined below), then any Option held by the Optionee may thereafter be exercised, to the extent it was exercisable at the time of termination due to Disability (or on such accelerated basis as the Committee shall determine at or after grant), but may not be exercised after twelve (12) months after the date of such termination of employment or service or the expiration of the stated term of such Option, whichever period is shorter; provided, however, that, if the Optionee dies within such twelve (12) month period, any unexercised Option held by the Optionee shall thereafter be exercisable to the extent to which it was exercisable at the time of death for a period of one (1) year after the date of such death or for the stated term of such Option, whichever period is shorter. "Disability" shall mean an Optionee's total and permanent disability; provided, that if Disability is defined in an employment agreement between the Company and the Optionee, Disability shall have the meaning ascribed to it in such employment agreement.

10. Retirement. If the Optionee's employment with or service to the Company and all Related Corporations terminates by reason of Normal or Early Retirement (as such terms are defined below), the Option held by the Optionee may thereafter be exercised to the extent it was exercisable at the time of such Retirement, but may not be exercised after ninety (90) days after the date of such termination of employment or service or the expiration of the stated term of such Option, whichever date is earlier; provided, however, that, if the Optionee dies within such ninety (90) day period, any unexercised Option held by such Optionee shall thereafter be exercisable, to the extent to which it was exercisable at the time of death, for a period of one (1) year after the date of such death or for the stated term of such Option, whichever period is shorter.

For purposes of this Section 10, "Normal Retirement" shall mean retirement from active employment with the Company or any Subsidiary on or after the normal retirement date specified in the applicable Company or Subsidiary pension plan or if no such pension plan, age 65, and "Early Retirement" shall mean retirement from active employment with the Company or and Related Corporations pursuant to the early retirement provisions of the applicable Company or and all Related Corporations pension plan or if no such pension plan, age 55.

11. Death. If the Optionee's employment with or service to the Company and all Related Corporations terminates by reason of death, the Option may thereafter be exercised, to the extent then exercisable (or on such accelerated basis as the Committee shall determine at or after grant), by the legal representative of the estate or by the legatee of the Optionee under the will of the Optionee, for a period of one (1) year after the date of such death or until the expiration of the stated term of such Option as provided under the Plan, whichever period is shorter.

12. Securities Matters. (a) If, at any time, counsel to the Company shall determine that the listing, registration or qualification of the Common Shares subject to the Option upon any securities exchange or under any state or federal law, or the consent or approval of any governmental or regulatory body, or that the disclosure of non-public information or the satisfaction of any other condition is necessary as a condition of, or in connection with, the issuance or purchase of Common Shares hereunder, such Option may not be exercised, in whole or in part, unless such listing, registration, qualification, consent or approval, or satisfaction of such condition shall have been effected or obtained on conditions acceptable to the Board of Directors. The Company shall be under no obligation to apply for or to obtain such listing, registration or qualification, or to satisfy such condition. The Committee shall inform the Optionee in writing of any decision to defer or prohibit the exercise of an Option. During the period that the effectiveness of the exercise of an Option has been deferred or prohibited, the Optionee may, by written notice, withdraw the Optionee's decision to exercise and obtain a refund of any amount paid with respect thereto.

(b) The Company may require: (i) the Optionee (or any other person exercising the Option in the case of the Optionee's death or Disability) as a condition of exercising the Option, to give written assurances, in substance and form satisfactory to the Company, to the effect that such person is acquiring the Common Shares subject to the Option for his or her own account for investment and not with any present intention of selling or otherwise distributing the same, and to make such other representations or covenants; and (ii) that any certificates for Common Shares delivered in connection with the exercise of the Option bear such legends, in each case as the Company deems necessary or appropriate, in order to comply with federal and applicable state securities laws, to comply with covenants or representations made by the Company in connection with any public offering of its Common Shares or otherwise. The Optionee specifically understands and agrees that the Common Shares, if and when issued upon exercise of the Option, may be "restricted securities," as that term is defined in Rule 144 under the Securities Act of 1933 and, accordingly, the Optionee may be required to hold the shares indefinitely unless they are registered under such Securities Act of 1933, as amended, or an exemption from such registration is available.

(c) The Optionee shall have no rights as a shareholder with respect to any Common Shares covered by the Option (including, without limitation, any rights to receive dividends or non-cash distributions with respect to such shares) until the date of issue of a stock certificate to the Optionee for such Common Shares. No adjustment shall be made for dividends or other rights for which the record date is prior to the date such stock certificate is issued.

13. Governing Law. This Option Agreement shall be governed by the applicable Code provisions to the maximum extent possible. Otherwise, the laws of the State of Delaware (without reference to the principles of conflict of laws) shall govern the operation of, and the rights of the Optionee under, the Plan and Options granted thereunder.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have duly executed this Nonqualified Stock Option Agreement as of the ___ day of _____, 20[_].

CONKWEST, INC.

By: _____

Name:

Title:

_____

Optionee

2533 South Coast Highway 101, Suite 210, Cardiff-by-the-Sea, CA 92007-2133
Main: (858) 633-0300 Fax: (858) 380-1999 www.conkwest.com

CONKWEST, INC. 2014 EQUITY INCENTIVE PLAN
Notice of Exercise of Nonqualified Stock Option

I hereby exercise the nonqualified stock option granted to me pursuant to the Nonqualified Stock Option Agreement dated as of [_____], 2014, by Conkwest, Inc. (the "Company"), with respect to the following number of shares of the Company's common stock ("Shares"), par value $0.0001 per Share, covered by said option:

Number of Shares to be purchased: _____

Purchase price per Share: $_____

Total purchase price: $_____

___ A. Enclosed is cash or my certified check, bank draft, or postal or express money order in the amount of $_____ in full/partial [circle one] payment for such Shares;

and/or

___ B. Enclosed is/are _____ Share(s) with a total fair market value of $_____ on the date hereof in full/partial [circle one] payment for such Shares;

and/or

___ C. I have provided notice to _____ **[insert name of broker]**, a broker, who will render full/partial **[circle one]** payment for such Shares. **[Optionee should attach to the notice of exercise provided to such broker a copy of this Notice of Exercise and irrevocable instructions to pay to the Company the full exercise price.]**

and/or

___ D. I elect to satisfy the payment for Shares purchased hereunder by having the Company withhold newly acquired Shares pursuant to the exercise of the Option.

Please have the certificate or certificates representing the purchased Shares registered in the following name or names * : _____ _____ ; and sent to _____

DATED: _____ __, 20__

_____
Optionee's Signature

Certificates may be registered in the name of the Optionee alone or in the joint names (with right of survivorship) of the Optionee and his or her spouse.

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Exhibit 10.5

EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT (the "Agreement"), made as of this 22nd day of May 2015, is entered into by Conkwest, Inc., Delaware corporation (the "Company"), and Patrick Soon-Shiong, M.D., an individual resident of California ("Executive").

WHEREAS, the Company desires to employ Executive, and Executive hereby agrees to be so employed by the Company, subject to the terms and conditions of this Agreement; and

In consideration of the mutual covenants and promises contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties to this Agreement, the parties agree as follows:

1. Employment/Duties. During the Employment Period (as defined below), Executive shall serve as Chief Executive Officer of the Company and shall have all the duties, responsibilities and authority commensurate with such position and such additional duties as may be determined by the Company's Board of Directors (the "Board of Directors"). Executive shall report to, and be subject to the general supervision of, the Board of Directors, consistent with the terms of this Agreement.

During the Employment Period, Executive shall be permitted to engage in other activities, including (A) serving on the boards of directors of non-profit organizations and other for-profit companies, (B) participating in charitable, civic, educational, professional, community or industry affairs, (C) participating, directly or indirectly, either alone or through Affiliates (as defined below) in other for-profit enterprises involved in the same or related industry as the Company and (D) managing Executive's passive personal investments (collectively, the "Outside Activities") so long as the Outside Activities are disclosed to the Compensation Committee of the Board of Directors (the "Compensation Committee") and do not, in the aggregate materially interfere or conflict with Executive's duties hereunder or create a business or fiduciary conflict, as reasonably determined in good faith by the Compensation Committee. For the avoidance of doubt, the Outside Activities relating to for-profit enterprises involved in the same or related industry as the Company currently include those activities set forth on Schedule A (as amended from time to time by the parties) attached hereto (and all of such Outside Activities are hereby approved by the Compensation Committee and the Company). If the Compensation Committee determines that Executive's activities materially interfere or conflict as provided above, the Compensation Committee shall notify Executive in writing of such determination and the basis thereof (and the Compensation Committee and Executive shall meet to discuss in good faith the resolution thereof), and Executive, subject to fiduciary obligations, shall promptly take steps to address the Compensation Committee's concern as mutually agreed in good faith between Executive and the Compensation Committee. In furtherance of the foregoing, Executive agrees to meet with the Compensation Committee at the Compensation Committee's request to discuss Executive's Outside Activities and any additional activities that Executive (or his Affiliates) have undertaken since the last meeting between Executive and the Compensation Committee or that Executive (or his Affiliates) contemplate undertaking or have taken active steps to begin undertaking. Executive agrees to abide by the rules, regulations, personnel practices and policies of the Company, as adopted and amended from time to time by the Company, provided, that such rules, regulations, practices and policies are not inconsistent with the terms and conditions of this Agreement and have been disclosed in advance to Executive.

Further, during the Employment Period, so long as the Company's common stock is not publicly traded, and so long as Executive remains a significant shareholder of the Company he shall be elected to the Board of Directors, and Executive shall serve as Chairman of the Board of Directors (and, if he so elects, shall be a member of all other boards of directors of subsidiaries of the Company) and, if the common stock of the Company becomes publicly traded, subject to the requirements of applicable law (including, without limitation, any rules or regulations of any exchange on which the common stock of the Company is listed, if applicable), the Company shall cause the nominating and corporate governance committee of the Board of Directors to propose to the shareholders of the Company at each annual meeting occurring during the Employment Period at which Executive is subject to election or re-election, as applicable, the election or re-election, as applicable, of Executive as a member of the Board of Directors and Executive shall so serve if elected or re-elected; provided, however, that if the Company terminates Executive's employment with the Company for Cause, Executive's membership on the Board of Directors shall also terminate, unless otherwise agreed in writing by the Company and Executive.

2. Effective Date; Period of Employment. Executive's employment with the Company commenced effective March 24, 2015 (the "Effective Date"), and Executive's employment under this Agreement shall be effective as of the Effective Date, subject to execution of this Agreement. Executive's employment shall continue until terminated in accordance with the provisions of Section 4 (such period of employment, the "Employment Period"), subject to Section 9.13.

3. Compensation.

3.1. Base Compensation. During the Employment Period, and in light of Executive's significant shareholding in the Company, Executive shall be paid a base salary of One Dollar ($1) per year in connection with his services to the Company.

3.2. Equity Compensation.

(a) On March 24, 2015 (the "Grant Date"), in consideration of Executive's appointment as Chief Executive Officer, the Board of Directors granted Executive a non-qualified stock option (the "Option") to purchase 1,000,000 shares of the Company's common stock with an exercise price equal to 110% of the fair market value of such shares as of the Grant Date (the "Option Award"). The Option Award vests in equal monthly installments over a period of four (4) years from the Grant Date. The terms and conditions of the Option Award are as set forth in an award agreement delivered to Executive, which award agreement provides that (x) upon any termination of Executive's employment by the Company (other than a termination by the Company without Cause or by Executive for Good Reason), all unvested Options pursuant to the Option Award Shall be forfeited and (y) upon the consummation of a Change in Control (as defined below), all unvested Options subject to the Option Award will become immediately vested.

(b) On the Grant Date, in consideration of Executive's appointment as Chief Executive Officer, the Board of Directors awarded Executive a warrant (the "Warrant") to purchase up to 9,500,000 shares of the Company's common stock (the "Warrant Shares"). The Warrant has a term of four (4) years and is exercisable for up to all of the Warrant Shares upon the Company's achievement of certain milestones, as set forth in the Warrant Agreement entered into by the Company and Executive effective March 24, 2015.

3.3. Benefits and Perquisites. During the Employment Period, Executive shall be entitled to elect to participate in all benefit programs that the Company makes available to its senior executives (to the extent consistent with their respective terms and conditions), and for so long as he remains employed, Executive shall remain eligible, consistent with past practices and any applicable eligibility conditions, for all perquisites and other benefits the Company provides to its senior executives from time to time.

3.4. Reimbursement of Expenses. The Company shall reimburse Executive for all reasonable travel, entertainment and other expenses incurred or paid by Executive in connection with, or related to, the performance of Executive's duties, responsibilities or services on behalf of the Company under this Agreement, in accordance with policies and procedures, and subject to reasonable limitations, adopted by the Company from time to time; provided that Executive shall be entitled to business class airfare on domestic flights exceeding three (3) hours and first class airfare on all foreign flights.

3.5. Withholding. All amounts payable to Executive during the Employment Period shall be subject to applicable required deductions for state and federal withholding tax, social security and all other employment taxes and payroll deductions.

3.6. Indemnification and D&O Insurance. The Company shall indemnify and hold Executive harmless during his employment or service as a member of the Board of Directors (or both) to the maximum extent and provided under and subject to the terms of the Company's charter and by-laws (as in effect as of the Effective Date, subject to any improvements in coverage) and applicable law. During the Employment Period, and for a term of six years thereafter, the Company shall purchase and maintain, at its own expense, directors and officers liability insurance providing coverage for Executive in the same amount as for members of the Board of Directors in respect of acts and omissions of Executive in his capacity as such or as a director of the Company and occurring during Executive's employment or service as a member of the Board of Directors (or both).

4. Termination of Employment Period. The employment of Executive by the Company pursuant to this Agreement shall terminate upon the occurrence of any of the following:

4.1. By the Company for Cause. At the election of the Company, for Cause, provided that prior to a termination of Executive's employment pursuant to subsection (iii), below, Executive shall have thirty (30) days to cure in all material respects such Cause event(s) following Executive's receipt of written notice by the Company, which notice shall specifically identify the Cause upon which the termination is based and after Executive has been given such notice. For the purposes of this Agreement, "Cause" means (i) Executive's conviction of, or plea

of guilty or nolo contendere to, a felony or a crime involving moral turpitude, (ii) Executive's commission of any crime involving fraud or material dishonesty in connection with Executive's employment by the Company, (iii) Executive's willful and repeated failure to substantially perform his duties to the Company or material breach of this Agreement, including Executive's continued participation in any Outside Activities after the Compensation Committee has notified Executive that such Outside Activities materially interfere or conflict with Executive's duties hereunder. No act or failure to act shall be deemed "willful" for the purposes of this Agreement unless done, or failed to be done, by Executive intentionally and in bad faith. Any termination for Cause shall be effected by a resolution of the majority of the disinterested members of the Board of Directors other than Executive (or members of the Board of Directors appointed by Executive or an Affiliate (as defined below) of Executive) (the "Disinterested Board"). Prior to terminating Executive's employment for Cause, the Disinterested Board shall deliver to Executive, within ten (10) days after the occurrence of the act(s), omission(s), event(s) and/or circumstance(s) purportedly constituting Cause hereunder, a written notice setting forth in sufficient detail the act(s), omission(s), event(s) and/or circumstance(s) the Disinterested Board believes in good faith constitute Cause to terminate Executive's employment. In the event the Disinterested Board delivers to Executive the notice described in the preceding sentence, Executive shall be afforded an opportunity to meet with the Disinterested Board with counsel of Executive's choosing, upon reasonable notice under the circumstances, and explain and defend any act(s), omission(s), event(s) and/or circumstances alleged by the Disinterested Board in the written notice delivered to Executive to constitute grounds for a termination for Cause. If Executive has, and utilizes, such opportunity to be heard, the Disinterested Board shall promptly reaffirm that grounds for a termination for Cause exist or reinstate Executive to his position hereunder.

4.2. Death or Disability. Upon the death of Executive or written notice by the Company to Executive of termination of Executive for Disability (as defined below) given while Executive remains Disabled. For purposes of this Section 4.2, "Disability" means (i) Executive has been incapacitated by mental or physical injury or illness so as to be prevented thereby from engaging in the performance of Executive's duties to the Company and (ii) such incapacity has continued for a period of one hundred twenty (120) consecutive days.

4.3. By the Company Not For Cause. At the election of the Company for reasons other than Cause, upon not less than sixty (60) days' prior written notice of termination.

4.4. By Executive. At the election of Executive with or without Good Reason. In the event of a termination without Good Reason, Executive shall provide not less than sixty (60) days' prior written notice of resignation. Executive's voluntary termination shall be deemed for purposes hereof to have occurred for Good Reason only if (i) Executive provides written notice to the Company prior to resignation and within thirty (30) days following the first occurrence of circumstances giving rise to Good Reason, (ii) the Company fails to correct the circumstances giving rise to Good Reason prior to resignation and within thirty (30) days following receipt of such notice and (iii) Executive resigns within thirty (30) following such thirty (30) day period described in (ii). For purposes of this Agreement, "Good Reason" means, without Executive's express written consent, the occurrence of any of the following circumstances: (i) there is a material diminution in Executive's authority, duties or responsibilities; (ii) any adverse change in Executive's direct reporting relationship to the Board of Directors; or (iii) any material breach by the Company of this Agreement.

5. Effect of Termination; Certain Defined Terms.

5.1. Payments and Benefits upon Termination.

(a) In the event Executive's employment is terminated for any reason, the Company shall pay to Executive (or his designated representative or estate) the "Accrued Benefits," which shall mean: (i) any unreimbursed expenses incurred through the last day of Executive's actual employment by the Company and reimbursable under Section 3.4; and (ii) all other payments, benefits or fringe benefits to which Executive is entitled under the terms of any applicable compensation arrangement or benefit, equity or fringe benefit plan or program or grant or this Agreement.

(b) In the event Executive's employment is terminated by the Company without Cause or by Executive for Good Reason, then, in addition to payment of the Accrued Benefits above, (i) the vesting of all stock options and other equity awards granted to Executive, including the Option Award, shall fully accelerate so that all unvested stock options and equity awards shall be fully vested on the termination date and (ii) all Warrants Shares shall be fully exercisable, notwithstanding any time-based or milestone-based conditions or restrictions.

5.2. Certain Defined Terms.

(a) For purposes of this Agreement, "Change of Control" shall mean (A) any acquisition of the Company by a Person (as defined below) not an Affiliate (as defined below) of the Company or of Executive, by means of merger or other form of corporate reorganization in which the outstanding ownership interests of the Company are exchanged for securities or other consideration issued, or caused to be issued, by the acquiring Person and in which the holders of the Company's ownership interests hold less than fifty percent (50%) of the acquiring or surviving Person (other than a mere reincorporation transaction), (B) the closing of the transfer from existing Company stockholders, in one transaction or a series of related transactions, to a Person or group of affiliated Persons not an Affiliate of the Company or of Executive or his Affiliates, of the Company's securities if, after such closing, such Person or group of affiliated Persons would hold more than fifty percent (50%) of the outstanding voting securities of the Company, (C) a sale of all or substantially all of the assets of the Company to a Person not an Affiliate of the Company or of Executive or his Affiliates or (D) individuals who, as of the Effective Date, constitute the Board of Directors (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least of majority of the directors then comprising the Incumbent Board shall be considered as though such individual was a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of the office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors of other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors; provided, however, that a "Change of Control" shall not include an initial public offering of the Company's stock or a mere recapitalization transaction.

(b) For purposes of this Agreement, an "Affiliate" means with respect to a specified Person, any Person that directly or indirectly controls, is controlled by, or is under common control with, the specified Person (as used in this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person or entity, whether through ownership of voting securities, by contract or otherwise).

(c) For purposes of this Agreement, a "Person" shall mean any individual, company, corporation, association, partnership (general or limited), joint venture, trust, estate, limited liability company or other legal entity or organization.

(d) For purposes of this Agreement, "Code" means the Internal Revenue Code of 1986, as amended.

(e) For purposes of this Agreement, "Section 409A" means Section 409A of the Code, together with the related final regulations thereunder and other guidance relating thereto.

5.2 Section 409A.

(a) Notwithstanding anything to the contrary in this Agreement, no severance pay or benefits to be paid or provided to Executive, if any, pursuant to this Agreement that, when considered together with any other severance payments or separation benefits, are considered deferred compensation under Code Section 409A, and the final regulations and any guidance promulgated thereunder (collectively, the "Deferred Payments") will be paid or otherwise provided until Executive has a "separation from service" within the meaning of Code Section 409A.

(b) Notwithstanding anything to the contrary in this Agreement, if Executive is a "specified employee" within the meaning of Code Section 409A at the time of Executive's termination (other than due to death), then the Deferred Payments that are payable within the first six months following Executive's separation from service, will become payable on the first payroll date that occurs on or after the date six months and one day following the date of Executive's separation from service. Notwithstanding anything herein to the contrary, if Executive dies following Executive's separation from service, but prior to the six-month anniversary of the separation from service, then any payments delayed in accordance with this paragraph will be payable in a lump sum (with interest as provided for below) as soon as administratively practicable after the date of Executive's death. Each payment and benefit payable under this Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations. Any delayed payments shall be credited with interest at a rate equal to the short term applicable federal rate then in effect until paid.

(c) Any amount paid under this Agreement that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations will not constitute Deferred Payments. If under this Agreement, an amount is to be paid in two or more installments, for purposes of Code Section 409A, each installment shall be treated as a separate payment.

(d) This Agreement is intended to be exempt from the requirements of Code Section 409A or compliant therewith so that none of the payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted accordingly. The Company and Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Executive under Section 409A.

6. Other Agreements. Executive represents that Executive's performance of all the terms of this Agreement and the performance of Executive's duties as an employee of the Company do not and will not breach any agreement with any prior employer or other party to which Executive is a party (including without limitation any nondisclosure or non- competition agreement), or violate or contravene any judgment, administrative order or other legal prohibition specifically naming Executive. Executive agrees that if Executive, during the Employment Period, becomes subject to any such agreement or prohibition, Executive shall immediately notify the Company.

7. Confidential Information. Concurrently with the execution of this Agreement, Executive shall execute the Company's "Confidentiality, Non-Solicitation and Assignment of Company Inventions Agreement" in the form attached hereto as Exhibit A.

8. Miscellaneous.

8.1. Notices. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally, sent by facsimile or electronic transmission or sent by certified, registered or express mail, postage prepaid. Any such notice shall be deemed given when so delivered personally or sent by facsimile or electronic transmission or, if mailed, five (5) days after the date of deposit in the United States mail as follows:

If to the Company, to:

Conkwest, Inc.

2533 S. Coast Hwy 101, Suite 210
Cardiff, Ca 92078
Attention: Vice Chairman of the Board
Facsimile: (858) 633-0300
Email:

If to Executive, to:
The last address in the Company's records

8.2. Pronouns. Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns and pronouns shall include the plural, and vice versa.

8.3. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, whether written or oral, relating to the subject matter of this Agreement.

8.4. Amendment. This Agreement may be amended or modified only by a written instrument executed by both the Company and Executive.

8.5. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California (without reference to the conflicts of laws provisions of the State of California).

8.6. Resolution of Disputes. Any dispute, difference or controversy arising under this Agreement shall be settled by arbitration. Any arbitration pursuant to this Section shall be held before a single neutral arbitrator selected from the roles of the American Arbitration Association pursuant to the Commercial Arbitration Rules. The arbitrator shall interpret and construe this Agreement in accordance with, and shall be bound by the laws of the State of California. Any arbitration shall take place in the County of Los Angeles in the State of California or at such other location as the parties may agree upon, according to the American Arbitration Association's Commercial Arbitration Rules in force as of the Effective Date and thereafter adopted. The arbitrator shall make any award in accordance with and based upon all the provisions of this Agreement and judgment upon any award rendered by the arbitrator shall be entered in any court having jurisdiction thereof. The fees and disbursements of such arbitrator shall be borne equally by the parties, with each party bearing its own expenses for counsel and other out-of-pocket costs. Notwithstanding the preceding sentence, if the arbitrator determines that Executive is the prevailing party in the dispute, then the Company shall reimburse Executive for his reasonable legal or other fees and expenses incurred in such arbitration subject to and within ten (10) days after Executive's request for reimbursement accompanied by evidence that the fees and expenses were incurred. Any reimbursement hereunder shall be paid to Executive promptly and in no event later than the end of the year next following the date the expense was incurred.

8.7. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of both parties and their respective successors and assigns, including any corporation with which, or into which, the Company may be merged or which may succeed to the Company's assets or business, provided, however, that the obligations of Executive are personal and shall not be assigned by Executive. The Company may only assign this Agreement to any successor to all or substantially all of the business and/or assets of the Company, provided that the Company shall secure such successor's written agreement to 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 it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company and any successor to its business and/or assets, which assumes and agrees to perform the duties and obligations of the Company under this Agreement by operation of law or otherwise.

8.8. Waivers. No delay or omission by the Company or Executive in exercising any right under this Agreement shall operate as a waiver of that or any other right. A waiver or consent given by the Company or Executive on any one occasion shall be effective only in that instance and shall not be construed as a bar or waiver of any right on any other occasion.

8.9. No Mitigation; No Offset. In no event shall Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Executive under any of the provisions of this Agreement, nor shall the amount of any payment hereunder be reduced by any compensation earned by Executive as a result of employment by a subsequent employer.

8.10. Captions. The captions of the sections of this Agreement are for convenience of reference only and in no way define, limit or affect the scope or substance of any section of this Agreement.

8.11. Severability. In case any provision of this Agreement shall be invalid, illegal or otherwise unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

8.12. Execution; Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument. This Agreement may be executed and delivered by facsimile, email/pdf format or other electronic means and each party may fully rely upon such execution and delivery.

8.13. Survival. The provisions of Sections 3.4, 3.6 and 5 through 8 shall survive the termination of this Agreement.

8.14. 280G.

(a) In the event that any payments or benefits (within the meaning of Section 280G(b)(2) of the Code) to Executive or for Executive's benefit, paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise in connection with, or arising out of, Executive's employment with the Company or a Change of Control (a "Payment" or "Payments") are deemed "parachute payments" (as that term is defined in Section 280G(b)(2) of the Code, but determined without regard to Section 280G(b)(2)(A)(ii)) (the "Parachute Payments"), would be subject to the excise tax imposed by Code Section 4999, or any interest or penalties are incurred by Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then Executive will be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by Executive of all taxes (including any interest or penalties (other than interest and penalties imposed by reason of Executive's failure to file timely a tax return or pay taxes shown due on Executive's return) imposed with respect to such taxes and the Excise Tax), including any Excise Tax imposed upon the Gross-Up Payment, Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up

Payment or any additional Gross-Up Payment. Such notification shall be given as soon as practicable, but no later than 15 business days after Executive is informed of such claim. Executive shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which Executive gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies Executive prior to the expiration of such period that the Company desires to contest such claim, Executive shall:

(i) give the Company any information reasonably requested by the Company relating to such claim,

(ii) take such action in connection with contesting such claim as the Company may reasonably request from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,

(iii) cooperate with the Company in good faith in order effectively to contest such claim, and

(iv) permit the Company to participate in any proceedings relating to such claim;

provided, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest, and shall indemnify and hold Executive harmless, on an after-tax basis, for any Excise Tax, income tax, and all other applicable taxes (including interest and penalties) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 8.14(b), the Company shall control all proceedings taken in connection with such contest, and, at its sole discretion, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the applicable taxing authority in respect of such claim and may, at its sole discretion, either direct Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, that, if the Company directs Executive to pay such claim and sue for a refund, the Company shall advance the amount of such payment to Executive, on an interest-free basis, and shall indemnify and hold Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties) imposed with respect to such advance or with respect to any imputed income in connection with such advance; and provided, further, that any extension of the statute of limitations relating to payment of taxes for the taxable year of Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company’s control of the contest shall be limited to issues with respect to which the Gross-Up Payment would be payable hereunder, and Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(c) As a result of the uncertainty in the application of Sections 4999 and 280G of the Code, it is possible that a Gross-Up Payment (or a portion thereof) will be paid which should not have been paid (an "Excess Payment").

(d) An Excess Payment shall be deemed to have occurred upon a Final Determination (as hereinafter defined) that the Excise Tax shall not be imposed upon a Payment or Payments (or portion thereof) with respect to which Executive had previously received a Gross-Up Payment. A "Final Determination" shall be deemed to have occurred when Executive has received from the applicable government taxing authority a refund of taxes or other reduction in Executive's tax liability by reason of the Excise Payment and upon either (A) the date a determination is made by, or an agreement is entered into with, the applicable governmental taxing authority which finally and conclusively binds Executive and such taxing authority, or in the event that a claim is brought before a court of competent jurisdiction, the date upon which a final determination has been made by such court and either all appeals have been taken and finally resolved or the time for all appeals has expired or (B) the statute of limitations with respect to Executive's applicable tax return has expired. If an Excess Payment is determined to have been made, the amount of the Excess Payment shall be promptly repaid by Executive to the Company.

(e) Notwithstanding anything contained in this Agreement to the contrary, in the event that an Excise Tax will be imposed on any Payment or Payments, the Company shall pay to the applicable government taxing authorities, as Excise Tax withholding, the amount of the Excise Tax that the Company has actually withheld from the Payment or Payments.

(f) Nothing in this Section 8.14 is intended to violate the Sarbanes-Oxley Act of 2002 and to the extent that any advance or repayment obligation hereunder would do so, such obligation shall be modified so as to make the advance a nonrefundable payment to Executive and the repayment obligation null and void.

(g) Any Gross-Up Payment payable hereunder shall be made to Executive no later than the end of the tax year following the tax year in which Executive remits payment of the applicable Excise Taxes to the applicable government taxing authority.

IN WITNESS WHEREOF, the parties hereto have executed this Executive Employment Agreement as of the day and year set forth above.

CONKWEST, INC.

/s/ Barry J. Simon
By: Barry J. Simon, M.D.
Its: President & Chief Operating Officer

EXECUTIVE

/s/ Patrick Soon-Shiong
Name: Patrick Soon-Shiong, M.D.

Exhibit A

CONKWEST, INC.
CONFIDENTIALITY, NON-SOLICITATION AND ASSIGNMENT OF COMPANY INVENTIONS AGREEMENT

This Employee Confidentiality, Non-Solicitation and Assignment of Company Inventions Agreement (this "Agreement") is made and entered into as of May 22, 2015 (the "Effective Date") by and between Patrick Soon-Shiong, an individual ("Employee"), and Conkwest, Inc., a Delaware corporation (the "Company").

RECITALS

WHEREAS, as part of Employee's employment with the Company (which includes any period of time that Employee is classified as an employee or a consultant of the Company), Employee has been or will be exposed to or provided with trade secrets and/or proprietary and confidential information relating to the operation of the Company's business and its clients or customers;

WHEREAS, in connection with the execution of this Agreement, Employee has executed an Executive Employment Agreement effective as of March 24, 2015 (the "Employment Agreement"). Capitalized terms used in this Agreement but not otherwise defined shall have the meanings given to them in the Employment Agreement;

WHEREAS, Employee understands and acknowledges that the Company has developed and uses and will be developing and using Confidential Information (as defined below) in connection with its business. This Confidential Information was developed and will be developed by the Company at great expense and constitutes, among other things, trade secrets of Company. To safeguard this Confidential Information, the Company has instituted policies and procedures to protect such Confidential Information. Because Employee will come into contact with the Confidential Information over the course of his employment with the Company, he shall be under a duty to protect such Confidential Information from unauthorized disclosure or use;

WHEREAS, "Confidential Information" means any information, materials and data of the Company that have been created, discovered, developed, enhanced or modified by the Company or that have otherwise become known or provided to the Company (including, without limitation, information created, discovered, developed, enhanced and/or modified by Employee as part of Employee's employment or arising directly out of Employee's retention as an employee by the Company), and/or in which property rights have been assigned or otherwise conveyed to the Company, in each case which information has commercial value in the business in which the Company is engaged and/or which gives the Company an opportunity to obtain an advantage over competitors who do not know or use it, including, information, materials and data related to: (i) current or potential trade names, trademarks, service marks, graphics and logos; (ii) the identities of any customers, buyers, sellers, representatives, corporations, government representatives, organizations, individuals, groups of individuals or any other business sources which the Company has identified, contacted and/or entered into contractual

relationships with, in the course of its business, for the sale, supply or provision of products or services by the Company to any such entity (each, a "Customer" and collectively, the "Customers"); (iii) the identities of any lenders, vendors, suppliers, sponsors, consultants, advisors, licensors, licensees, collaborators, strategic partners, joint venturers, joint development partners, corporations, government representatives, organizations, individuals, groups of individuals or any other service providers or business partners which the Company has identified, contacted and/or entered into contractual relationships with, in the course of its business, for the purchase or supply of goods or services from, or to enter into some other business relationship with, any such entity (each, a "Business Partner" and collectively, the "Business Partners"); (iv) information on each Customer of the Company, including any and all contact information, telephone numbers, addresses, facsimile numbers, electronic mail addresses, credit histories, loss histories and/or records relating to such Customer; (v) information on each Business Partner of the Company, including any and all contact information, telephone numbers, addresses, facsimile numbers, electronic mail addresses and similar information; (vi) the Company's contractual and other business relationships with current or prospective Customers and/or Business Partners; (vii) databases and/or lists containing information concerning a Customer or Customers; (viii) marketing sources and resources; (ix) strategies and distribution techniques; (x) business plans, financial information, Customer and Business Partner data, or other subject matter pertaining to the business of the Company or any of its Customers or Business Partners; (xi) conceptualization, financing, advertising and marketing of the services and business of the Company; and (xii) all other proprietary information or confidential information of the Company and/or information of the Company that otherwise qualifies for protection under any law providing or creating intellectual property rights, including trade secrets. The term "trade secrets," as used in this Agreement, will be given its broadest possible interpretation under the law of the State of California and will include, anything tangible or intangible or electronically kept or stored, which constitutes, represents, evidences or records or any secret scientific, technical, merchandising, production or management information, or any design, process, procedure, formula, invention, improvement or other confidential or proprietary information or documents. "Confidential Information" shall not include information that: (1) is or becomes part of the public domain through no fault of Employee; (2) is lawfully received by Employee from a third party not under an obligation of confidentiality to the Company; (3) is or was independently developed by Employee without violation of any obligation under this Agreement or the use of or reference to Confidential Information; or (4) is released from confidentiality obligations by the express prior written consent of the Company.

WHEREAS, in connection with Employee's employment with the Company, Employee may, either solely or in cooperation with others, create Company Inventions (as defined below). All such Company Inventions shall be the sole and exclusive property of Company; and

WHEREAS, "Company Inventions" means all Creative Works (as defined below) conceived, developed or made by Employee, in whole or in part, either alone or with others, during the term of Employee's employment with the Company that are a product, service or activity directly relating to the Company's business, including but not limited to, the Company's proprietary natural killer cell line known as the NK-92 wild type cell line and modifications, derivatives or improvements thereof, aNK technology platform or aNK, haNK or taNK product candidates (but excluding any Creative Works conceived, developed or made by Employee or any of his

Affiliates, in whole or in part, either alone or with others, arising out of, related to or in connection with (i) Outside Activities that have been either listed on Schedule A to the Employment Agreement (as amended from time to time) or disclosed and approved by the Compensation Committee, (ii) the existing agreement between NantCell, Inc. and Sorrento Therapeutics, Inc. ("Sorrento"), except to the extent such Creative Works directly relates to the Company's NK-92 cell line, aNK technology platform or any related product candidate licensed to Sorrento pursuant to the existing agreement between the Company and Sorrento (but excluding Outside Activities as contemplated by the previous subclause (i)), and (iii) any future collaboration, partnership, licensing or other strategic agreement between the Company and NantCell, Inc. or its or Employee's Affiliates or between the Company and any other entity listed on Schedule A (as amended from time to time)). "Creative Works" means all original works of authorship, inventions (whether patentable or not), discoveries, inventions, designs, computer software (both object code and source code form), algorithms, programming, scripts, applets and trade secrets, together with any and all tangible or intangible materials or information related to any of the foregoing, that are conceived, developed or made by Employee, in whole or in part, either alone or with others. Creative Works that are not Company Inventions are referred to herein as "Employee Inventions."

AGREEMENT

In consideration of the foregoing Recitals (which are incorporated herein by reference) and the promises and covenants set forth below, the parties agree as follows:

1. **Confidentiality.**

a. Confidentiality Obligations.

During and after Employee's employment with the Company, Employee shall:

i. Hold in trust, keep confidential, and not disclose, divulge, disseminate or otherwise communicate to any third party, in any manner whatsoever, any Confidential Information, except to Employee's agents and advisors with whom Employee enjoys an expectation of confidentiality, or other employees, consultants, brokers, agents, independent contractors or other affiliates of the Company who are entitled to receive or possess such Confidential Information, as and when authorized by the Company;

ii. Refrain from using any Confidential Information for Employee's own use or for any purpose other than in connection with the performance of Employee's duties as an employee of the Company;

iii. Refrain in all instances from knowingly attempting to realize unauthorized economic or commercial benefits from all or any portion of the Confidential Information or to attempt to utilize all or any portion of the Confidential Information to circumvent, frustrate or hinder any business plan or opportunity of the Company;

iv. Not cause the transmission, removal, or transport by any means, including electronic means, of Confidential Information outside of the Company, except as otherwise permitted by the Company;

v. Take all reasonable actions to assure proper precautions have been taken to prevent unauthorized access to, or disclosure, loss or destruction of, the Confidential Information; and

vi. Notify the Company in writing of any actual or potential misuse or misappropriation of any Confidential Information of which Employee becomes aware.

b. Property of Company.

Employee acknowledges and agrees that all Confidential Information is and shall remain the sole and exclusive property of the Company, and the Company is the sole owner of all rights in connection therewith.

c. Return of Confidential Information.

Upon (i) any termination of Employee's employment with the Company, or (ii) at any time upon the Company's request, Employee shall promptly destroy or deliver and return to the Company all Confidential Information in Employee's possession or control, including, any and all software, data, memoranda, notes, electronic mail, records, and other documents, electronic or otherwise, including all copies thereof, as well as any other property of the Company that was furnished by the Company to Employee or developed or produced by Employee directly in connection with Employee's employment with the Company; provided, however, that Employee's legal counsel shall be entitled to retain one (1) copy of the Confidential Information for the sole purpose of determining the parties' obligations hereunder.

d. Exceptions.

Notwithstanding anything in this Agreement to the contrary, Employee shall not be liable for disclosure of any Confidential Information if such Confidential Information is: (i) disclosed with the prior written consent of the Company; (ii) disclosed to a third party by the Company without restrictions similar to those contained in this Agreement; or (iii) subject to Section 5 below, is disclosed pursuant to the requirement of a court, administrative agency or other governmental body, or is disclosed pursuant to any applicable law, rule or regulation; provided, however, that Employee notifies the Company in advance of such disclosure requirement and the Company is given a reasonable opportunity to intervene.

2. **Disclosure of Company Inventions.**

Employee agrees to disclose promptly and fully in writing to Employee's immediate supervisor or other person(s) designated by the Company to receive such disclosures, all Company Inventions, current or proposed.

3. **Ownership of Company Inventions.**

a. Copyrights.

In addition to the rights granted by Employee to the Company elsewhere in this Agreement, the following interests in copyright shall vest in Company:

All Company Inventions that are first created and prepared by Employee under this Agreement that are encompassed by the definition of a "work made for hire" under 17 U.S.C. § 101 of the U.S. Copyright Act of 1976 will be considered a "work made for hire," and the Company will be deemed the sole author and owner of all copyrights in any such works. For the avoidance of doubt, this section does not apply to any Creative Works that do not constitute Company Inventions.

With respect to all Company Inventions that are first created and prepared by Employee under this Agreement that are not covered by the definition of a "work made for hire" under 17 U.S.C. § 101 of the U.S. Copyright Act of 1976, such that Employee would be regarded as the copyright author and owner, Employee agrees to, and hereby does, assign and transfer to the Company Employee's entire right, title, and interest in and to such works, including all rights in the nature of the patent, copyright, trade secret or other intellectual property or proprietary rights therein. For the avoidance of doubt, this section does not apply to any Creative Works that do not constitute Company Inventions.

b. Other Proprietary Rights.

In addition to the rights granted by Employee to the Company elsewhere in this Agreement, Employee agrees to, and hereby does, assign and transfer to the Company, and agrees that the Company shall be the sole and exclusive owner of, all Company Inventions, including all patent rights, know-how, trade secrets, confidential information, and any other intellectual property rights arising therefrom or related thereto in each case recognized in the United States, any foreign jurisdiction or under any international treaty regime. The Company shall have the right to use all Company Inventions, whether original or derivative, in any manner whatsoever.

c. Effectuating Company's Rights.

Employee agrees, during Employee's employment with the Company and at any time thereafter, to execute any written documents necessary to effectuate the assignment to the Company of any and all Company Inventions to which the Company is entitled as provided in this Agreement, and to execute all papers and perform any other lawful acts requested by the Company for the preparation, prosecution, procurement, and maintenance of any trademark, copyright, patent and/or other intellectual property or other proprietary rights in and for the Company Inventions, and will execute all papers and perform any other lawful acts necessary to vest title in the Company to the Company Inventions, and all intellectual property and/or proprietary rights therein, including, but not limited to, all trademarks, copyrights, and patents. In the event that the Company is unable for any reason to secure Employee's signature to any document relating to the Company Inventions that the Company requests Employee to execute

under this Section 3, Employee hereby irrevocably designates and appoints the Company and the Company's duly designated authorized officers and agents as Employee's agents and attorneys-in-fact to act for and on Employee's behalf and, instead of Employee, to execute such document and to file such application and to do all other lawfully permitted acts with the same legal force and effect as if executed by Employee with respect to such Company Inventions. Employee agrees that he will not be entitled to any compensation in addition to any salary or commissions, provided in connection with his employment with the Company, for providing any of the services in this Section III, but Employee shall be reimbursed for actual expenses incurred in rendering the services.

d. Non-Assignable Rights.

To the extent, if any, that any intellectual property rights in the Company Inventions are not assignable or that, notwithstanding Section 3(c) above, Employee for any reason retains any right, title or interest in and to any Company Inventions, Employee: (i) unconditionally and irrevocably waives the enforcement of such rights, and all claims and causes of action of any kind against the Company with respect to such rights; (ii) agrees, at the Company's request and expense, to consent to and join in any action to enforce such rights; and (iii) hereby grants to the Company a perpetual, irrevocable, fully paid-up, royalty-free, transferable, sublicensable (through multiple levels of sublicensees), exclusive (even as to Employee), worldwide right and license under such intellectual property rights to use, reproduce, distribute, display and perform (whether publicly or otherwise), prepare derivative works of and otherwise modify, make, sell, offer to sell, import and otherwise use and exploit (and have others exercise such rights on behalf of the Company) all or any portion of such Company Inventions. The license granted herein shall commence on creation of the Company Inventions and shall continue in perpetuity and without regard to the term of this Agreement or the term of Employee's employment with the Company. Employee hereby waives and quitclaims to the Company any and all claims, of any nature whatsoever, which Employee now or may hereafter have for infringement of any rights in the Company Inventions assigned hereunder to the Company.

e. Obligation to Keep Company Informed.

During the term of Employee's employment, Employee will promptly disclose to the Company fully and in writing all Company Inventions.

f. Government or Third Party.

Employee hereby agrees to assign all of his right, title and interest in and to any particular Company Invention to a third party, including, without limitation, the United States, as directed by the Company.

g. Employee Inventions.

The obligations of Employee set forth in this Section 3 (Ownership of Company Inventions) do not apply to any Employee Inventions and Employee has no obligation to disclose or assign any Employee Inventions to Company. Company expressly acknowledges and agrees that Employee is and shall be the sole and exclusive owner of all Employee Inventions, including

all patent rights, know-how, trade secrets, confidential information and any other intellectual property rights arising therefrom or related thereto in each case recognized in the United States, any foreign jurisdiction or under any international treaty regimen. To the extent, if any, that the Company retains any right, title or interest in and to any Employee Inventions, Company: (i) unconditionally and irrevocably waives the enforcement of such rights, and all claims and causes of action of any kind against Employee with respect to such rights; (ii) agrees, at the Employee's request and expense, to consent to and join in any action to enforce Employee's rights; and (iii) hereby grants to Employee a perpetual, irrevocable, fully paid-up, royalty-free, transferable, sublicensable (through multiple levels of sublicensees), exclusive (even as to Company), worldwide right and license under such intellectual property rights to use, reproduce, distribute, display and perform (whether publicly or otherwise), prepare derivative works of and otherwise modify, make, sell, offer to sell, import and otherwise use and exploit (and have others exercise such rights on behalf of Employee) all or any portion of such Employee Inventions. The licenses granted herein shall commence on creation of each applicable Employee Invention and shall continue in perpetuity and without regard to the term of this Agreement or Employee's employment with the Company. The Company hereby waives and quitclaims to Employee any and all claims, of any nature whatsoever, which Company now or may hereafter have for infringement of any rights in the Employee Inventions assigned to Employee hereunder. Without limiting the generality of the foregoing, a written notification to the Employee of Labor Code § 2870 is attached hereto as Exhibit A. In the event of any dispute whether a Creative Work is a Company Invention or an Employee Invention, the Company shall have the burden of proof to establish that the Creative Work is a Company Invention.

4. **Equitable Remedies.**

The parties recognize that irreparable injury will result if either party breaches any provision of this Agreement, and each of Company and Employee agree that if a party should engage, or directly cause any other person or entity to engage, in any act in violation of any provision of this Agreement, then the other party shall be entitled, in addition to any other remedies, damages and relief as may be available under applicable law, to seek an injunction prohibiting the violating party from engaging in any such act or specifically enforcing this Agreement, as the case may be. It is understood and agreed that no failure or delay by an enforcing party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege under this Agreement.

5. **Notice Regarding Compelled Disclosure**.

In the event that Employee is requested pursuant to or required by applicable law or regulation or by legal process to disclose any Confidential Information, Employee shall provide the Company with prompt notice of such request(s) to enable the Company to seek an appropriate protective order or pursue other authorized procedures to challenge the attempt to compel disclosure. Employee shall cooperate with the Company, at the Company's expense, in its efforts to challenge such compelled disclosure.

Notwithstanding anything herein to the contrary, nothing in this Agreement shall be construed to prohibit Employee from reporting possible violations of federal or state law or

regulations to any governmental agency or self-regulatory organization, or making other disclosures that are protected under whistleblower or other provisions of any applicable federal or state law or regulations. Employee does not need the prior authorization of the Company or the Company's legal department to make any such reports or disclosures and Employee is not required to notify the Company that he made such reports or disclosures.

6. **Non-Solicitation.**

a. During Engagement with the Company.

Acknowledgment.

During Employee's employment with the Company, the Company will provide Employee with resources, including, access to the Confidential Information of the Company, to enable Employee to, among other things, develop, manage, enhance, maintain and/or support business and account relationships with the Company's current and prospective Customers and/or Business Partners. Employee acknowledges and agrees that such resources are provided at the Company's expense and that the development, enhancement, maintenance and/or support of such business and account relationships with such Customers and/or Business Partners are solely for the benefit of the Company. Employee further acknowledges and agrees that any business or account relationships with any Customers or Business Partners that Employee develops, manages, enhances, maintains or supports in the course of Employee's employment with the Company shall constitute Confidential Information and shall be the sole property of the Company.

Non-Solicitation During Employment.

Employee agrees that during the term of Employee's employment with the Company, Employee shall not, either directly or indirectly, on Employee's own behalf or on behalf of any other person or entity, solicit or induce or attempt to solicit or induce (which shall include, without limitation, any contact or communications in any manner for the purpose of making such a solicitation): (i) any current or prospective Customer of the Company to divert, transfer, withdraw or otherwise take any business from the Company; (ii) without the express prior written consent of the Company, any Business Partner that provides products or services to the Company, or that has entered into a business relationship with the Company, to provide similar products or services to, or to enter into a similar business relationship with, any other individual or entity; or (iii) any employee, consultant, advisor or independent contractor of the Company to terminate his relationship with the Company in order to become an employee, consultant, advisor or independent contractor of or to any other individual or entity.

b. Non-Solicitation Following Termination.

Employee agrees and covenants that for one (1) year after the date of termination of Employee's employment with the Company, Employee shall not, either directly or indirectly, on Employee's own behalf or on behalf of any other individual or entity, use any Confidential Information (including any trade secrets of the Company) to solicit or induce, or attempt to solicit or induce (which shall include, without limitation, any contact or communications in any manner for the purpose of making such a solicitation): (i) any previous or current Customers that

Employee provided services to, either directly or indirectly, and/or any prospective Customers whose identities Employee learned of as a result of or in connection with Employee's employment with the Company, to divert, transfer, withdraw or otherwise take any business or prospective business from the Company; (ii) without the express prior written consent of the Company, any Business Partner that provides products or services to the Company, or that has entered into a business relationship with the Company, to provide similar products or services to, or to enter into a similar business relationship with, any other person or entity; or (iii) any employee, consultant, advisor or independent contractor of the Company to terminate his relationship with the Company in order to become an employee, consultant, advisor or independent contractor of or to any other person or entity.

c. Protection of Confidential Information.

Employee acknowledges and agrees that the purpose of this Section VI is to prevent the intentional and/or inadvertent unlawful use of any Confidential Information, including any and all trade secrets of the Company.

d. General Advertisements. Notwithstanding anything in this Section 6 to the contrary, nothing in this Agreement shall prohibit Employee, either directly or through any affiliated entity, from soliciting or hiring any person who responds to a general advertisement or solicitation, including but not limited to advertisements or solicitations through newspapers, trade publications, periodicals, radio or internet database, or efforts by any recruiting or employment agencies not specifically directed at employees of the Company.

7. **No Conflicting Obligation.**

Employee represents, warrants and covenants that Employee's performance of all the terms of this Agreement and as an employee of the Company does not and will not breach any agreement to keep in confidence information acquired by Employee in confidence or in trust prior to his employment with the Company. Employee has not entered into, and Employee will not enter into, any agreement, either written or oral, in conflict herewith.

8. **Miscellaneous.**

a. Entire Agreement; Amendment.

This Agreement and the Employment Agreement being executed by Employee concurrently herewith contain the entire agreement of the parties hereto, supersede all prior agreements, and understandings, whether oral or in writing, if any, relating to the subject matter hereof and may be amended only by written agreement of the parties hereto.

b. Severability.

If any provision of this Agreement shall be held or deemed to be, or shall in fact be, invalid, inoperative or unenforceable as applied to any particular case in any jurisdiction or jurisdictions, or in all jurisdictions or in all cases, because of the conflict of any provision with any constitution or statute or rule of public policy or for any other reason, such circumstance shall not have the effect of rendering the provision or provisions in question invalid, inoperative

or unenforceable in any other jurisdiction or in any other case of circumstance or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to the extent that such other provisions are not themselves actually in conflict with such constitution, statute or rule of public policy, but this Agreement shall be reformed and construed in any such jurisdiction or case as if such invalid, inoperative or unenforceable provision had never been contained herein and such provision reformed so that it would be valid, operative and enforceable to the maximum permitted in such jurisdiction or in such case.

c. Effective Date.

This Agreement shall be effective on the Effective Date.

d. Survival.

The provisions of Sections 1, 2, 3d, 3g, 5, 6, and 8 shall survive the termination of this Agreement and/or termination of Employee's employment with the Company.

e. Governing Law; Arbitration; Waiver of Jury Trial.

This Agreement and the rights and obligations of the parties hereunder will be construed in accordance with and governed by the law of the State of California without giving effect to the conflict of law principles thereof. If a dispute arises out of or relates to this Agreement, or its breach, and the parties have not been successful in resolving such dispute through negotiation, the parties agree to attempt to resolve the dispute through mediation by submitting the dispute to a sole mediator selected by the parties or, at any time at the option of a party, to mediation by the American Arbitration Association ("AAA"). If not thus resolved, it shall be referred to a sole arbitrator selected by the parties within thirty (30) days of the mediation or, in the absence of such selection, to final and binding arbitration by a sole arbitrator under the AAA Arbitration Rules ("Rules") in effect on the date of this Agreement. The mediation and arbitration, including arguments and briefs, shall be in the English language in the County of Los Angeles in the State of California. The parties also agree that the arbitrator shall have the power to award any remedies, including attorneys' fees and costs (including arbitration costs), available under applicable law. The decision of the arbitrator shall be in writing. The arbitrator shall apply the substantive law of the State of California without giving effect to any principles of conflict of laws under the laws of the State of California. Any monetary award by the arbitrator shall be in United States Dollars only. Judgment upon the award rendered in the arbitration may be entered in any court having jurisdiction thereof. Employee and the Company agree that each party shall bear its own expenses (including attorney's fees) and an equal share of the expenses of the mediator and arbitrator and the fees of the AAA. The parties, their representatives, other participants and the mediator and arbitrator shall hold the existence, content and result of the mediation and arbitration in confidence. Nothing in this section shall be construed to preclude any party from seeking injunctive relief in order to protect its rights pending mediation or arbitration. A request by a party to a court for such injunctive relief shall not be deemed a waiver or violation of the obligation to mediate or arbitrate. If either party seeks injunctive relief, the prevailing party shall be entitled to recover reasonable costs and attorneys' fees. By agreeing to submit any disputes to arbitration in accordance with this section, each party hereby fully and forever waivers such party's right to a trial by jury of any such

disputes, claims or controversies. In so doing, each party hereby acknowledges and agrees that judgment on any such disputes, claims or controversies submitted to arbitration hereunder may be entered by the neutral arbitrator.

f. Notices.

All notices, requests, demands and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when received if personally delivered; if sent for next day delivery to a domestic address by recognized overnight delivery service (*e.g.*, Federal Express); and upon receipt, if sent by certified or registered mail, return receipt requested. In each case notice shall be sent to a party at such party's address set forth on the signature page hereto (or to such other address as a party may have specified by notice given to the other party pursuant to this Section 8f.

g. Attorneys' Fees and Costs.

In any legal action under the Agreement, the prevailing party shall be entitled to recover, in addition to its damages (subject to any limitations stated elsewhere in the Agreement), its reasonable attorneys' fees, expert witness fees and other ordinary and necessary costs of litigation. Such costs shall include, costs of any legal proceedings brought to enforce a judgment or decree.

h. No Waiver.

No delay or omission by the Company or Employee in exercising any right under this Agreement shall operate as a waiver of that or any other right. A waiver or consent given by the Company or Employee on any one occasion shall be effective only in that instance and shall not be construed as a bar or waiver of any right on any other occasion.

i. Advice of Counsel.

Employee acknowledges that, in executing this Agreement, Employee has had the opportunity to seek the advice of independent legal counsel, and has read and understands all of the terms and provisions of this Agreement.

j. Counterparts; Facsimile; PDF.

This Agreement may be executed in one or more counterparts, including facsimile and PDF electronic copies, each of which shall be deemed to be an original copy of this Agreement and all of which, when taken together, shall be deemed to constitute one and the same Agreement.

k. Not an Employment Agreement.

This Agreement is not an employment agreement and does not confer on the Employee any right to continue as an employee of the Company for any specific term or duration or in any way interfere with the Company's or the Employee's right to terminate their employment relationship.

l. Consideration.

Employee acknowledges receipt of an offer of employment or continued employment by the Company, and valuable confidential information for the promises Employee has made in this Agreement.

m. Scope of Agreement.

Employee and the Company acknowledge that Employee is involved (both individually and through affiliates) in other entities in the pharmaceutical business. Notwithstanding anything to the contrary herein, including the provisions of Section 3, this Agreement is not intended to apply to, or result in the Company having an assignment of or ownership interest in any Creative Works that do not constitute "Company Inventions" as defined herein.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have duly executed this Confidentiality, Non-Solicitation and Assignment of Company Inventions Agreement as of the Effective Date.

EMPLOYEE:

/s/ Patrick Soon-Shiong
Print Name: Patrick Soon-Shiong, M.D.

Address:

COMPANY:

Conkwest, Inc., a Delaware corporation

By: /s/ Barry J. Simon
Print Name: Barry J. Simon, M.D.
Title: President & Chief Operating Officer

SCHEDULE A
Certain Outside Activities

The Company acknowledges and agrees that Executive engages, and will continue to engage, in, both on his own and through one or more of his Affiliates, drug discovery, research, development and commercialization activities for the delivery of next-generation therapeutics, diagnostics and technologies for the treatment of cancer, infectious diseases, inflammation and other critical illnesses. Currently, Employee is conducting Outside Activities on behalf of the following Affiliates (and such Outside Activities include the drug discovery, research, development, commercialization and other activities referenced in or implied by patent applications filed by Executive and/or such Affiliates):

NantBioScience, Inc.
NantCell, Inc.
NantPharma, LLC
NanoCav, LLC
NantOmics, LLC
Immunotherapy NANTibody, LLC

EXHIBIT A

COMPANY'S WRITTEN NOTIFICATION TO EMPLOYEE OF CALIFORNIA LABOR CODE § 2870

In accordance with California Labor Code § 2870, you are hereby notified that this Agreement does not require you to assign to the Company any invention for which no equipment, supplies, facility, or trade secrets of the Company was used, that was developed entirely on your own time, and that does not relate to the business of the Company or to the Company's actual or demonstrably anticipated research or development or does not result from any work performed by you for the Company. The following is the text of California Labor Code § 2870:

(a) Any provision in an Employment Agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for inventions that either:

(1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or

(2) Result from any work performed by the employee for the employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

Exhibit 10.6

EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT (the "Agreement"), effective as of this 1st day of January 2015, is entered into by Conkwest, Inc., a Delaware corporation with its principal place of business at 2533 S. Coast Highway 101, Suite 210, Cardiff-by-the-Sea, CA 92007 (the "Company"), and Barry J. Simon, M.D., an individual resident of California (the "Executive").

WHEREAS, the Company and the Executive entered into that certain Amended and Restated Executive Employee Employment, Non-Disclosure and Confidentiality Agreement, dated as of March 19, 2008, as amended from time to time (the "Original Agreement");

WHEREAS, the Company [intends to file] a Form S-1 registration statement under the Securities Act of 1933 with the Securities Exchange Commission and anticipates effecting an initial public offering of the Company's common stock (the "IPO"); and

WHEREAS, in connection with the anticipated IPO, the Company and the Executive deem it advisable and appropriate to replace the Original Agreement with this Agreement; and

In consideration of the mutual covenants and promises contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties to this Agreement, the parties agree as follows:

1. Employment/Duties. During the Employment Period (as defined below), the Executive shall serve as President and Chief Executive Officer of the Company and shall have all the duties, responsibilities and authority commensurate with such position and such additional duties as may be determined by the Company's Board of Directors ("Board of Directors"). The Executive shall be based at the current location of his offices (Cardiff-by-the-Sea, California) and provided with office space and support personnel and equipment commensurate with his position. The Executive shall report to, and be subject to the general supervision of, the Board of Directors, consistent with the terms of this Agreement.

The Executive agrees to devote substantially all of his business time, attention and energies to the business and interests of the Company during the Employment Period; provided, however, that the Executive may be permitted to engage in other activities consistent with past practice, including membership on boards of directors of other businesses or non-for-profit organizations, so long as such activities do not materially interfere with the performance of the Executive's duties under this Agreement and have been disclosed to and approved in advance by the Board of Directors. The Executive's service as a member on the board of directors of Inex Bio shall be deemed to have been disclosed and approved by the Board of Directors. The Executive agrees to abide by the rules, regulations, personnel practices and policies of the Company, as adopted and amended from time to time by the Company, provided, that such rules, regulations, practices and policies are not inconsistent with the terms and conditions of this Agreement and have been disclosed in advance to the Executive.

Further, during the Employment Period, so long as the Company's common stock is not publicly traded, Executive shall be a member of the Board of Directors (and all other boards of directors of subsidiaries of the Company) and, if the common stock of the Company becomes publicly traded, subject to the requirements of applicable law (including, without limitation, any rules or regulations of any exchange on which the common stock of the Company is listed, if applicable), the Company shall cause the nominating and corporate governance committee of the Board of Directors to propose to the shareholders of the Company at each annual meeting occurring during the Employment Period at which Executive is subject to election or re-election, as applicable, the election or re-election, as applicable, of the Executive as a member of the Board of Directors and the Executive shall so serve if elected or re-elected; provided, however, that if the Executive's employment with the Company terminates for any reason, the Executive's membership on the Board shall also terminate, unless otherwise agreed in writing by the Company and the Executive.

2. Effective Date/Period of Employment. Executive's employment with the Company commenced on May 21, 2007 (the "Original Effective Date"). Employment under this Agreement shall be effective as of January 1, 2015 (the "Effective Date") and shall continue until terminated in accordance with the provisions of Section 4 (the "Employment Period"), subject to Section 9.13.

3. Compensation and Benefits.

3.1. Base Salary. During the Employment Period, the Company shall pay the Executive a base salary of $395,000 calculated on an annual basis (as increased, "Base Salary"), paid in periodic installments in accordance with the Company's customary payroll practices. The Base Salary shall be increased by at least 6% annually, beginning at the end of calendar year 2015, until termination as provided for herein. The Executive's performance, the performance of the Company and such other factors as the Board of Directors deems appropriate, in its sole discretion, shall be considered in such review.

3.2. Additional Compensation.

(a) Annual Bonus Opportunity. During the Employment Period, the Executive may be eligible to receive an annual cash bonus no later than sixty (60) days after the end of each calendar year, as determined by the Board of Directors (or the Compensation Committee of the Board of Directors (the "Committee")) in its good faith discretion. The bonus (if any) will be awarded based on objective or subjective criteria established by the Board of Directors (or the Committee) in good faith consultation with the Executive and with due regard to any performance or other metrics as the Executive may propose [and agreed to by the Executive, such agreement not to be unreasonably withheld]. The Executive's target bonus will be equal to 45% of the Executive's Base Salary (the "Annual Bonus"), which amount shall not be pro-rated for 2015.

3.3. Equity Compensation.

(a) Existing Equity Grants. Pursuant to the Original Agreement, the Executive was granted a stock option to purchase 200,000 shares of the Company's common

stock on December 14, 2014 (the "Existing Equity Award"). Notwithstanding anything to the contrary in the Existing Equity Award, in the event the Executive's employment is terminated pursuant to Section 4.3 or 4.4 of this Agreement, all of the Executive's outstanding Existing Equity Award shall become fully vested and such stock options underlying such Existing Equity Award shall remain outstanding and exercisable (to the extent not already exercised) for a period of three (3) years, measured from (x) with respect to a Change of Control, the date of the consummation of the Change of Control, or if later, the date of the Executive's termination of employment and (y) with respect to any other event, the date of the Executive's termination of employment.

(b) IPO Equity Awards. Upon the closing date of the IPO (the "IPO Effective Date"), the following equity awards shall be granted to the Executive pursuant to the Company's 2014 Equity Incentive Plan (the "2014 Plan": (i) a stock option to purchase 300,000 shares of common stock of the Company (the "IPO Options") with an exercise price equal to the fair market value of the Company's common stock on the date of grant; and (ii) a grant of 200,000 restricted stock units representing the right to receive one share of the Company's common stock for each restricted stock unit that becomes vested (the "IPO RSUs" and together the with IPO Options, the "IPO Equity Awards"). The award agreement evidencing the grant of the IPO Equity Awards shall provide that they vest 50% upon grant, and 50% upon the first anniversary of the IPO Effective Date, conditioned on the continued employment of the Executive as of the IPO Effective Date, subject to accelerated vesting as provided for in this Agreement. The provisions of this Agreement with respect to the treatment of equity awards to the Executive upon termination of employment or Change of Control shall apply with respect to the IPO Equity Awards. Following the grant of the IPO Equity Awards, the Executive shall remain eligible to receive subsequent grants of options, restricted stock units or other equity-based awards under the 2014 Plan or any successor plan thereto.

(c) Future Annual Equity Grants. Commencing as of the first calendar year following the grant of the IPO Equity Awards, or in the event that the IPO Effective Date does not occur and the IPO Equity Awards are not granted, the first calendar year during which this Agreement becomes effective, the Executive shall be eligible to receive additional equity grants as determined by the Committee or the Board of Directors. The annual equity grants to the Executive during the Employment Period shall have a target value as of the grant date such that the aggregate target value of such annual equity grants, and the Executive's base salary and annual bonus at target, result in total direct compensation opportunity for the Executive for the applicable year at no less than $1,200,000 per calendar year of the Employment Period.

3.4. Benefits and Perquisites. During the Employment Period, the Executive shall be entitled to participate in all benefit programs that the Company makes available to its senior executives, and for so long as he remains employed, Executive shall remain eligible, consistent with past practices, for all perquisites and benefits for which he is currently eligible as of the Effective Date. The Executive shall be entitled to take at least four (4) weeks of paid vacation (or such greater amount of vacation time as the Executive may qualify for consistent with the Company's employee benefits policy) in addition to customary business holidays available to the Company's employees generally. Executive's tenure with the Company for purposes of determining eligibility, payments and benefit levels under any Company benefit and welfare plan shall be based on his service date from the Original Effective Date.

3.5. Reimbursement of Expenses.

(a) The Company shall reimburse the Executive for all reasonable travel, entertainment and other expenses incurred or paid by the Executive in connection with, or related to, the performance of the Executive's duties, responsibilities or services on behalf of the Company under this Agreement, in accordance with policies and procedures, and subject to reasonable limitations, adopted by the Company from time to time; provided that the Executive shall be entitled to business class airfare on domestic flights exceeding three (3) hours and first class airfare on all foreign flights.

(b) The Company shall pay the reasonable attorney's fees and out-of-pocket expenses of the Executive's counsel incurred in connection with the negotiation and subsequent interpretation of this Agreement.

3.6. Withholding. All salary, bonus and other compensation payable to the Executive during the Employment Period shall be subject to applicable required deductions for state and federal withholding tax, social security and all other employment taxes and payroll deductions.

3.7. Indemnification and D&O Insurance. The Company shall indemnify and hold Executive harmless during his employment or service as a member of the Board of Directors (or both) to the maximum extent and provided under and subject to the terms of the Company's charter and by-laws (as in effect as of the Effective Date, subject to any improvements in coverage) and applicable law. During the Employment Period, and for a term of six years thereafter, the Company shall purchase and maintain, at its own expense, directors and officers liability insurance providing coverage for Executive in the same amount as for members of the Board of Directors in respect of acts and omissions of the Executive in his capacity as such or as a director of the Company and occurring during Executive's employment or service as a member of the Board of Directors (or both).

3.8. Piggyback Registration Rights. Following any public offering by the Company, and subject to any applicable underwriters' lock up period, the Executive shall, with respect to his then owned common stock in the Company, be provided with piggyback registration rights in connection with any subsequent public issuance or secondary sale of common stock, in each case on commercially reasonable terms.

4. Termination of Employment Period. The employment of the Executive by the Company pursuant to this Agreement shall terminate upon the occurrence of any of the following:

4.1. By the Company for Cause. At the election of the Company, for Cause, provided that prior to a termination of the Executive's employment pursuant to subsection (iii), below, the Executive shall have thirty (30) days to cure in all material respects such Cause event(s) following the Executive's receipt of written notice by the Company, which notice shall specifically identify the Cause upon which the termination is based and after the Executive has been given such notice. For the purposes of this Section 4.1, "Cause" means (i) the Executive's conviction of, or guilty plea to, a felony, (ii) the Executive's commission of any crime involving

fraud or material dishonesty in connection with the Executive's employment by the Company, or (iii) the Executive's willful and repeated failure to substantially perform his duties to the Company or material breach of this Agreement, in each case after written notice to Executive and the failure to cure within thirty (30) days thereafter (unless such act or omission, by its nature, may not be remedied). No act or failure to act shall be deemed "willful" for the purposes of this Agreement unless done, or failed to be done, by the Executive intentionally and in bad faith. Any termination for Cause shall be effected by a resolution of the majority of the members of the Board of Directors. Prior to terminating the Executive's employment for Cause, the Board of Directors shall deliver to the Executive, within ten (10) days after the occurrence of the act(s), omission(s), event(s) and/or circumstance(s) purportedly constituting Cause hereunder, a written notice setting forth in sufficient detail the act(s), omission(s), event(s) and/or circumstance(s) the Board of Directors believe in good faith constitute Cause to terminate the Executive's employment. In the event the Board of Directors delivers to the Executive the notice described in the preceding sentence, the Executive shall be afforded an opportunity to meet with the Board of Directors with counsel of Executive's choosing, upon reasonable notice under the circumstances, and explain and defend any act(s), omission(s), event(s) and/or circumstances alleged by the Board of Directors in the written notice delivered to the Executive to constitute grounds for a termination for Cause. If Executive has, and utilizes, such opportunity to be heard, the Board of Directors shall promptly reaffirm that grounds for a termination for Cause exist or reinstate Executive to his position hereunder.

4.2. Death or Disability. Upon the death of Executive or written notice by the Company to Executive of termination of the Executive for Disability (as defined below) given while the Executive remains Disabled. For purposes of this Section 4.2, "Disability" means (i) the Executive has been incapacitated by mental or physical injury or illness so as to be prevented thereby from engaging in the performance of the Executive's duties to the Company and (ii) such incapacity has continued for a period of one hundred twenty (120) consecutive days.

4.3. By the Executive for Good Reason. At the election of the Executive, for Good Reason, provided that the Company shall have thirty (30) days to cure in all material respects such Good Reason event(s) following the Company's receipt of the Executive's written notice of such Good Reason event(s). For the purposes of this Section 4.3, "Good Reason" for termination shall mean (i) a reduction in the Executive's Base Salary, (ii) any material diminution or other adverse change in the Executive's authority, responsibilities or duties without the prior written consent of the Executive, (iii) a material breach by the Company of this Agreement or any other material agreement between the Company and the Executive, (iv) the relocation, without the written consent of the Executive, of the place of business at which the Executive principally performs Executive's duties hereunder to a location that is greater than 50 miles from place of business at which the Executive principally performs Executive's duties hereunder as of the Effective Date, (v) the Executive's removal from or failure to be elected to the Board of Directors or (vi) a Change of Control. Notwithstanding the foregoing, (A) the Executive will be deemed to have given consent to the condition(s) described in this Section 4.3 if the Executive does not provide written notice to the Company of such Good Reason event(s) within ninety (90) days from first occurrence of such Good Reason event(s) and (B) to the extent the Company has not cured such Good Reason event(s) during the thirty (30) day cure period, the Executive must terminate the Executive's employment for Good Reason no later than one hundred eighty (180) days following the occurrence of such Good Reason event(s) by providing the Company thirty (30) days prior written notice of termination, which may run concurrently with the Company's cure period.

For purposes of this Agreement, "Change of Control" shall mean (A) any acquisition of the Company by a Person (as defined below) not an Affiliate (as defined below) of the Company, by means of merger or other form of corporate reorganization in which the outstanding ownership interests of the Company are exchanged for securities or other consideration issued, or caused to be issued, by the acquiring Person and in which the holders of the Company's ownership interests hold less than fifty percent (50%) of the acquiring or surviving Person (other than a mere reincorporation transaction), (B) the closing of the transfer from existing Company stockholders, in one transaction or a series of related transactions, to a Person or group of affiliated Persons, of the Company's securities if, after such closing, such Person or group of affiliated Persons would hold more than fifty percent (50%) of the outstanding voting securities of the Company, (C) a sale of all or substantially all of the assets of the Company by a Person not an Affiliate of the Company or (D) individuals who, as of the Effective Date, constitute the Board of Directors (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least of majority of the directors then comprising the Incumbent Board shall be considered as though such individual was a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of the office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors of other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors; provided, however, that a "Change of Control" shall not include an initial public offering of the Company's stock or a mere recapitalization transaction.

For purposes of this Agreement, an "Affiliate" means with respect to a specified Person, any Person that directly or indirectly controls, is controlled by, or is under common control with, the specified Person (as used in this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person or entity, whether through ownership of voting securities, by contract or otherwise).

For purposes of this Agreement, a "Person" shall mean any individual, company, corporation, association, partnership (general or limited), joint venture, trust, estate, limited liability company or other legal entity or organization.

4.4. By the Company Not For Cause or By the Executive Not For Good Reason. At the election of the Company for reasons other than Cause, or the election of the Executive for reasons other than Good Reason, upon not less than thirty (30) days' prior written notice of termination.

5. Effect of Termination.

5.1. Payments upon Termination.

(a) In the event the Executive's employment is terminated pursuant to Section 4.1, as a result of the death or disability of the Executive pursuant to Section 4.2 or by the Executive pursuant to Section 4.4, the Company shall pay to the Executive (or his designated representative or estate) the "Accrued Benefits," which shall mean: (i) any earned but unpaid Base Salary pursuant to Section 3.1 through the last day of the Executive's actual employment by the Company; (ii) any accrued but unused vacation time in accordance with the terms of applicable law; (iii) any unreimbursed expenses incurred through the last day of the Executive's actual employment by the Company and reimbursable under Section 3.5; (iv) all other payments, benefits or fringe benefits to which the Executive shall be entitled under the terms of any applicable compensation arrangement or benefit, equity or fringe benefit plan or program or grant or this Agreement; but, for clarity, shall have no obligation to pay any amounts pursuant to Section 3.2; and (v) in the case of death or termination due to Disability, a pro rata bonus paid sixty (60) days after termination based on the target Annual Bonus and the period of the year during which the Executive was employed.

(b) In the event the Executive's employment is terminated by the Executive pursuant to Section 4.3 or by the Company pursuant to Section 4.4, in each case either one month prior to a Change of Control or after a Change of Control, then the Company shall pay to the Executive: (i) the Accrued Benefits; (ii) any unpaid Annual Bonus with respect to the calendar year ending on or preceding the date of termination, which shall be payable at the time such bonuses would have been paid if the Executive was still employed with the Company and in accordance with Section 3.2(a); (iii) an amount equal to three (3) times the sum of (A) the Base Salary pursuant to Section 3.1 as in effect on the date of termination plus (B) the highest of (x) Executive's Annual Bonus paid for the year preceding the year of termination, (y) Executive's Annual Bonus paid at target for the year in which termination occurs and (z) Executive's Base Salary in effect at the time of termination, which amount shall be paid in a lump sum on the sixtieth (60th) day following the date of termination; and (iv) reimbursement for COBRA continuation medical benefits for the Executive (and the Executive's eligible dependents) for a period of eighteen (18) months following the date of termination. The payments under subpart (iv) shall begin on the sixtieth (60th) day after the date of termination and shall include any amounts due prior to such date. For the avoidance of doubt, unless otherwise elected by the Board of Directors, in its sole discretion and to the extent permitted under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), to make payments sooner, any payments made pursuant to this Section 5.1(b) shall be subject to the Company's standard payroll schedule.

(c) In the event the Executive's employment is terminated by the Executive pursuant to Section 4.3 or by the Company pursuant to Section 4.4, in each case outside of the time frame referenced in Section 5.1(b) above, then the Company shall pay to the Executive: (i) the Accrued Benefits; (ii) any unpaid Annual Bonus with respect to the calendar year ending on or preceding the date of termination, which shall be payable at the time such bonuses would have been paid if the Executive were still employed with the Company and in accordance with Section 3.2(a); (iii) an amount equal to two (2) times the sum of (A) the Base Salary pursuant to Section 3.1 as in effect on the date of termination plus (B) the highest of (x) Executive's Annual Bonus paid for the year preceding the year of termination, (y) Executive's Annual Bonus paid at target for the year in which termination occurs and (z) Executive's Base Salary in effect at the time of termination, which amount shall be paid in a lump sum on the sixtieth (60th) day following the

date of termination; and (iv) reimbursement for COBRA continuation medical benefits for the Executive (and the Executive's eligible dependents) for a period of eighteen (18) months following the date of termination. The payments under subpart (iv) shall begin on the sixtieth (60th) day after the date of termination and shall include any amounts due prior to such date. For the avoidance of doubt, unless otherwise elected by the Board of Directors, in its sole discretion and to the extent permitted under Section 409A of the Code, to make payments sooner, any payments made pursuant to this Section 5.1(c) shall be subject to the Company's standard payroll schedule.

(d) The payments to be made or benefits to be provided to the Executive under paragraphs (b) or (c) above other than Accrued Benefits: (i) shall be contingent upon the execution (and non-revocation) within sixty (60) days following termination of employment by the Executive of a general release of the Company, its affiliates, stockholders, directors, officers, employees and agents from all claims (other than claims for the payments to be made and benefits to be provided), together with a mutual agreement to not make any disparaging comments, statements or communications about the Executive, the Company, its affiliates, stockholders, directors, officers, employees or agents, or its management or business practices for three (3) years following termination of the Executive's employment, all in substantially the form annexed hereto as Exhibit A and (ii) shall constitute the sole remedy of the Executive in the event of a termination of the Executive's employment in the circumstances set forth in Section 5.1(b) or 5.1(c).

5.2 Treatment of Equity Upon Termination or Change of Control

(a) It is understood and agreed that all equity awards granted to the Executive from and after the Effective Date shall be subject to the following vesting acceleration provisions: (i) upon the consummation of a Change of Control (including a termination without Cause or resignation for Good Reason in accordance with Sections 4.3 or 5.1(b) in connection with a Change of Control), all of the Executive's then-outstanding equity awards shall become immediately fully vested and, to the extent stock options or stock appreciation rights, exercisable, and (ii) in the event the Executive is terminated by the Company without Cause or the Executive Resigns for Good Reason (and (i) above does not apply), (A) the Executive shall receive twenty-four (24) months of vesting acceleration on all of the Executive's then-outstanding time-based equity awards and (B) with respect to the Executive's then-outstanding performance-based equity awards, the Executive shall be deemed to have satisfied the service-based component of the portion of such awards that would have vested based on service within twenty-four (24) months of the date of such termination and the Executive shall be eligible to vest with respect to the performance-based component of such awards if the performance criteria are satisfied within twenty-four (24) months of the Executive's termination of employment. All options or stock appreciation rights that become vested in accordance with this Section 3.3(b) shall remain outstanding and exercisable (to the extent not already exercised) for a period of three (3) years, measured from the date of the consummation of the Change of Control, or if later, the date of the Executive's termination of employment.

5.3 Section 409A.

(a) Notwithstanding anything to the contrary in this Agreement, no severance pay or benefits to be paid or provided to the Executive, if any, pursuant to this Agreement that, when considered together with any other severance payments or separation benefits, are considered deferred compensation under Code Section 409A, and the final regulations and any guidance promulgated thereunder (collectively, the "Deferred Payments") will be paid or otherwise provided until the Executive has a "separation from service" within the meaning of Code Section 409A.

(b) Notwithstanding anything to the contrary in this Agreement, if the Executive is a "specified employee" within the meaning of Code Section 409A at the time of the Executive's termination (other than due to death), then the Deferred Payments that are payable within the first six months following the Executive's separation from service, will become payable on the first payroll date that occurs on or after the date six months and one day following the date of the Executive's separation from service. Notwithstanding anything herein to the contrary, if the Executive dies following the Employee's separation from service, but prior to the six-month anniversary of the separation from service, then any payments delayed in accordance with this paragraph will be payable in a lump sum (with interest as provided for below) as soon as administratively practicable after the date of the Executive's death. Each payment and benefit payable under this Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations. Any delayed payments shall be credited with interest at a rate equal to the short term applicable federal rate ("AFR") then in effect until paid.

(c) Any amount paid under this Agreement that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations will not constitute Deferred Payments. If under this Agreement, an amount is to be paid in two or more installments, for purposes of Code Section 409A, each installment shall be treated as a separate payment.

(d) This Agreement is intended to be exempt from the requirements of Code Section 409A or compliant therewith so that none of the payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted accordingly. The Company and the Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to the Executive under Section 409A.

6. Covenant Not to Compete. Except with the prior written consent of the Board of Directors, the Executive will not, during the term of this Agreement, engage in competition with the Company or any of its Affiliates, either directly or indirectly, in any manner or capacity, as advisor, principal, agent, affiliate, promoter, partner, officer, director, employee, stockholder, owner, co-owner, consultant or member of any association or otherwise, in any phase of the business of developing, manufacturing and marketing of products or services which are in the same field of use or which otherwise compete with the products or services or proposed products or services of the Company or any of its Affiliates.

7. Other Agreements. The Executive represents that the Executive's performance of all the terms of this Agreement and the performance of the Executive's duties as an employee of the Company do not and will not breach any agreement with any prior employer or other party to which the Executive is a party (including without limitation any nondisclosure or non- competition agreement), or violate or contravene any judgment, administrative order or other legal prohibition specifically naming the Executive. The Executive agrees that if the Executive, during the Employment Period, becomes subject to any such agreement or prohibition, the Executive shall immediately notify the Company.

8. Confidential Information.

8.1. The Executive understands and agrees that the information obtained and the various projects undertaken by the Executive in the performance of his duties as an employee of the Company may involve confidential, proprietary, and trade-secret information of the Company or the Company's customers. The Executive further understands and agrees that the Executive will have access to knowledge or information of a confidential, proprietary, or trade secret nature concerning the Company or the Company's customers, and that the Executive shall receive such information in confidence, solely for the benefit of the Company. The Executive agrees that the Executive shall not disclose any such information to anyone not specifically authorized by the Company to receive it, and shall not use the information for the Executive's benefit or the benefit of any person or entity, other than the Company, at any time during or after the term of this Agreement, unless the Executive is required to pursuant to law, regulation or a subpoena issued by a court of competent jurisdiction; provided, however, that Executive must give the Company notice within five (5) business days after receiving notice of such a request to produce Confidential Information for the purpose of allowing the Company to contest such a request. The Executive shall not be required to contest such a request.

8.2. For the purposes of this Agreement, "Confidential Information" means proprietary information or material disclosed to Executive or known to Executive as a consequence of or through performance of services as an employee of the Company, whether or not related to his duties and responsibilities as an employee, whether or not such proprietary information or materials is patentable, belonging to the Company (or to any corporation, firm, or partnership directly or indirectly controlled by or controlling the Company or in which any of the aforesaid have more than 20% ownership interest) including, but not limited to, trade secrets (including, for example and without limitation, trade secrets as defined by substantive California law governing "trade secrets," processes, formulas, data, know-how, improvements, inventions, computer software, programs, circuit designs, masks, test results, techniques, marketing and product plans and strategies, and information concerning customers or vendors, formulations, techniques, methodology, equipment, data, reports, know-how, sources of supply, products, processes, systems, machinery, materials, research activities and plans, cost of production, contract forms, prices, volume of sales, promotional methods, lists of names or classes of customers, inventions, disclosures, patents, patent applications, patent positioning, customer and buyer contacts and lists, supplier's prices or rebates, pricing practices, technical data, personnel and salary information, names and addresses, and information relating to financial arrangements, contracts, operating practices or plans of the Company, consultants and business plans, including any negative technical or business developments, which are communicated to, learned of, developed or otherwise acquired by the party receiving such information or materials during or

in the course of the agreement, including information concerning the existence, scope or activities of any research and development project of the Company. Information shall be considered, for purposes of this Agreement, to be Confidential Information if not known by the trade generally, even though such information has been disclosed to one or more third parties pursuant to distribution agreements, joint research agreements, or other agreements entered into by the Company or any of its affiliates. For purposes of this Agreement, information shall not be considered Confidential Information to the extent that such information is or becomes, through no fault or action of Executive, part of the public domain, such information is independently known to Executive, or such information is lawfully furnished to Executive by a third party without restriction on disclosure.

8.3. Upon the termination of the Executive's employment, the Executive shall, at the Company's option, surrender to the Company, destroy or maintain in confidentiality in accordance with the standard set forth in this Agreement, all property provided to the Executive by the Company for use in relation to the Executive's employment, and, in addition, the Executive shall surrender to the Company any and all sales materials, lists of customers and prospective customers, price lists, files, patent applications or disclosures with respect thereto, diagrams, records, models, or other materials and information of or pertaining to the Company or its customers or prospective customers or the products, business, and operations of the Company; provided, however, the Executive shall be permitted to retain his personal address book.

9. Miscellaneous.

9.1. Notices. Any notices delivered under this Agreement shall be deemed duly delivered four (4) business days after it is sent by registered or certified mail, return receipt requested, postage prepaid, or one business day after it is sent for next-business day delivery via a reputable nationwide overnight courier service, in each case to the address of the recipient set forth in the introductory paragraph of this Agreement. Either party may change the address to which notices are to be delivered by giving notice of such change to the other party in the manner set forth in this Section 9.1.

9.2. Pronouns. Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns and pronouns shall include the plural, and vice versa.

9.3. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, whether written or oral, relating to the subject matter of this Agreement.

9.4. Amendment. This Agreement may be amended or modified only by a written instrument executed by both the Company and the Executive.

9.5. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California (without reference to the conflicts of laws provisions of the State of California).

9.6. Resolution of Disputes. Any dispute, difference or controversy arising under this Agreement shall be settled by arbitration. Any arbitration pursuant to this Section shall

be held before a single neutral arbitrator selected from the roles of the American Arbitration Association pursuant to the Commercial Arbitration Rules. The arbitrator shall interpret and construe this Agreement in accordance with, and shall be bound by the laws of the State of California. Any arbitration shall take place in San Diego, California or at such other location as the parties may agree upon, according to the American Arbitration Association's Commercial Arbitration Rules now in force and hereafter adopted. The arbitrator shall make any award in accordance with and based upon all the provisions of this Agreement and judgment upon any award rendered by the arbitrator shall be entered in any court having jurisdiction thereof. The fees and disbursements of such arbitrator shall be borne equally by the parties, with each party bearing its own expenses for counsel and other out-of-pocket costs. Notwithstanding the preceding sentence, if the arbitrator determines that Executive is the prevailing party in the dispute, then the Company shall reimburse Executive for his reasonable legal or other fees and expenses incurred in such arbitration subject to and within ten (10) days after Executive's request for reimbursement accompanied by evidence that the fees and expenses were incurred. Any reimbursement hereunder shall be paid to Executive promptly and in no event later than the end of the year next following the date the expense was incurred.

9.7. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of both parties and their respective successors and assigns, including any corporation with which, or into which, the Company may be merged or which may succeed to the Company's assets or business, provided, however, that the obligations of the Executive are personal and shall not be assigned by the Executive. The Company may only assign this Agreement to any successor to all or substantially all of the business and/or assets of the Company, provided that the Company shall secure such successor's written agreement to 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 it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company and any successor to its business and/or assets, which assumes and agrees to perform the duties and obligations of the Company under this Agreement by operation of law or otherwise.

9.8. Waivers. No delay or omission by the Company or the Executive in exercising any right under this Agreement shall operate as a waiver of that or any other right. A waiver or consent given by the Company or the Executive on any one occasion shall be effective only in that instance and shall not be construed as a bar or waiver of any right on any other occasion.

9.9. No Mitigation; No Offset. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement, nor shall the amount of any payment hereunder be reduced by any compensation earned by the Executive as a result of employment by a subsequent employer.

9.10. Captions. The captions of the sections of this Agreement are for convenience of reference only and in no way define, limit or affect the scope or substance of any section of this Agreement.

9.11. Severability. In case any provision of this Agreement shall be invalid, illegal or otherwise unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

9.12. Execution; Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument. This Agreement may be executed and delivered by facsimile, email/pdf format or other electronic means and each party may fully rely upon such execution and delivery.

9.13. Survival. The provisions of Sections 3.7 and 5 through 10 shall survive the termination of this Agreement.

9.14. 280G.

(a) If any payment or benefit (including payments and benefits pursuant to this Agreement) that Executive would receive from the Company or otherwise in connection with a Change of Control ("Transaction Payment") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this Section 9.14, be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Company shall cause to be determined, before any amounts of the Transaction Payment are paid to Executive, which of the following two alternative forms of payment would result in Executive's receipt, on an after-tax basis, of the greater amount of the Transaction Payment notwithstanding that all or some portion of the Transaction Payment may be subject to the Excise Tax: (1) payment in full of the entire amount of the Transaction Payment (a "Full Payment"), or (2) payment of only a part of the Transaction Payment so that Executive receives the largest payment possible without the imposition of the Excise Tax (a "Reduced Payment").

For purposes of determining whether to make a Full Payment or a Reduced Payment, the Company shall cause to be taken into account all applicable federal, state and local income and employment taxes and the Excise Tax (all computed at the highest applicable marginal rate, net of the maximum reduction in federal income taxes which could be obtained from a deduction of such state and local taxes). If a Reduced Payment is made, (x) Executive shall have no rights to any additional payments and/or benefits constituting the Transaction Payment, and (y) reduction in payments and/or benefits shall occur in the manner that results in the greatest economic benefit to Executive as determined in this paragraph. If more than one method of reduction will result in the same economic benefit, the portions of the Payment shall be reduced pro rata.

(b) The independent registered public accounting firm engaged by the Company as of the day prior to the effective date of the Change of Control shall make all determinations required to be made under this Section 9.14. If the independent registered public accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Company shall appoint a nationally recognized independent registered public accounting firm that is reasonably acceptable to Executive (and such acceptance shall not be unreasonably withheld) to make the determinations required hereunder. The Company shall bear all reasonable expenses with respect

to the determinations by such independent registered public accounting firm required to be made hereunder. The independent registered public accounting firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to the Company and Executive within fifteen (15) calendar days after the date on which Executive's right to a Transaction Payment is triggered or such other time as reasonably requested by the Company or Executive. If the independent registered public accounting firm determines that no Excise Tax is payable with respect to the Transaction Payment, either before or after the application of the Reduced Amount, it shall furnish the Company and Executive with detailed supporting calculations of its determinations that no Excise Tax will be imposed with respect to such Transaction Payment. Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon the Company and Executive.

(c) Notwithstanding the foregoing, to the extent that the Company of Holdings does not have any readily tradable public stock, and in the event that it shall be determined that any right to receive any Transaction Payment would not be deductible, in whole or part when aggregated with any other right, payment or benefit to or for the Executive under all other agreements or benefit plans of the Company, by the Company or the person making such payment or distribution or providing such right or benefit as a result of Section 280G of Code, the Company shall use its commercially reasonable best efforts to prepare and deliver to its stockholders the disclosure required by Section 280G(b)(5)(B) of the Code with respect to any Transaction Payment to obtain the approval of the Company's stockholders in accordance with Section 280G(b)(5)(B) of the Code and the regulation codified at 26 C.F.R. §1.280G-1, and Executive shall us his reasonable best efforts to cooperate in connection with such procedure (including, if required, executing a waiver of any Transaction Payment to which he might otherwise be entitled that may be submitted for approval to such stockholders).

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[SIGNATURE PAGE TO EXECUTIVE EMPLOYMENT AGREEMENT EFFECTIVE JANUARY 1, 2015]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year set forth above.

CONKWEST, INC.

/s/ Steve Gorlin

By: Steve Gorlin
Its: Vice Chairman of the Board

EXECUTIVE

/s/ Barry J. Simon

Name: Barry J. Simon, M.D.

Exhibit A

FORM OF GENERAL RELEASE

Barry J. Simon, M.D. ("Employee"), in consideration for receiving the severance benefits described in [Section 5.1(b)/Section 5.1(c)] of that certain Executive Employment Agreement (the "Employment Agreement") between Employee and Conkwest, Inc. (the "Employer"), does hereby fully release the Employer, including all of its past, present and future directors, members, officers, stockholders, employees, agents, affiliates and representatives, from any and all claims of every kind and nature whatsoever, known or unknown, either at law or in equity, arising out of or related to his employment with, service to, or engagement with the Employer and/or termination of employment or pursuant to any federal, state or local laws, regulations, executive orders or other requirements, including but not limited to alleged violations of the California Labor Code, the California Fair Employment and Housing Act, the Age Discrimination in Employment Act ("ADEA"), any claims arising out of any employment agreement entered into by Employee and Employer and any claims of discrimination based upon race, color, sex, age, religion, national or ethnic origin, sexual orientation, disability, handicap, status as a Vietnam Era Veteran, or any other protected classification; provided, however, that nothing in this release shall operate to limit or negate Employee's rights, if any, (i) to indemnification (and advancement of legal fees) by the Company for any acts or omissions taken by Employee in good faith as an officer or director of the Company or as a fiduciary of any benefit plan of the Company; (ii) to directors' and officers' liability insurance; (iii) to any vested equity and any rights set forth in agreements related thereto; or (iv) to post-termination compensation and benefits to which Employee is entitled under his employment agreement with Employer.

Employee represents that he understands the various claims he could have asserted under the American with Disabilities Act, Title VII of the Civil Rights Act of 1964, the Age Discrimination In Employment Act, and other such similar laws; that he has read this Release carefully and understands all of its provisions; that he understands that he has the right to and is advised to consult an attorney concerning this Release and in particular the waiver of rights he might have under these laws; that to the extent, if any, that he desired, he has availed himself of this right; that the consideration received by him is above and beyond the payments or benefits otherwise owed to him under the terms of him employment with the Employer or required by law; that he has, pursuant to the Older Workers Benefit Protection Act, been provided at least twenty-one (21) days to consider whether to sign this Release; and that he enters this Release and waives any claims knowingly and willingly.

In addition to the foregoing, Employee hereby agrees he is waiving all rights under Paragraph 1542 of the California Civil Code (or any analogous law of any other state), which reads as follows:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

This Release will not affect the rights and responsibilities of the U.S. Equal Employment Opportunity Commission ("EEOC") to enforce the ADEA and other laws, but Employee understands that he is knowingly and voluntarily waiving all rights or claims arising prior to his execution of the Release to receive any payment, benefit or remedial relief as a consequence of any charge filed with the EEOC and/or of any litigation concerning any facts alleged in any such charge.

Employee acknowledges and agrees that, but for providing this general release, Employee would not be receiving the benefits described in [Section 5.1(b)/Section 5.1(c)] of the Employment Agreement.

Employee agrees that for three (3) years following his termination from the Employer, he will not make any statements that are disparaging or adverse to the Employer, its affiliates, stockholders holding more than 5% of the Employer's outstanding capital stock, directors, officers, or employees, or its management or business practices. Employer agrees that for three (3) years following Employee's termination, its directors and executive officers will not to make any statements that are disparaging or adverse to the Employee, including any statement that disparages any skills, work performance, capabilities or other aspect of Employee's service as an employee of the Employer; provided, that these provisions shall not prohibit any party (A) from disclosing that Employee is no longer employed by the Employer, (B) from responding truthfully to any governmental investigation, legal process or related inquiry, (C) from making reasonable competitive statements in the course of promoting a competing business, or (D) making a good faith rebuttal of another person's untrue or misleading statement.

This Release will become effective seven (7) days after it is signed. Employee may revoke this Release within seven (7) days after it is signed, and it will not become effective or enforceable until this seven (7) day revocation period has expired. After the revocation period has expired, this Release will be forever binding on the Employee. The Employee acknowledges that he may hereafter discover facts not now known to him relating to his hire, employment or termination of employment, and agrees that this Release will remain in effect notwithstanding any such discovery of any such facts. The Employee will not bring any proceeding to challenge the validity of this Release.

IN WITNESS WHEREOF, Barry J. Simon has caused this instrument of GENERAL RELEASE to be executed and sealed on this _____ day of _____, 20__.

_____
Barry J. Simon

Signed and sealed in the presence of:

_____
Notary Public
My Commission expires:

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED AS TO CERTAIN PORTIONS OF THIS DOCUMENT. EACH SUCH PORTION, WHICH HAS BEEN OMITTED HEREIN AND REPLACED WITH AN ASTERISK [***], HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Exhibit 10.7

AGREEMENT

This Agreement (this "**Agreement**"), dated and effective as of June 9, 2015 ("**Effective Date**"), is by and between Brink Biologics, Inc. (dba Bank Biologics) ("BANK"), a Delaware corporation with offices at 2533 South Coast Highway 101, Suite 210, Cardiff-By-The-Sea, CA 92007-2133, and CONKWEST INCORPORATED ("CONKWEST"), a Delaware corporation with offices at 2533 South Coast Highway 101, Suite 210, Cardiff-By-The-Sea, CA 92007-2133.

PREAMBLE

A. WHEREAS, CONKWEST is an innovative life sciences company that owns and/or controls the rights in certain CONKWEST Existing Rights (as defined herein) and has the right to grant licenses thereto;

B. WHEREAS, BANK is an innovative life sciences company specializing in the field of *in vitro* and *in vivo* testing and diagnostic products and services (the "Field"); and

C. WHEREAS, BANK desires to obtain rights to use certain of the CONKWEST Existing Rights in the Field, and CONKWEST desires to grant such certain rights to BANK, upon the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the above premises and the mutual covenants contained herein, BANK and CONKWEST, intending to be legally bound, agree as follows:

1. Definitions. For the purposes hereof, the following words and phrases have the following meanings:

"AAA" has the meaning ascribed to it in Section 24.

"**BANK BIOLOGICS Mark**" means the trademark and/or service mark applied for in US Trademark Application No. 86/347,873, such trade mark application and any registration resulting therefrom, any foreign or Madrid counterparts, any renewals thereof, and any goodwill associated therewith.

"**BANK Cell Bank(s)**" means any GLP, cGMP, and/or GMP-certified BANK Cell Line(s).

"**BANK Cell Line(s)**" means any modification or derivative of or improvement to a CONKWEST Cell Line resulting from a BANK Modification.

"**BANK Confidential Information**" means all Confidential Information relating to the BANK Cell Lines to the extent owned and controlled by CONKWEST.

"**BANK Intellectual Property**" means BANK Confidential Information and BANK Patents pertaining to the BANK Modifications.

"**BANK Modifications**" has the meaning ascribed to it in Section 2 and includes any and all BANK Intellectual Property, BANK Cell Line(s) and BANK Cell Bank(s) relating thereto.

"**BANK Option**" has the meaning ascribed to it in Section 2.

"**BANK Patents**" means any and all patents and patent applications to the extent owned and controlled by CONKWEST relating to the BANK Modifications, and any provisional patent applications, non-provisional applications, divisionals, continuations, continuation-in-part applications, continued prosecution, patents granted on such applications, revalidations, reissues, renewals, substitutions, supplementary protection certificates and the like, and patents of addition, reexaminations, extensions; and all foreign counterparts thereof.

"BANK Rights" means the BANK Modifications and BANK Intellectual Property.

"**Biological Material**" means a culture of any of the CONKWEST Cell Lines or CONKWEST Cell Banks that is provided to BANK by CONKWEST pursuant to this Agreement and all Progeny thereof.

"**Claims**" has the meaning ascribed to it in Section 9.

"**Commercial Product**" means a Licensed Product that has been granted marketing and Regulatory Approval.

"**Confidential Information**" means all technical and other information, data, methods, pricing information, inventions (whether patentable or not and whether or not reduced to practice), Know-How, and other similar proprietary trade secret rights arising under law anywhere in the world.

"**CONKWEST Cell Banks**" means the CONKWEST WT Master Cell Bank and the CONKWEST WT Working Cell Bank.

"**CONKWEST Cell Lines**" means the CONKWEST CI Cell Line, the CONKWEST ER Cell Line, the CONKWEST MI Cell Line, and the CONKWEST WT Cell Line.

"**CONKWEST CI Cell Line**" means the proprietary natural killer cell line transfected with the pCEP4-LTRhIL-2 vector to express endogenous interleukin-2 and that is owned and controlled by CONKWEST as of the Effective Date. For clarity, CONKWEST CI Cell Line does not include any modifications, derivatives, or improvements thereof made by or under the authority of CONKWEST or any Third Parties after the Effective Date.

"**CONKWEST Confidential Information**" means all Confidential Information relating to the CONKWEST Cell Lines that is owned and controlled by CONKWEST. For clarity, CONKWEST Confidential Information expressly includes, but is not limited to, CONKWEST Know-How and CONKWEST Report.

"**CONKWEST ER Cell Line**" means the proprietary natural killer cell line transfected with the endoplasmic reticulum (ER) gene encoding the protein known as the KDEL motif and that is owned and controlled by CONKWEST as of the Effective Date. For clarity, CONKWEST ER Cell Line does not include any modifications, derivatives, or improvements thereof made by or under the authority of CONKWEST or any Third Parties after the Effective Date.

"**CONKWEST Existing Rights**" means CONKWEST Cell Lines, CONKWEST Intellectual Property, and CONKWEST Cell Banks.

"**CONKWEST Intellectual Property**" means all CONKWEST Confidential Information and CONKWEST Patents pertaining to the CONKWEST Cell Lines that are owned and controlled by CONKWEST as of the Effective Date, the CONKWEST Marks, and the Domain Name.

"**CONKWEST Know-How**" means all Know-How pertaining to the CONKWEST Cell Lines that is owned and controlled by CONKWEST as of the Effective Date, including that which is described on Schedule B hereto. CONKWEST Know-How does not include CONKWEST Patents.

"**CONKWEST Marks**" means those marks listed on Schedule C hereto, which may be updated from time to time, owned and controlled by CONKWEST and any and all registrations and applications therefore in the United States and around the world. For clarity, the CONKWEST Marks include the BANK BIOLOGICS Mark, unless and until BANK acquires such trademark pursuant to the BANK Option under Section 2(d) below.

"**CONKWEST MI Cell Line**" means the proprietary natural killer cell line transfected with the MFG-hIL-2 vector to express endogenous interleukin-2, and that is owned and controlled by CONKWEST as of the Effective Date. For clarity, CONKWEST MI Cell Line does not include any modifications, derivatives, or improvements thereof made by or under the authority of CONKWEST or any Third Parties after the Effective Date.

"**CONKWEST Patents**" means the patents and patent applications owned and controlled by CONKWEST that are listed on Schedule A hereto, which may be updated from time to time, and any provisional patent applications, non-provisional applications, divisionals, continuations, continuation-in-part applications, continued prosecution, patents granted on such applications, revalidations, reissues, renewals, substitutions, supplementary protection certificates and the like, and patents of addition, reexaminations, extensions; and all foreign counterparts thereof.

"**CONKWEST Report**" has the meaning ascribed to it in Section 2.

"**CONKWEST WT Cell Line**" means the proprietary natural killer cell line known as the NK-92 wild type cell line, and that is owned and controlled by CONKWEST as of the Effective Date. For clarity, the CONKWEST WT Cell Line does not include the CD16

expressing NK-92 cell line or any other modifications, derivatives, or improvements of the CONKWEST WT Cell Line made by or under the authority of CONKWEST or any Third Parties after the Effective Date.

"**CONKWEST WT Master Cell Bank**" means the GMP-certified CONKWEST WT Cell Line. CONKWEST Master Cell Bank does not include any modifications, derivatives, or improvements to the CONKWEST WT Cell Line made by or under the authority of CONKWEST or any Third Parties after the Effective Date.

"**CONKWEST WT Working Cell Bank**" means the GLP and cGMP unmodified CONKWEST WT Cell Line. CONKWEST WT Working Cell Bank does not include any modifications, derivatives, or improvements to the CONKWEST WT Cell Line made by or under the authority of CONKWEST or any Third Parties after the Effective Date.

"**Domain Name**" has the meaning ascribed to it in Section 2.

"**Excluded Claim**" has the meaning ascribed to it in Section 24.

"**FCCC Rights**" has the meaning ascribed to it in Section 2. For clarity, any patents included in the FCCC Rights controlled by CONKWEST are listed on Schedule D hereto, which may be updated from time to time, and any provisional patent applications, non-provisional applications, divisionals, continuations, continuation-in-part applications, continued prosecution, patents granted on such applications, revalidations, reissues, renewals, substitutions, supplementary protection certificates and the like, and patents of addition, reexaminations, extensions; and all foreign counterparts thereof.

"**Field**" has the meaning ascribed to it in the Preamble.

"**Force Majeure**" means in relation to either Party, any event or circumstance (other than lack of funds) which is beyond the reasonable control of that Party which event or circumstance that Party could not reasonably be expected to have taken into account at the date of this Agreement and which results in or causes the failure of that Party to perform any or all of its obligations under this Agreement including, but not limited to, act of God, lightning, fire, storm, flood, earthquake, accumulation of snow or ice, lack of water arising from weather or

environmental problems, strike, lockout or other industrial or student disturbance, act of the public enemy, war declared or undeclared, threat of war, terrorist act, blockade, revolution, riot, insurrection, civil commotion, public demonstration, sabotage, act of vandalism, prevention from or hindrance in obtaining in any way materials, energy or other supplies, explosion, fault or failure of plant or machinery (which could not have been prevented by good industry practice), or legal requirement governing either Party or acts, omissions or delays in acting by any governmental authority.

"**Gross Revenue**" means gross receipts actually received by BANK or its sublicensees from the Sale of a Commercial Product, Licensed Product, or Licensed Service, as the case may be.

"**Indemnitees**" means agents, directors, officers and employees of a Party entitled to indemnification hereunder and their respective successors, assigns, administrators, executors and/or heirs.

"**Indemnitor**" has the meaning ascribed to it in Section 9.

"**Innocent Party**" has the meaning ascribed to it in Section 12.

"**Licensed Product**" or **"Licensed Service**" means a product or service, as the case may be, which (i) utilizes, utilized, or otherwise relies upon or relied upon, any or all of the CONKWEST Cell Lines and/or the CONKWEST Cell Banks or (ii) would, but for the licenses granted pursuant to Section 2(a)(ii) or Section 2(c) hereto, infringe a Valid Claim.

"**Non-Performing Party**" has the meaning ascribed to it in Section 12.

"**Party**" or "**Parties**" means CONKWEST, BANK, or both, depending on the context.

"**Person**" or "**person**" means any corporation, partnership, limited liability company, joint venture, other entity, or natural person.

"**Progeny**" means unmodified descendants from the Biological Material, such as virus from virus, cell from cell or organism from organism.

"**Quality Standards**" means the quality levels which CONKWEST maintains in connection with the CONKWEST Marks.

"**Regulatory Approval**" means, with respect to a state, nation or multinational jurisdiction, (i) any approvals, licenses, registrations or authorizations necessary for the manufacture (where relevant), marketing and sale of a Licensed Product or Licensed Service in such state, nation or jurisdiction, and (ii) where relevant, pricing approvals necessary to obtain reimbursement from a Government Authority.

"**Results**" has the meaning ascribed to it in Section 6.

"**Royalty**" has the meaning ascribed to it in Section 5.

"**Sale**" means any transaction that transfers to an arm's-length Third Party purchaser, for value, title and right of physical possession to a Commercial Product, a Licensed Product, or a Licensed Service. Correspondingly, "**Sell**" means to make or cause to be made a Sale and "**Sold**" to have made or caused to be made a Sale.

"**Sublicensing Revenue**" means any amounts received by BANK from a non-Affiliated Third Party in consideration for the grant by BANK to such Third Party of (i) a sublicense under the CONKWEST Existing Rights and/or, if permitted, the FCCC Rights or (ii) the right to develop and/or commercialize any Licensed Product(s), Licensed Service(s) and/or Commercial Product(s), including any upfront payments, annual fees or maintenance payments, milestone payments or the like, but excluding: (a) amounts paid by such a Third Party as bona fide reimbursement for research, development and/or other costs that BANK is obligated to incur in the performance of activities in accordance with such agreement, (b) bona fide loans, (c) amounts paid for supplies of product or other tangible materials; and (d) royalties paid based on sales of Licensed Products, Licensed Services and/or Commercial Products; provided that BANK pays to CONKWEST any Royalties due to CONKWEST with respect thereto under Section 5(a)(i) or (5(a)(ii) below, as applicable.

"**Tax**" means all charges, duties, fees, levies or other assessments imposed by any tax authority, including but not limited to income, excise, property, sales, use, value added, profit, license, payroll, employment, net worth, capital gains, transfer, stamp, social security, environmental, occupation and franchise taxes, and includes any interest, penalties and additions on these payments.

"**Term**" has the meaning ascribed to it in Section 11.

"**Third Party**" means any Person other than CONKWEST or BANK.

"**Transfer**" has the meaning ascribed to it in Section 2.

"**Valid Claim**" means a bona fide claim of any issued or pending CONKWEST Patent or patent rights included in the FCCC Rights whose enforceability has not been affected by one or more of any of the following: (i) irretrievable lapse, expiration, revocation, cancellation or abandonment, and/or (ii) holding of unenforceability or invalidity by a decision of a court or other appropriate body of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, and/or (iii) disclaimer or admission of invalidity or unenforceability through reissue or re-examination or opposition, nullity action or invalidation suit response or otherwise.

"**ZelleRx-FCCC License**" has the meaning ascribed to it in Section 2.

2. Grant of Rights.

(a) Licenses to CONKWEST Rights. Subject to the terms and conditions of this Agreement, CONKWEST hereby grants to BANK, the following rights and licenses for use solely in the Field:

(i) a perpetual, worldwide, exclusive license, with the limited right to sublicense, under the following CONKWEST Existing Rights: (x) the CONKWEST Know-How, (y) the CONKWEST Cell Lines, and (z) the CONKWEST Cell Banks;

(ii) a worldwide, exclusive license, with the limited right to sublicense, for the Term, under the CONKWEST Patents existing as of the Effective Date; and

(iii) a perpetual, worldwide, exclusive, license, without right to sublicense, under the CONKWEST Marks; provided, however that the license to the CONKWEST Marks is solely for the purpose of promoting, advertising, or marketing BANK

products and/or BANK services, including but not limited to the Licensed Products, Licensed Services, and Commercial Products, at the Quality Standards specified in Section 6 hereto; and further provided, however, that any and all use of the CONKWEST Marks in connection with the BANK products and/or services shall inure to the benefit of CONKWEST.

The licenses granted in this Section 2(a) expressly exclude the right to reproduce, modify, publicly perform, publicly display, create derivative works of, or otherwise create derivatives of or improvements to any of the CONKWEST Rights; provided, however, that, subject to the conditions set forth in the following subsections (I) to (III) and to Sections 2(b) and 3 hereto, BANK has the limited right to modify or otherwise create derivatives of or improvements to the Biological Material and/or the CONKWEST Know-How (the "**BANK Modifications**"):

(I) if a given BANK Modification may only be capable of use within the Field (i.e., is not relevant to human or non-human therapeutics) and BANK is making such BANK Modification internally, without any collaboration or assistance of any sort from a Third Party, then such BANK Modification may be made without CONKWEST's prior written approval;

(II) if a given BANK Modification will or may be capable of use outside the Field in connection with human or non-human therapeutics, then such BANK Modification may be made only upon CONKWEST's prior written approval, which approval shall not be unreasonably withheld; and

(III) if BANK proposes to make any BANK Modification in collaboration, assisted by or otherwise with a Third Party, regardless of whether such BANK Modification is capable of use outside the Field, whether in connection with human or non-human therapeutics or not, then such BANK Modification may be made only upon CONKWEST's prior written approval, which approval shall not be unreasonably withheld. Notwithstanding the foregoing, any BANK Modification made in collaboration, assisted by or otherwise with a Third Party, as well as all BANK Intellectual Property pertaining any such BANK Modification, shall be at least jointly owned by BANK and BANK shall have the right to (and to authorize others, including CONKWEST and its Affiliates (other than BANK) to) use, practice, license, assign and/or otherwise exploit such BANK Modification(s) and/or BANK Intellectual Property for any purpose without restriction and without the approval of or accounting to any such Third Party.

The licenses granted to BANK by CONKWEST in this Section 2(a), together with the license granted to BANK by CONKWEST in Section 2(b) and the sublicense granted to BANK by CONKWEST in Section 2(c), are collectively referred to as the "**Licenses**."

(b) License to BANK Modifications. Subject to the terms and conditions of this Agreement, and subject to Section 3 hereto, CONKWEST hereby grants to BANK a perpetual, worldwide, exclusive license solely for use in the Field, with the limited right to sublicense, under the BANK Rights. Notwithstanding the license granted in Section 2(a)(i) hereto, CONKWEST hereby grants to BANK a perpetual, worldwide, limited exclusive license solely for use in the Field, with the limited right to sublicense, under the CONKWEST Cell Lines and the CONKWEST Know-How existing as of the Effective Date, solely for use in conjunction with the BANK Modifications.

(c) Sublicense to FCCC Rights.

(i) The Parties acknowledge that as of the Effective Date of this Agreement, CONKWEST and its Affiliates are the exclusive licensees of certain intellectual property rights owned by Fox Chase Cancer Center (the "**FCCC Rights**") pursuant to a certain exclusive license between ZelleRx Corporation (CONKWEST's predecessor in interest) and Fox Chase Cancer Center dated July 10, 2004 and amended on April 10, 2008 (the "**ZelleRx-FCCC License**"). The Parties also acknowledge and agree that as of the Effective Date of this Agreement, BANK is an affiliate (as that term is defined in the ZelleRx-FCCC License) of CONKWEST and therefore also is an exclusive licensee of the FCCC Rights; provided that BANK covenants and agrees only to exercise its license under the FCCC Rights for uses within the Field.

(ii) In addition, CONKWEST hereby grants to BANK, subject to the terms and conditions of this Agreement, an exclusive sublicense, under the FCCC Rights, with a limited right to sublicense only to Affiliates of BANK or for the sole purpose of having licensed products (as that term is defined in ZelleRx-FCCC License) made for BANK, in each case, during the term of this Agreement and solely for use in the Field; provided that

BANK shall not exercise the sublicense granted to it under this Section 2(c)(ii) unless and until BANK ceases to be an affiliate (as that term is defined in the ZelleRx-FCCC License) of CONKWEST.

(iii) Notwithstanding any other provision of this Section 2(c), in the event that the ZelleRx-FCCC License terminates, such sublicense to the FCCC Rights shall automatically terminate effective ninety (90) days following termination thereof without the necessity of notice from FCCC regarding such termination, in which case the Parties acknowledge that, in accordance with Section 2E of the ZelleRx-FCCC License, FCCC is obligated to negotiate in good faith for a period of ninety (90) days from such termination date to grant a license to BANK under the FCCC Rights. In addition, BANK acknowledges and agrees that BANK's exercise of the license under the FCCC Rights as an affiliate of CONKWEST (as described in Section 2(c)(i) above) or as a sublicensee of CONKWEST (as described in Section 2(c)(ii) above) shall, in all cases, be subject to the terms of the ZelleRx-FCCC License (as such agreement may be amended from time to time after the Effective Date) and BANK agrees to comply, and shall comply, in the exercise of its (sub)license under the FCCC Rights with all terms and conditions of the ZelleRx-FCCC License applicable to an affiliate or sublicensee of CONKWEST, as the case may be, as if such terms of the ZelleRx-FCCC License were incorporated herein by reference, including without limitation, the following provisions of the ZelleRx-FCCC License: Sections 2D, 2E, 3F, 6B, 6C, 7B, 10A and 10G.

(d) Option to the BANK BIOLOGICS Mark. Subject to the terms and conditions of this Agreement, CONKWEST hereby grants to BANK, during the term of this Agreement, a first option to acquire the BANK BIOLOGICS Mark, including applications and registrations therefor in the US and abroad, together with the goodwill of the business symbolized by the BANK BIOLOGICS Mark (the "**BANK Option**"), the terms of such acquisition to be reasonably negotiated by the Parties within a reasonable time of BANK exercising such BANK Option.

(e) Transfer of Domain Name. CONKWEST hereby transfers (the "**Transfer**") to BANK all of its rights, title, and interest in and to the domain name "www.bankbiologics.com" (the "**Domain Name**") and shall, within thirty (30) days of the Effective Date of this Agreement, effectuate such transfer with the registrar of the Domain Name.

(f) Sublicense Rights. For purposes of clarity, BANK is entitled to sublicense the rights granted in Sections 2(a)(i), 2(a)(ii), 2(b), and 2(c) hereto (including the right to distribute the Biological Material) only for use in the Field and to the extent necessary to develop and/or commercialize Commercial Product(s), Licensed Product(s) and/or Licensed Services, as the case may be; provided, however, that (i) such sublicensee(s) shall not be authorized to grant any further sublicense; (ii) any sublicenses granted by BANK under the FCCC Rights shall be in accordance with Section 2(c) above and the ZelleRx-FCCC License; and (iii) to the extent any such sublicenses may involve the creation of any BANK Modification, CONKWEST's prior written approval thereto must be obtained in accordance with Section 2(a) above. Any sublicenses granted by BANK under the terms of this Agreement shall be subject to terms and conditions that are at least as restrictive as those set forth in this Agreement. BANK shall notify CONKWEST of any sublicense granted by BANK relating to this Agreement with thirty (30) days thereafter and upon CONKWEST's request shall provide to CONKWEST a copy of any such sublicense agreement, which copy may be redacted to remove any terms not reasonably required for the purposes of determining compliance with the terms of this Agreement. For clarity, BANK does not have the right to sublicense the rights granted in Section 2(a)(iii) hereto.

(g) Licensee and Sublicensee Compliance. BANK will, and will undertake that its Affiliates and sublicensees will, comply with all laws, rules, regulations and guidelines which apply to the use of the Biological Material, the CONKWEST Know-How, and the CONKWEST Patents, including without limitation, those promulgated by the U.S. Food and Drug Administration (or the foreign local equivalent), and those relating to the export and import of the Biological Material and the CONKWEST Know-How.

(h) Transfer of Biological Material and Know-How. CONKWEST shall provide the Biological Material to BANK, without charge for handling and delivery therefore, on a date mutually agreeable to both Parties and pursuant to reasonable delivery instructions provided by BANK to CONKWEST in advance. CONKWEST shall also provide BANK a report (the "**CONKWEST Report**") containing CONKWEST Know-How, including instructions on how to work with the Biological Material, no later than the time of the provision of the Biological Material. The CONKWEST Report shall be regarded at all times as CONKWEST Confidential Information.

(i) Cooperation by BANK. To the extent reasonably requested from time to time by CONKWEST or its Affiliates (other than BANK), BANK agrees to discuss in good faith commercially reasonable terms on which BANK may assist CONKWEST or such Affiliate in developing companion diagnostic(s) and/or companion test(s) utilizing the CONKWEST Existing Rights.

3. Ownership; Prosecution/Maintenance; Reservation of Rights; No Additional Rights.

(a) Ownership of CONKWEST Existing Rights. BANK acknowledges that subject to the licenses or sublicenses, as the case may be, granted to BANK by CONKWEST in Sections 2(a) and 2(c) hereunder, all right, title and interest in and to the CONKWEST Existing Rights is and shall remain the sole property of CONKWEST. BANK further acknowledges and agrees that, except as expressly permitted herein, it shall not modify or improve the CONKWEST Existing Rights without the prior written consent of CONKWEST, nor use the CONKWEST Existing Rights for any purpose outside of the Field.

(b) Ownership of BANK Modifications. BANK and CONKWEST agree that ownership and inventorship with respect to any Intellectual Property developed hereunder shall be determined according to US laws; provided, however, that subject to the license granted to BANK by CONKWEST under Section 2(b) hereto, all right, title, and interest in and to the BANK Modifications is and shall remain the sole property of CONKWEST and, to the extent such BANK Modifications are identified, discovered, invented, acquired, and/or developed by BANK (by itself or in collaboration with Third Party(ies)), BANK hereby assigns, and/or shall cause to be assigned, to CONKWEST all of its right, title, and interest in and to such BANK Modifications.

(c) Prosecution/Maintenance. The Parties shall reasonably cooperate with each other in preparing and filing all appropriate documentation in connection with any patent applications or patents under this Section 3(c). Subject to the terms and conditions of any agreement(s) with

a Third Party regarding the BANK Modifications:

(i) CONKWEST shall consult with BANK to determine in which countries any patent applications related to any BANK Modifications shall be filed, prosecuted, and maintained, including corresponding PCT applications and national phase entry applications, and any and all patent applications, prosecution, issue and maintenance fees related to any divisional, substitute, reissue, continuation, or extension patents that are based thereon;

(ii) Unless otherwise agreed in writing, CONKWEST shall pay for any and all fees and costs resulting from drafting, filing, prosecuting, or maintaining such patents or patent applications related to such BANK Modifications and shall keep BANK reasonably informed on the status of such patents and patent applications; and

(iii) In the event that CONKWEST decides not to file a patent or patent application described under Section 3(c)(i) hereto, or decides not to prosecute or maintain any such patent application or patent under Section 3(c)(ii) hereto, then BANK shall have the right, but not the obligation, to file, prosecute, or maintain such patent application or patent, in which case BANK shall bear all costs and expenses related thereto, beginning on the date that BANK exercises such right and BANK shall keep CONKWEST reasonably informed on the status of any such patents and/or patent applications.

(iv) Each Party shall cooperate with the other Party in connection with activities relating to the preparation, filing, prosecution and maintenance of patents and patent applications relating to the BANK Modifications undertaken by the other Party pursuant to this Section 3(c), including: (A) making available to such other Party in a timely manner any documents or information reasonably necessary or appropriate to facilitate such other Party's filing, prosecution and maintenance of any such patent or patent application; and (ii) if and as appropriate, signing (or causing to have signed) all documents relating to the filing, prosecution and maintenance of any such patent or patent application by such other Party. Each Party shall also promptly provide to the other Party all information reasonably requested by such other Party with regard to such Party's activities pursuant to this Section 3(c).

(d) Ownership of Results. Notwithstanding Sections 3(a) and 3(b) hereto, all right, title, and interest in and to any results and data arising in any part of the world developed by or under the authority of BANK (by itself or in collaboration with or with the assistance of any Third Party) as a result of its use of any or all of the CONKWEST Existing Rights or the BANK Modifications (collectively, "**Results**") shall, as between the Parties, be the exclusive property of BANK and, subject to Section 3(e) hereto, CONKWEST shall have no rights therein. BANK shall have the unrestricted right to publish or otherwise disclose Results obtained by the practice of the rights granted under this Agreement provided such disclosure does not include any CONKWEST Confidential Information. The name of CONKWEST shall be given proper recognition in such publication(s) as scientifically appropriate.

(e) License to Results. Notwithstanding Section 3(d), BANK shall provide CONKWEST with a copy of any new Results generated by or under the authority of BANK on a reasonably regular basis during the TERM (but in no event less than once every six (6) months or as otherwise reasonably requested by CONKWEST). BANK hereby grants CONKWEST a non-exclusive, perpetual, irrevocable, royalty-free, license to use the Results solely for CONKWEST's internal research purposes and outside the Field. Notwithstanding the foregoing, it is understood that the license granted by BANK to CONKWEST in this Section 3(e) shall include the right for CONKWEST to authorize a third party conducting research and/or other activities for or on behalf of CONKWEST outside the Field to use any Results in the performance of such activities . For clarity, such Results shall be considered to be BANK's proprietary and Confidential Information. Except as specified in this Section 3(e), CONKWEST is expressly prohibited from disclosing such Results to Third Parties and, to the extent such Results are provided in tangible form, CONKWEST shall not create derivative works thereof or, except for its own internal research purposes, reproduce, display, distribute, or perform such Results.

(f) Reservation of Rights; No Additional Rights. All rights not specifically granted to BANK herein are expressly reserved by CONKWEST. For the avoidance of doubt, except as expressly set forth in Section 2(a) hereto, BANK is expressly prohibited from reproducing, modifying, publicly performing, publicly displaying, creating derivative works of, or otherwise creating derivatives of or improvements to any of the CONKWEST Existing Rights or the

Biological Material and from Selling, transferring, assigning, or otherwise providing any Third Party access to the CONKWEST Existing Rights or the Biological Material. Nothing contained herein shall be construed to confer any rights upon either Party by implication, estoppel, or otherwise as to any technology or patent rights of the other Party other than those which are expressly set forth herein.

4. Manufacture of Licensed Products. CONKWEST shall have the first right, but not the obligation, to manufacture Licensed Products and/or Commercial Products for BANK, whereby, for each order of Licensed Products, CONKWEST shall notify BANK in writing within thirty (30) days of CONKWEST's receipt of an order of its decision to manufacture such Licensed Products or not; provided, however, that BANK may engage a Third Party to manufacture Licensed Products in the event that CONKWEST is unable or unwilling to manufacture and deliver such Licensed Products in the timeframe and/or quantity required by BANK and at a price agreeable to the Parties, such pricing to be reasonably negotiated.

5. Consideration; Payment.

(a) Royalty Payments. In consideration of the Licenses granted in Section 2 hereto, BANK agrees to pay CONKWEST during the TERM:

(i) a "**Royalty**" or "**Royalties**" for the Licensed Products and/or Licensed Services Sold, distributed, or otherwise transferred by BANK and/or its sublicensees, in the amount of three percent (3%) of the Gross Revenue actually received by BANK and/or its sublicensees therefor;

(ii) a "**Royalty**" or "**Royalties**" for the Sale of Commercial Products by BANK and/or its sublicensees in the amount of three percent (3%) of the Gross Revenue actually received by BANK and/or its sublicensees therefor; and/or

(iii) BANK shall pay CONKWEST five percent (5%) of any Sublicensing Revenue actually received by BANK.

(iv) All amounts necessary to reimburse CONKWEST for amounts payable by CONKWEST under the ZelleRx-FCCC License as a result of or arising from BANK's exercise of the rights granted to it under the FCCC Rights pursuant to this Agreement.

BANK (itself or by or through its permitted sublicensees and/or other contractors) shall take all commercially reasonable steps to develop, commercialize, and promote the sales of Licensed Products, Licensed Services and/or Commercial Products. BANK will have no obligation to pay CONKWEST a "Minimum Annual Royalty" on any Commercial Products, Licensed Products or Licensed Services.

All Royalties and other amounts due pursuant to this Section 5(b) for a particular calendar quarter shall be due and payable by BANK to CONKWEST in U.S. dollars within thirty (30) days following the end of such calendar quarter. With each payment, BANK shall provide a written statement setting forth the total Gross Revenue and Sublicensing Revenues for the applicable calendar quarter and such other information as CONKWEST may reasonably request in order to verify the calculation of payments made by BANK to CONKWEST under this Agreement or to satisfy CONKWEST's reporting obligations under the ZelleRx-FCCC License.

(c) Method of Payment. All payments to CONKWEST hereunder shall be made payable to CONKWEST and sent to the address identified in Section 13 or remitted to CONKWEST's account at a bank in the United States to be designated by CONKWEST in writing and sent to BANK in advance of such payment.

(d) Third-Party Payments. Subject to Section 5(a)(iv) above, CONKWEST is responsible for all payments, if any, to Third Parties that are owed pursuant to any agreement executed by CONKWEST prior to the Effective Date as a result of BANK exercising the Licenses granted by CONKWEST to BANK herein in accordance with the terms and conditions of this Agreement. Notwithstanding the foregoing, BANK is responsible for obtaining, at its expense, any Third Party intellectual property required to utilize, practice or otherwise perform under the Licenses granted herein, including the development and commercialization of its products, including the Commercial Products, Licensed Products and/or Licensed Services.

(e) Payments in U.S. Dollars. All payments due hereunder are payable in United States dollars.

(f) Taxes:

(i) All payments due hereunder are inclusive of all applicable Taxes subject however to Section 3(f)(ii) below. If any such Taxes are chargeable in respect of any payments, BANK shall pay such Taxes at the applicable rate in respect of any such payments following the receipt, where applicable, of a Taxes invoice in the appropriate form issued by CONKWEST in respect of those payments. The applicable Taxes shall be payable on the due date of the payment to which such Taxes relate.

(ii) BANK may deduct withholding Taxes from the payment it owes CONKWEST under this Agreement. BANK will, on behalf of CONKWEST, pay the withheld Tax to the appropriate authority and provide CONKWEST with proof of payment and evidence of the tax obligation. BANK will at CONKWEST's request and expense provide CONKWEST reasonable assistance in recovering these withholding Taxes.

(g) Maintenance of Records. BANK shall keep accurate records of all of its operations and of reports of operations by its sublicensees within the scope of this Agreement. CONKWEST, at its sole expense, shall have the right to have a Certified Public Accountant of its choice inspect such records at BANK's office for two years after the calendar year to which they pertain at reasonable times upon two (2) weeks prior written notice by CONKWEST. In addition, and without limiting the foregoing, BANK shall comply with the record keeping and auditing requirements of the ZelleRx-FCCC License, as communicated by CONKWEST to BANK reasonably in advance.

6. Quality Standards.

(a) In order to carry out the rights granted in Section 2(a)(iii) hereto, BANK is authorized to use the CONKWEST Marks in such style, appearance and manner as CONKWEST shall, in its sole discretion, specify or approve in writing and solely on or in association with products and/or services in the Field and in strict accordance with all of the applicable Quality

Standards. BANK may not manufacture, sell, promote, or distribute any product or service to be used in association with the CONKWEST Marks, including but not limited to the Licensed Products and Licensed Services, until it has obtained the requisite written approvals from CONKWEST. It is within CONKWEST's sole reasonable discretion to grant or withhold any approval. BANK further understands that it is an essential condition of the validity of this Agreement, of the validity of the CONKWEST Marks licensed herein, and for the protection of the high reputation enjoyed by CONKWEST, that the products and services produced in association with any of the CONKWEST Marks be of high and consistent quality subject to the on-going approval and continuing supervision and control of CONKWEST.

(b) BANK is expressly prohibited from modifying the CONKWEST Marks unless expressly agreed to and such modifications are expressly approved in writing by CONKWEST.

(c) BANK will not use the CONKWEST Marks in conjunction or association with any other trademark, trade name, or logo, or place the CONKWEST Marks in close proximity to any other name, mark or logo without the express prior written approval of CONKWEST.

(d) BANK will comply as soon as reasonably practicable (but in any event within twenty days) with all reasonable instructions furnished by CONKWEST from time-to-time with respect to the style, appearance and manner of use of the CONKWEST Marks on or in connection with the products and/or services, including instructions to revise the style, appearance or manner of use as CONKWEST may specify from time to time.

(e) Whenever the CONKWEST Marks are used on or in connection with the products and/or services, BANK shall use the trademark symbol "™", the service mark symbol "SM", or the registration symbol "®", as appropriate.

7. Infringement by Third Parties.

(a) Notice. If any of the CONKWEST Existing Rights or the BANK Modifications are infringed and/or misappropriated by a Third Party, the Party first having knowledge of such infringement and/or misappropriation shall promptly notify the other Party in writing. The notice shall set forth the facts of such infringement and/or misappropriation in reasonable detail.

(b) Infringement Actions; CONKWEST Rights/BANK Modifications. CONKWEST shall have the sole and exclusive right, but not the obligation, to institute, litigate and control any claim, action or proceeding with respect to any infringement and/or misappropriation by a Third Party (an "Infringement Action") of any of the CONKWEST Existing Rights or the BANK Modifications, by counsel of its own choice, in which case BANK shall reasonably cooperate with CONKWEST at CONKWEST's request and expense in the litigation of such Infringement Action; provided, however, that BANK shall not be obligated to join in any such Infringement Action related to the CONKWEST Existing Rights or the BANK Modifications (subject to ownership of the BANK Modifications) except to the extent necessary for standing purposes. CONKWEST shall be entitled to make all decisions with respect to control of litigation, settlement, consent judgment or other voluntary final disposition of an Infringement Action regarding the CONKWEST Existing Rights and/or the BANK Modifications; provided that CONKWEST shall have no right or authority to bind BANK with respect to any such matters without BANK's express prior written consent; and provided, however, that CONKWEST's rights and obligations under this Section 7(b) with respect to the BANK Modifications are subject to the terms and conditions of any agreement(s) with a Third Party with whom BANK collaborated to identify, discover, invent, acquire, and/or develop such BANK Modifications.

8. Representations and Warranties.

(a) Each Party hereby represents and warrants to the other Party as of the Effective Date that:

(i) it is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated;

(ii) it has the corporate power and authority and the legal right to enter into this Agreement free from any conflicting right owed to a Third Party and to perform its obligations hereunder;

(iii) it has taken all necessary corporate action on its part to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder and that this Agreement has been duly executed and delivered on behalf of each Party, and constitutes a legal, valid, binding obligation, enforceable against such Party in accordance with its terms;

(iv) all necessary consents, approvals and authorizations of all applicable competent authorities and other persons required to be obtained by such Party in order to execute this Agreement on behalf of such Party have been obtained; and

(v) the execution and delivery of this Agreement and the performance of such Party's obligations do not constitute a default or require any consent under any other contractual obligation of such Party.

(b) CONKWEST hereby represents and warrants to BANK that as of the Effective Date:

(i) CONKWEST owns and controls within the Field the CONKWEST Existing Rights, and has obtained all necessary assignments, licenses, and other rights in and to the CONKWEST Existing Rights necessary to provide to BANK the Biological Material and CONKWEST Know-How and grant the Licenses as described herein;

(ii) CONKWEST has the sole and exclusive right to grant to BANK the Licenses, Option, and Transfer set out in this Agreement; and

(iii) CONKWEST has not previously entered into any agreement, whether written or oral, with respect to the CONKWEST Existing Rights which conflicts with the rights granted to BANK hereunder and will not enter into any such agreement during the Term of this Agreement.

(c) BANK hereby represents and warrants to CONKWEST that:

(i) BANK will not attend any meetings with regulatory agencies that relate to the CONKWEST Existing Rights unless it is accompanied by a representative of CONKWEST or CONKWEST agrees in writing that BANK may attend such meetings in the absence of CONKWEST;

(ii) BANK shall not, and shall not collude with, authorize or assist any Third Party to, use any of the CONKWEST Existing Rights or any of the BANK Modifications outside of the Field;

(iii) BANK shall not, and shall not collude with, authorize or assist any Third Party to, take any action to intentionally compete, directly or indirectly, with CONKWEST outside of the Field; and

(iv) BANK shall not, and shall not collude with, authorize or assist any Third Party to, distort, misuse, diminish, infringe, dilute, contest or challenge CONKWEST's rights in and to, ownership of, and registrations or applications for registration of, CONKWEST's Existing Rights or the BANK Modifications.

9. Indemnification.

(a) CONKWEST shall indemnify, defend and hold harmless BANK and its Indemnitees from and against any and all claims, losses, demands, liabilities, judgments, actions, causes of action, costs and expenses, of any type or kind (including reasonable attorneys' fees) (collectively "**Claims**") brought by a Third Party, if the Claims:

(i) result from a breach of CONKWEST's representations and warranties under Section 8 hereinabove;

(ii) result from a material breach by CONKWEST of the terms of this Agreement; or

(iii) result from a claim that the CONKWEST Existing Rights infringe the intellectual property of a Third Party;

provided, however, that CONKWEST shall not be obligated to indemnify BANK and its Indemnitees under this Section 9(a) to the extent the Claims are a result of negligence or willful misconduct of BANK or its Indemnitees or a matter with respect to which BANK is obligated to indemnify CONKWEST pursuant to Section 9(b) below, and provided further, that CONKWEST's liability to indemnify BANK or its indemnities under this Section 9(a) shall not exceed the amounts paid by BANK to CONKWEST hereunder.

(b) BANK shall indemnify, defend and hold harmless CONKWEST and its Indemnitees from and against any and all Claims brought by a Third Party, if the Claims:

(i) result from a breach of BANK's representations and warranties under Section 8 hereinabove;

(ii) result from the material breach by BANK of the terms of this Agreement or any terms of the ZelleRx-FCCC License applicable to BANK in its capacity as an affiliate (as defined in the ZelleRx-FCCC License) of CONKWEST or CONKWEST's sublicensee;

(iii) result from the development, commercialization, Sale, distribution or use of a Licensed Product, Licensed Service, and/or Commercial Product by or under the authority of BANK or its sublicensees;

(iv) result from any use of the Biological Material or CONKWEST Know-How by BANK or its sublicensees (other than claims that the CONKWEST Cell Lines infringe the intellectual property rights of a Third Party); or

(v) result from a claim that the BANK Modifications infringe the intellectual property of a Third Party;

provided, however, that BANK shall not be obligated to indemnify CONKWEST and its Indemnities under this Section 9(b) to the extent the Claims are a result of negligence or willful misconduct of CONKWEST or its Indemnitees or a matter in respect of which CONKWEST is obligated to indemnify BANK pursuant to Section 9(a) above.

(c) In order to maintain the right to be covered under Section 9(a) or (b), the Indemnitee must: (i) promptly notify the indemnifying Party (**"Indemnitor"**) in writing after learning of any Claims; (ii) allow the Indemnitor to manage and control (by way of intervention or otherwise) the defense and settlement of any such Claims against the Indemnitees; (iii) cooperate with the Indemnitor in the defense or the settlement negotiation of Claims reasonably required by the Indemnitor; and (iv) abstain from making any statements or taking any actions which damage the defense against any Claims (including, without limitation, any statements against the interest of

the Indemnitees or admissions of causation or guilt). The Indemnitor shall not agree to any settlement that adversely affects the Indemnitees' rights or interests without the Indemnitees' prior written approval (which approval shall not be unreasonably withheld). The Indemnitor will not be responsible for any costs or expenses (including attorney fees) incurred or made by the Indemnitees without Indemnitor's prior written consent, and then only to the extent they are reasonable. The Indemnitees may retain its or their own legal counsel to monitor an indemnification event, but the Indemnitees shall be responsible for its own costs and expenses with respect thereto, subject to the preceding sentence.

(d) Disclaimer of Warranties. EXCEPT AS SPECIFICALLY STATED IN SECTION 8 ABOVE, CONKWEST MAKES NO REPRESENTATIONS AND EXTENDS NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED. WARRANTIES DISCLAIMED INCLUDE, BUT ARE NOT LIMITED TO, ANY EXPRESS OR IMPLIED WARRANTIES OF DESIGN, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE; OR ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICE.

(e) Limitations of Liability. IN NO EVENT WILL EITHER PARTY BE LIABLE FOR ANY LOST REVENUES, LOST PROFITS, OR OTHER INCIDENTAL, SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES ARISING OUT OF THIS AGREEMENT OR ITS PERFORMANCE OR BREACH, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES; PROVIDED THAT THE FOREGOING LIMITATION OF LIABILITY SHALL NOT APPLY TO LIMIT A PARTY'S DAMAGES IN THE EVENT OF (A) THE OTHER PARTY'S BREACH OF ITS CONFIDENTIALITY OBLIGATIONS UNDER SECTION 10 BELOW, (B) THE USE BY OR UNDER THE AUTHORITY OF BANK OF ANY OF THE CONKWEST EXISTING RIGHTS OR BANK MODIFICATIONS OUTSIDE IN THE FIELD IN BREACH OF THIS AGREEMENT OR (C) ANY BREACH BY BANK OF SECTION 2(c) ABOVE. FOR THE AVOIDANCE OF DOUBT, DIRECT FINANCIAL OR OTHER LOSSES, INCLUDING LOSSES RESULTING FROM BANK'S BREACH OF THE SCOPE OF THE LICENSES, ARE EXCLUDED FROM THIS PROVISION.

(f) The provisions of this Section shall survive termination.

10. Confidentiality.

(a) Each Party, with respect to the other Party's Confidential Information:

(i) may only use the Confidential Information for the purposes envisaged under this Agreement;

(ii) must ensure that only those of its officers, employees, sublicensees and Third Parties working with, for and/or on behalf of such Party who are directly concerned with carrying out the purposes envisaged under this Agreement have access to the Confidential Information on a strictly applied "need to know" basis, are informed of the secret and confidential nature of it, and have entered into written agreements, prior to such disclosure, obligating them to hold in confidence and not use any Confidential Information except as permitted by this Agreement;

(iii) must keep the Confidential Information secret and confidential and not disclose or permit to be disclosed, make available or permit to be made available the same to any Third Party for any reason without the prior written consent of the disclosing Party or except as set forth in this Agreement; and

(iv) must not copy, reproduce or otherwise replicate for any purpose or in any manner whatsoever any documents containing the Confidential Information except as necessary to exercise the rights granted it and/or in the performance of its obligations under this Agreement.

(b) The obligations of confidence referred to in Section 10(a) shall not extend to any Confidential Information which:

(i) is or becomes generally available to the public otherwise than by reason of breach by a recipient Party of the provisions of this Agreement;

(ii) is known to the recipient Party and is at its free disposal prior to its receipt from the disclosing Party provided that evidence of such knowledge is proven by competent written records;

(iii) is subsequently disclosed to the recipient Party without obligations of confidence by a Third Party owing no such obligations to the disclosing Party in respect of that Confidential Information;

(iv) is independently developed by a Party without reliance on the Confidential Information of the other Party, provided that evidence of such is proven by competent written records; or

(v) is required to be disclosed in order to comply with any law, regulation or valid court order (including, without limitation, as part of any regulatory submission or approval process) to the extent necessary for such compliance; provided, however, the Party seeking such disclosure shall provide prompt written notice of this requirement to the disclosing Party in order to provide the disclosing Party an opportunity to seek appropriate relief to prevent or limit such disclosure, provided always that in such circumstances such disclosure shall be only to the extent so required and shall be subject to reasonable prior consultation with the disclosing Party with a view to agreeing to the timing and content of such disclosure, or other such equitable relief and shall reasonably cooperate with such other Party's efforts to seek confidential treatment of any Confidential Information to be disclosed.

(c) All Confidential Information owned by and disclosed by the disclosing Party to the recipient Party shall remain the property of the disclosing Party. In the event that a court or competent authority assumes partial or complete control over the assets of a recipient Party based on the insolvency or bankruptcy of that Party, the recipient Party shall promptly notify such court or competent authority that (i) Confidential Information received from the disclosing Party under this Agreement remains the property of the disclosing Party; and (ii) of the confidential obligations under this Agreement; and to the extent permitted by law, take all steps reasonably necessary to maintain the confidentiality and security of the disclosing Party's Confidential Information to ensure that the court or competent authority maintains that Confidential Information in confidence in accordance with this Agreement.

(d) The obligations of the Parties under Section 10 shall last until the Confidential Information is no longer secret and confidential through no breach of any provision of this Agreement.

(e) The requirement under Section 10(b)(v) to notify the disclosing Party when Confidential Information is required to be disclosed by law shall not apply when such disclosure is required as part of any regulatory submission or approval process.

(f) Each Party agrees not to disclose to any Third Party the terms of this Agreement without the prior written consent of the other Party hereto, except each Party may disclose the terms of this Agreement: (i) to advisors (including financial advisors, attorneys and accountants), actual or potential sublicensees, acquisition partners or investors, and others on a need to know basis, in each case under appropriate confidentiality provisions substantially equivalent to those in this Agreement; or (ii) to the extent necessary to comply with applicable laws and court orders, including securities laws, regulations or guidances; provided that in the case of paragraph (ii) the disclosing Party shall promptly notify the other Party and (other than in the case where such disclosure is reasonably necessary to comply with securities laws, regulations or guidances) allow the other Party a reasonable opportunity to oppose with the body initiating the process and, to the extent allowable by law, to seek limitations on the portion of the Agreement that is required to be disclosed.

11. Term; Termination.

(a) This Agreement shall come into force on the Effective Date and:

(i) with respect to the licenses granted in Sections 2(a)(i), 2(a)(iii), and 2(b) shall remain in full force and effect perpetually, unless terminated as herein provided;

(ii) with respect to the license granted in Section 2(a)(ii), shall remain in full force and effect, unless earlier terminated as herein provided, until the last-to-expire Valid Claim (the "**Term**"), at which time such license shall be fully paid up and perpetual, unless terminated as herein provided; and

(iii) with respect to the sublicense granted in Section 2(c) shall remain in full force and effect for as long as the ZelleRx-FCCC License remains in full force and effect.

(b) Termination for Insolvency.

(i) If voluntary or involuntary proceedings by or against a Party are instituted in bankruptcy under any insolvency law, or a receiver or custodian is appointed for such Party, or proceedings are instituted by or against such Party, in each of the foregoing cases only if it is for dissolution of such Party, which proceedings, if involuntary, shall not have been dismissed within sixty (60) days after the date of filing, then this Agreement may be terminated by the other Party.

(ii) Notwithstanding Section 3(b), all rights and licenses granted under this Agreement are, and shall be deemed to be, for purposes of Section 365(n) of the United States Bankruptcy Code, licenses of rights to "intellectual property" as defined under Section 101(35A) of the United States Bankruptcy Code. In the event of the commencement of a bankruptcy proceeding by or against a Party under the United States Bankruptcy Code, the other Party shall be entitled to complete access to any such intellectual property licensed to it hereunder, and all embodiments of such intellectual property, but only as necessary for the purposes of exploitation of the licenses granted to the non-affected party under this Agreement and subject to payment of the applicable fees (if any) set forth in this Agreement through the effective date of any termination hereunder.

(c) Either Party has the right, upon sixty (60) days prior written notice to the other Party, to terminate this Agreement, including all licenses hereunder, if such other Party is in breach of its material obligations hereunder and has not cured such breach within sixty (60) days after receipt of written notice requesting cure of the breach. Notwithstanding the foregoing, if the Party alleged to be in breach disputes such any allegation of material breach in writing within the applicable sixty (60) day period, the affected Party shall not have the right to terminate this

Agreement unless and until it is finally determined by arbitration conducted in accordance with Section 24 below that such material breach was committed by such Party, and such Party fails to cure such material breach within sixty (60) days after such determination.

(d) BANK has the right, upon sixty (60) days prior written notice to CONKWEST, to terminate this Agreement for any reason or no reason, including any or all Licenses granted by CONKWEST hereunder.

(e) CONKWEST shall have the right to terminate this Agreement upon notice to BANK in the event that BANK, or any of its sublicensees, or any Third Party assigned or designated by BANK, or any of its sublicensees, takes any action, directly or indirectly, or knowingly provides financial or other assistance, including legal or technical advice, directly or indirectly, to any Third Party to challenge to the validity, enforceability, scope, inventorship or ownership of any of the CONKWEST Patents or any patent rights included within the FCCC Rights in any court or tribunal or before the United States Patent and Trademark Office or any patent office in a jurisdiction outside of the United States, or in any arbitration proceeding, including in connection with an opposition proceeding or re-examination, and within thirty (30) days after written notice thereof by CONKWEST, BANK does not withdraw or cause to be withdrawn such action; provided, however, that CONKWEST shall not have such right to terminate this Agreement if such action is taken with respect to a CONKWEST Patent that has been asserted against BANK, or any of its sublicensees, in a legal, court, administrative or other governmental proceeding.

(f) In the event of termination of this Agreement by CONKWEST under subsections (c) or (e) above or by BANK under subsection (d) above, the Licenses granted hereunder shall terminate, BANK will destroy the Biological Material and the CONKWEST Cell Lines and destroy all CONKWEST Confidential Information provided by CONKWEST to BANK hereunder within thirty (30) days following termination under such subsection, and BANK specifically agrees to make no further use of the CONKWEST Existing Rights or the BANK Modifications for any purpose. For the avoidance of doubt, in the event of any such termination, the licenses and rights granted by BANK to CONKWEST hereunder shall survive.

12. Assignment; Successors. This Agreement including the rights and privileges granted hereunder may not be assigned by either Party without the prior written consent of the other Party; provided, however, that either Party may, without the other Party's consent, assign this Agreement and its rights and obligations hereunder (a) to an Affiliate or (b) in connection with the transfer or sale of all or substantially all of its business or assets, or in the event of its merger, consolidation, change in control or other similar transaction. This Agreement is binding upon and will inure to the benefit of the Parties and their respective successors and permitted assigns.

13. Notice Address. Any payment, notice or other communication pursuant hereto shall be sufficiently made or given if sent to the other Party by certified or registered mail postage prepaid, facsimile, or sent by nationally-recognized overnight courier addressed to it at its address below or at such other address as a Party may later designate by written change of address notice given to the other Party in accordance with this Section 13. Any such notice shall be deemed to have been given: (a) when delivered if sent by facsimile on a business day (or if delivered or sent on a non-business day, then on the next business day); (b) on the business day after dispatch if sent by nationally-recognized overnight courier; or (c) on the fifth (5th) business day following the date of mailing, if sent by mail.

If to CONKWEST:

CONKWEST Incorporated
2533 South Coast Highway 101
Suite 210
Cardiff-By-The-Sea, CA 92007-2133
Attention: Barry J. Simon, M.D.,
President & CEO
Telephone: (858) 633-0300
Facsimile: (858) 380-1999
E-mail: bsimon@conkwest.com

With copies to:

Pietragallo Gordon Alfano Bosick & Raspanti, LLP
38th Floor, One Oxford Centre
Pittsburgh, PA 15219
Attention: Alicia M. Passerin, Ph.D, Esq.
Telephone: (412) 263-4369
Facsimile: (412) 261-0915
E-mail: AMP@Pietragallo.com

If to BANK:

BANK Biologics
2533 South Coast Highway 101
Suite 210
Cardiff-By-The-Sea, CA 92007-2133
Attention: Chief Executive Officer
Telephone: (858) 633-0300
Facsimile: (858) 380-1999
Email:

14. Headings. All headings are for convenience only and shall not affect the meaning of any provision hereof.

15. Force majeure. If a Party (the "**Non-Performing Party**") is unable to carry out any of its obligations under this Agreement due to Force Majeure, this Agreement shall remain in effect but the Non-Performing Party's relevant obligations under this Agreement and the corresponding obligations of the other Party (the "**Innocent Party**") under this Agreement, shall be suspended for a period equal to the circumstance of Force Majeure, provided that:

(a) the suspension of performance is of no greater scope than is required by the Force Majeure;

(b) the Non-Performing Party gives the Innocent Party written notice describing the circumstance of Force Majeure as soon as reasonably practical, including the nature of the occurrence;

(c) the Non-Performing Party uses all reasonable efforts to remedy its inability to perform and to mitigate the effects of the circumstance of Force Majeure; and

(d) as soon as practicable after the event which constitutes Force Majeure the Parties discuss how best to continue their operations as far as possible in accordance with this Agreement.

16. Entire Agreement. This Agreement, together with any Appendices attached hereto and specifically referenced herein, contains the entire understanding of the Parties with respect to the subject matter herein and supersedes all previous agreements and undertakings with respect thereto.

17. Miscellaneous: This Agreement may be amended only by a writing signed by the authorized representative of each of the Parties.

18. Survival: The expiration or termination of this Agreement for any reason shall not release either Party from any liability that, at the time of such expiration or termination, has already accrued to the other Party or that is attributable to a period prior to such expiration or termination, nor will any termination of this Agreement preclude either Party from pursuing all rights and remedies it may have under this Agreement, or at law or in equity, with respect to any breach of this Agreement. In addition, the following provisions of the Agreement shall survive expiry or any termination of the Agreement: Sections 1, 2(b), 3, 5(g), 9, 10,11, 13, 14, this Section 18, 19, 20, 21, and 24 and all definitions relating to the foregoing.

19. Governing Law: This Agreement shall be construed in accordance with the laws of the State of Delaware, and the patent laws of the United States, without regard or reference to any of its rules or provisions governing conflict of laws.

20. Severance of Terms: If the whole or any part of this Agreement is or becomes or is declared illegal, invalid or unenforceable in any jurisdiction for any reason (including both by reason of the provisions of any legislation and also by reason of any decision of any court or competent authority which either has jurisdiction over this Agreement or has jurisdiction over any of the Parties):

(a) in the case of the illegality, invalidity or unenforceability of the whole of this Agreement it shall terminate in relation to the jurisdiction in question; or

(b) in the case of the illegality, invalidity or unenforceability of part of this Agreement that part shall be severed from this Agreement in the jurisdiction in question and that illegality, invalidity or unenforceability shall not in any way whatsoever prejudice or affect the remaining parts of this Agreement which shall continue in full force and effect unless the

absence of the invalidated, illegal or unenforceable provisions(s) adversely affects the substantive rights of the Parties. The Parties shall in such an instance use their reasonable good faith efforts to replace the invalid, illegal or unenforceable provision(s) with valid, legal and enforceable provision(s) which, insofar as practical, implement the purposes of this Agreement.

21. Waiver. The waiver by a Party of any right hereunder, or of any failure of the other Party to perform, or of any breach or violation of any provision hereof by the other Party shall not operate or be construed a waiver of any other right hereunder or of any other subsequent failure, breach or violation of such other Party hereof whether of a similar nature or otherwise.

22. Export. It is understood that the Biological Material and Know-How provided or made available by CONKWEST under this Agreement may be subject to applicable laws and regulations controlling the export and import of technical data, biological materials, laboratory prototypes, and other information or materials that may require a license from the applicable agency of the United States Government or foreign government, and BANK will comply with all such laws and regulations in the performance of this Agreement. CONKWEST neither represents that a license will not be required nor does CONKWEST represent that if a license is required, it will be issued.

23. Counterparts; Telefacsimile, Electronic Execution. This Agreement may be executed in any number of counterparts (facsimile and electronic transmission included), and by each of the Parties on separate counterparts, each of which, when so executed, shall be deemed an original, but all of which shall constitute but one and the same instrument. After facsimile or electronic transmission, the Parties agree to execute and exchange documents with original signatures.

24. Dispute Resolution.

(a) The Parties shall negotiate in good faith and use reasonable efforts to settle any dispute, controversy or claim arising from or related to this Agreement or the performance or breach thereof. If the Parties do not fully settle, and a Party wishes to pursue the matter, each such dispute, controversy or claim that is not an “Excluded Claim” shall be finally resolved by binding arbitration in accordance with the Commercial Arbitration Rules and Supplementary Procedures for Large Complex Disputes of the American Arbitration Association (**“AAA”**), and judgment on the arbitration award may be entered in any court having jurisdiction thereof.

(b) The arbitration shall be conducted by a panel of three persons experienced in the pharmaceutical business: within thirty (30) days after initiation of arbitration, each Party shall select one person to act as arbitrator and the two Party-selected arbitrators shall select a third arbitrator within thirty (30) days of their appointment. If the arbitrators selected by the Parties are unable or fail to agree upon the third arbitrator, the third arbitrator shall be appointed by the AAA. The place of arbitration shall be San Diego, California, and all proceedings and communications shall be in English.

(c) Either Party may apply to the arbitrators for interim injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either Party also may, without waiving any remedy under this Agreement, seek from any court having jurisdiction any injunctive or provisional relief necessary to protect the rights or property of that Party pending the arbitration award. The arbitrators shall have no authority to award punitive or any other type of damages not measured by a Party's compensatory damages. Each Party shall bear its own costs and expenses and attorneys' fees and an equal share of the arbitrators' fees and any administrative fees of arbitration.

(d) Except to the extent necessary to confirm an award or as may be required by law, neither a Party nor an arbitrator may disclose the existence, content, or results of an arbitration without the prior written consent of both Parties; provided that either Party may make such disclosures as are permitted for Confidential Information of the other Party under Section 10 above. In no event shall an arbitration be initiated after the date when commencement of a legal or equitable proceeding based on the dispute, controversy or claim would be barred by the applicable Delaware statute of limitations.

(e) The Parties agree that, in the event of a good faith dispute over the nature or quality of performance under this Agreement, neither Party may terminate this Agreement until final resolution of the dispute through arbitration or other judicial determination. The Parties further agree that any payments made pursuant to this Agreement pending resolution of the dispute shall be refunded if an arbitrator or court determines that such payments are not due.

(f) As used in this Section, the term "**Excluded Claim**" means a dispute, controversy or claim that concerns (a) the validity or infringement of a patent, trademark or copyright; or (b) any antitrust, anti-monopoly or competition law or regulation, whether or not statutory; or (c) the misappropriation of any trade secret or breach of confidentiality obligation under this Agreement.

SIGNATURE PAGE FOLLOWS

SIGNATURE PAGE TO NON-EXCLUSIVE LICENSE AGREEMENT

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

CONKWEST INCORPORATED:

By: /s/ Barry J. Simon
Name: Barry J. Simon, M.D.
Title: President and COO
Date: June 9, 2015

BRINK BIOLOGICS, INC. (dba BANK BIOLOGICS)

By: /s/ Barry J. Simon
Name: Barry J. Simon, M.D.
Title: President and CEO
Date: June 9, 2015

SCHEDULE A

[***]

APPENDIX B

CONKWEST KNOW-HOW

[***]

SCHEDULE C

CONKWEST MARKS

[***]

SCHEDULE D – FCCC Patents and Patent Applications

[***]

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED AS TO CERTAIN PORTIONS OF THIS DOCUMENT. EACH SUCH PORTION, WHICH HAS BEEN OMITTED HEREIN AND REPLACED WITH AN ASTERISK [***], HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Exhibit 10.8

AGREEMENT

This Agreement (this "**Agreement**"), dated and effective as of June 9, 2015 ("**Effective Date**"), is by and between Coneksis, Inc. ("CONEKSIS"), a Delaware corporation with offices at 2533 South Coast Highway 101, Suite 210, Cardiff-By-The-Sea, CA 92007-2133, and CONKWEST INCORPORATED ("CONKWEST"), a Delaware corporation with offices at 2533 South Coast Highway 101, Suite 210, Cardiff-By-The-Sea, CA 92007-2133.

PREAMBLE

A. WHEREAS, CONKWEST is an innovative life sciences company that owns and/or controls the rights in certain CONKWEST Existing Rights (as defined herein) and has the right to grant licenses thereto;

B. WHEREAS, CONEKSIS is an innovative life sciences company specializing in the field of veterinary medicine and research and therapeutics related thereto (the "**Field**"); and

C. WHEREAS, CONEKSIS desires to obtain rights to use certain of the CONKWEST Existing Rights in the Field, and CONKWEST desires to grant such certain rights to CONEKSIS, upon the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the above premises and the mutual covenants contained herein, CONEKSIS and CONKWEST, intending to be legally bound, agree as follows:

1. Definitions. For the purposes hereof, the following words and phrases have the following meanings:

"AAA" has the meaning ascribed to it in Section 24.

"**Biological Material**" means a culture of any of the CONKWEST Cell Lines or CONKWEST Cell Banks that is provided to CONEKSIS by CONKWEST pursuant to this Agreement and all Progeny thereof.

"**Claims**" has the meaning ascribed to it in Section 9.

"**Commercial Product**" means a Licensed Product that has been granted marketing and Regulatory Approval.

"**CONEKSIS Mark**" means the trademark and/or service mark applied for in US Trademark Application No. 85/675,473, such trade mark application and any registration resulting therefrom, any foreign or Madrid counterparts, any renewals thereof, and any goodwill associated therewith.

"**CONEKSIS Cell Bank(s)**" means any GLP, cGMP, and/or GMP-certified CONEKSIS Cell Line(s).

"**CONEKSIS Cell Line(s)**" means any modification or derivative of or improvement to a CONKWEST Cell Line resulting from a CONEKSIS Modification.

"**CONEKSIS Confidential Information**" means all Confidential Information relating to the CONEKSIS Cell Lines to the extent owned and controlled by CONKWEST.

"**CONEKSIS Intellectual Property**" means CONEKSIS Confidential Information and CONEKSIS Patents pertaining to the CONEKSIS Modifications.

"**CONEKSIS Modifications**" has the meaning ascribed to it in Section 2 and includes any and all CONEKSIS Intellectual Property, CONEKSIS Cell Line(s) and CONEKSIS Cell Bank(s) relating thereto.

"**CONEKSIS Option**" has the meaning ascribed to it in Section 2.

"**CONEKSIS Patents**" means any and all patents and patent applications to the extent owned and controlled by CONKWEST relating to the CONEKSIS Modifications, and any provisional patent applications, non-provisional applications, divisionals, continuations,

continuation-in-part applications, continued prosecution, patents granted on such applications, revalidations, reissues, renewals, substitutions, supplementary protection certificates and the like, and patents of addition, reexaminations, extensions; and all foreign counterparts thereof.

"CONEKSIS Rights" means the CONEKSIS Modifications and CONEKSIS Intellectual Property.

"**Confidential Information**" means all technical and other information, data, methods, pricing information, inventions (whether patentable or not and whether or not reduced to practice), Know-How, INDs, investigator's brochure(s) and other similar proprietary trade secret rights arising under law anywhere in the world.

"**CONKWEST Cell Banks**" means the CONKWEST WT Master Cell Bank and the CONKWEST WT Working Cell Bank.

"**CONKWEST Cell Lines**" means the CONKWEST CI Cell Line, the CONKWEST ER Cell Line, the CONKWEST MI Cell Line, and the CONKWEST WT Cell Line.

"**CONKWEST CI Cell Line**" means the proprietary natural killer cell line transfected with the pCEP4-LTRhIL-2 vector to express endogenous interleukin-2 and that is owned and controlled by CONKWEST as of the Effective Date. For clarity, CONKWEST CI Cell Line does not include any modifications, derivatives, or improvements thereof made by or under the authority of CONKWEST or any Third Parties after the Effective Date.

"**CONKWEST Confidential Information**" means all Confidential Information relating to the CONKWEST Cell Lines that is owned and controlled by CONKWEST. For clarity, CONKWEST Confidential Information expressly includes, but is not limited to, CONKWEST Know-How (including but not limited to CONKWEST Investigator's Brochure and CONKWEST IND(s)) and CONKWEST Report.

"**CONKWEST ER Cell Line**" means the proprietary natural killer cell line transfected with the endoplasmic reticulum (ER) gene encoding the protein known as the KDEL motif and that is owned and controlled by CONKWEST as of the Effective Date. For clarity, CONKWEST ER Cell Line does not include any modifications, derivatives, or improvements thereof made by or under the authority of CONKWEST or any Third Parties after the Effective Date.

"**CONKWEST Existing Rights**" means CONKWEST Cell Lines, CONKWEST Intellectual Property, and CONKWEST Cell Banks.

"**CONKWEST IND**" means any IND owned and controlled by CONKWEST as of the Effective Date that relates to the CONKWEST Cell Lines, including but not limited to US IND No. 8404 entitled "Investigational New Drug Application (IND) for Natural Killer Cell Line NK-92, Expanded with Interleukin-2"

"**CONKWEST Intellectual Property**" means all CONKWEST Confidential Information and CONKWEST Patents pertaining to the CONKWEST Cell Lines that are owned and controlled by CONKWEST as of the Effective Date, the CONKWEST Marks, and the Domain Name.

"**CONKWEST Investigator's Brochure**" means CONKWEST's investigator brochure, version 12.0 dated September 1, 2012.

"**CONKWEST Know-How**" means all Know-How pertaining to the CONKWEST Cell Lines that is owned and controlled by CONKWEST as of the Effective Date, including that which is described on Schedule B hereto and Know-How pertaining to the CONKWEST Cell Lines incorporated into the CONKWEST IND(s) and CONWKEST Investigator's Brochure. CONKWEST Know-How does not include CONKWEST Patents.

"**CONKWEST Marks**" means those marks listed on Schedule C hereto, which may be updated from time to time, owned and controlled by CONKWEST and any and all registrations and applications therefore in the United States and around the world. For clarity, the CONKWEST Marks include the CONEKSIS Mark, unless and until CONEKSIS acquires such trademark pursuant to the CONEKSIS Option under Section 2(d) below.

"**CONKWEST MI Cell Line**" means the proprietary natural killer cell line transfected with the MFG-hIL-2 vector to express endogenous interleukin-2, and that is owned and controlled by CONKWEST as of the Effective Date. For clarity, CONKWEST MI Cell Line does not include any modifications, derivatives, or improvements thereof made by or under the authority of CONKWEST or any Third Parties after the Effective Date.

"**CONKWEST Patents**" means the patents and patent applications owned and controlled by CONKWEST that are listed on Schedule A hereto, which may be updated from time to time, and any provisional patent applications, non-provisional applications, divisionals, continuations, continuation-in-part applications, continued prosecution, patents granted on such applications, revalidations, reissues, renewals, substitutions, supplementary protection certificates and the like, and patents of addition, reexaminations, extensions; and all foreign counterparts thereof.

"**CONKWEST Report**" has the meaning ascribed to it in Section 2.

"**CONKWEST WT Cell Line**" means the proprietary natural killer cell line known as the NK-92 wild type cell line, and that is owned and controlled by CONKWEST as of the Effective Date. For clarity, the CONKWEST WT Cell Line does not include the CD16 expressing NK-92 cell line or any other modifications, derivatives, or improvements of the CONKWEST WT Cell Line made by or under the authority of CONKWEST or any Third Parties after the Effective Date.

"**CONKWEST WT Master Cell Bank**" means the GMP-certified CONKWEST WT Cell Line. CONKWEST Master Cell Bank does not include any modifications, derivatives, or improvements to the CONKWEST WT Cell Line made by or under the authority of CONKWEST or any Third Parties after the Effective Date.

"**CONKWEST WT Working Cell Bank**" means the GLP and cGMP unmodified CONKWEST WT Cell Line. CONKWEST WT Working Cell Bank does not include any modifications, derivatives, or improvements to the CONKWEST WT Cell Line made by or under the authority of CONKWEST or any Third Parties after the Effective Date.

"**Domain Name**" has the meaning ascribed to it in Section 2.

"**Excluded Claim**" has the meaning ascribed to it in Section 24.

"**FCCC Rights**" has the meaning ascribed to it in Section 2. For clarity, any patents included in the FCCC Rights controlled by CONKWEST are listed on Schedule D hereto, which

may be updated from time to time, and any provisional patent applications, non-provisional applications, divisionals, continuations, continuation-in-part applications, continued prosecution, patents granted on such applications, revalidations, reissues, renewals, substitutions, supplementary protection certificates and the like, and patents of addition, reexaminations, extensions; and all foreign counterparts thereof.

"**Field**" has the meaning ascribed to it in the Preamble.

"**Force Majeure**" means in relation to either Party, any event or circumstance (other than lack of funds) which is beyond the reasonable control of that Party which event or circumstance that Party could not reasonably be expected to have taken into account at the date of this Agreement and which results in or causes the failure of that Party to perform any or all of its obligations under this Agreement including, but not limited to, act of God, lightning, fire, storm, flood, earthquake, accumulation of snow or ice, lack of water arising from weather or environmental problems, strike, lockout or other industrial or student disturbance, act of the public enemy, war declared or undeclared, threat of war, terrorist act, blockade, revolution, riot, insurrection, civil commotion, public demonstration, sabotage, act of vandalism, prevention from or hindrance in obtaining in any way materials, energy or other supplies, explosion, fault or failure of plant or machinery (which could not have been prevented by good industry practice), or legal requirement governing either Party or acts, omissions or delays in acting by any governmental authority.

"**Gross Revenue**" means gross receipts actually received by CONEKSIS or its sublicensees from the Sale of a Commercial Product, Licensed Product, or Licensed Service, as the case may be.

"**IND**" shall mean an Investigational New Drug Application, as defined in the United States Food, Drug and Cosmetic Act and the regulations promulgated thereunder, or similar applications (i.e., a filing that must be made prior to commencing clinical testing of a pharmaceutical product in human subjects) filed with an appropriate regulatory authority in any other jurisdiction.

"**Indemnitees**" means agents, directors, officers and employees of a Party entitled to indemnification hereunder and their respective successors, assigns, administrators, executors and/or heirs.

"**Indemnitor**" has the meaning ascribed to it in Section 9.

"**Innocent Party**" has the meaning ascribed to it in Section 12.

"**Licensed Product**" or "**Licensed Service**" means a product or service, as the case may be, which (i) utilizes, utilized, or otherwise relies upon or relied upon, any or all of the CONKWEST Cell Lines and/or the CONKWEST Cell Banks or (ii) would, but for the licenses granted pursuant to Section 2(a)(ii) or Section 2(c) hereto, infringe a Valid Claim.

"**Non-Performing Party**" has the meaning ascribed to it in Section 12.

"**Party**" or "**Parties**" means CONKWEST, CONEKSIS, or both, depending on the context.

"**Person**" or "**person**" means any corporation, partnership, limited liability company, joint venture, other entity, or natural person.

"**Progeny**" means unmodified descendants from the Biological Material, such as virus from virus, cell from cell or organism from organism.

"**Quality Standards**" means the quality levels which CONKWEST maintains in connection with the CONKWEST Marks.

"**Regulatory Approval**" means, with respect to a state, nation or multinational jurisdiction, (i) any approvals, licenses, registrations or authorizations necessary for the manufacture (where relevant), marketing and sale of a Licensed Product or Licensed Service in such state, nation or jurisdiction, and (ii) where relevant, pricing approvals necessary to obtain reimbursement from a Government Authority.

"**Results**" has the meaning ascribed to it in Section 6.

"**Royalty**" has the meaning ascribed to it in Section 5.

"**Sale**" means any transaction that transfers to an arm's-length Third Party purchaser, for value, title and right of physical possession to a Commercial Product, a Licensed Product, or a Licensed Service. Correspondingly, "**Sell**" means to make or cause to be made a Sale and "**Sold**" to have made or caused to be made a Sale.

"**Sublicensing Revenue**" means any amounts received by CONEKSIS from a non-Affiliated Third Party in consideration for the grant by CONEKSIS to such Third Party of (i) a sublicense under the CONKWEST Existing Rights and/or, if permitted, the FCCC Rights or (ii) the right to develop and/or commercialize any Licensed Product(s), Licensed Service(s) and/or Commercial Product(s) (including but not limited to, the grant to veterinary specialty practices of exclusive rights to Sell Licensed Product(s), Licensed Services and/or Commercial Product(s), as applicable, in particular geographic areas), including but not limited to any upfront payments, annual fees or maintenance payments, milestone payments or the like, but excluding: (a) amounts paid by such a Third Party as bona fide reimbursement for research, development and/or other costs that CONEKSIS is obligated to incur in the performance of activities in accordance with such agreement, (b) bona fide loans, (c) amounts paid for supplies of product or other tangible materials; and (d) royalties paid based on sales of Licensed Products, Licensed Services and/or Commercial Products; provided that CONEKSIS pays to CONKWEST any Royalties due to CONKWEST with respect thereto under Section 5(a)(i) or (5(a)(ii) below, as applicable.

"**Tax**" means all charges, duties, fees, levies or other assessments imposed by any tax authority, including but not limited to income, excise, property, sales, use, value added, profit, license, payroll, employment, net worth, capital gains, transfer, stamp, social security, environmental, occupation and franchise taxes, and includes any interest, penalties and additions on these payments.

"**Term**" has the meaning ascribed to it in Section 11.

"**Third Party**" means any Person other than CONKWEST or CONEKSIS.

"**Transfer**" has the meaning ascribed to it in Section 2.

"**Valid Claim**" means a bona fide claim of any issued or pending CONKWEST Patent or patent rights included in the FCCC Rights whose enforceability has not been affected by one or more of any of the following: (i) irretrievable lapse, expiration, revocation, cancellation or abandonment, and/or (ii) holding of unenforceability or invalidity by a decision of a court or other appropriate body of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, and/or (iii) disclaimer or admission of invalidity or unenforceability through reissue or re-examination or opposition, nullity action or invalidation suit response or otherwise.

"**ZelleRx-FCCC License**" has the meaning ascribed to it in Section 2.

2. Grant of Rights.

(a) Licenses to CONKWEST Rights. Subject to the terms and conditions of this Agreement, CONKWEST hereby grants to CONEKSIS, the following rights and licenses for use solely in the Field:

(i) a perpetual, worldwide, exclusive license, with the limited right to sublicense, under the following CONKWEST Existing Rights: (x) the CONKWEST Know-How, (y) the CONKWEST Cell Lines, and (z) the CONKWEST Cell Banks;

(ii) a worldwide, exclusive license, with the limited right to sublicense, for the Term, under the CONKWEST Patents existing as of the Effective Date; and

(iii) a perpetual, worldwide, exclusive, license, without right to sublicense, under the CONKWEST Marks; provided, however that the license to the CONKWEST Marks is solely for the purpose of promoting, advertising, or marketing CONEKSIS products and/or CONEKSIS services, including but not limited to the Licensed Products, Licensed Services, and Commercial Products, at the Quality Standards specified in Section 6 hereto; and further provided, however, that any and all use of the CONKWEST Marks in connection with the CONEKSIS products and/or services shall inure to the benefit of CONKWEST.

The licenses granted in this Section 2(a) expressly exclude the right to reproduce, modify, publicly perform, publicly display, create derivative works of, or otherwise create derivatives of or improvements to any of the CONKWEST Rights; provided, however, that, subject to the

conditions set forth in the following subsections (I) to (III) and to Sections 2(b) and 3 hereto, CONEKSIS has the limited right to modify or otherwise create derivatives of or improvements to the Biological Material and/or the CONKWEST Know-How (the "**CONEKSIS Modifications**"):

(I) if a given CONEKSIS Modification may only be capable of use within the Field (i.e., is not relevant to human or non-human therapeutics) and CONEKSIS is making such CONEKSIS Modification internally, without any collaboration or assistance of any sort from a Third Party, then such CONEKSIS Modification may be made without CONKWEST's prior written approval;

(II) if a given CONEKSIS Modification will or may be capable of use outside the Field in connection with human or non-human therapeutics, then such CONEKSIS Modification may be made only upon CONKWEST's prior written approval, which approval shall not be unreasonably withheld; and

(III) if CONEKSIS proposes to make any CONEKSIS Modification in collaboration, assisted by or otherwise with a Third Party, regardless of whether such CONEKSIS Modification is capable of use outside the Field, whether in connection with human or non-human therapeutics or not, then such CONEKSIS Modification may be made only upon CONKWEST's prior written approval, which approval shall not be unreasonably withheld. Notwithstanding the foregoing, any CONEKSIS Modification made in collaboration, assisted by or otherwise with a Third Party, as well as all CONEKSIS Intellectual Property pertaining any such CONEKSIS Modification, shall be at least jointly owned by CONEKSIS and CONEKSIS shall have the right to (and to authorize others, including CONKWEST and its Affiliates (other than CONEKSIS) to) use, practice, license, assign and/or otherwise exploit such CONEKSIS Modification(s) and/or CONEKSIS Intellectual Property for any purpose without restriction and without the approval of or accounting to any such Third Party.

The licenses granted to CONEKSIS by CONKWEST in this Section 2(a), together with the license granted to CONEKSIS by CONKWEST in Section 2(b) and the sublicense granted to CONEKSIS by CONKWEST in Section 2(c), are collectively referred to as the "**Licenses**."

(b) License to CONEKSIS Modifications. Subject to the terms and conditions of this Agreement, and subject to Section 3 hereto, CONKWEST hereby grants to CONEKSIS a perpetual, worldwide, exclusive license solely for use in the Field, with the limited right to sublicense, under the CONEKSIS Rights. Notwithstanding the license granted in Section 2(a)(i) hereto, CONKWEST hereby grants to CONEKSIS a perpetual, worldwide, limited exclusive license solely for use in the Field, with the limited right to sublicense, under the CONKWEST Cell Lines and the CONKWEST Know-How existing as of the Effective Date, solely for use in conjunction with the CONEKSIS Modifications.

(c) Sublicense to FCCC Rights.

(i) The Parties acknowledge that as of the Effective Date of this Agreement, CONKWEST and its Affiliates are the exclusive licensees of certain intellectual property rights owned by Fox Chase Cancer Center (the "**FCCC Rights**") pursuant to a certain exclusive license between ZelleRx Corporation (CONKWEST's predecessor in interest) and Fox Chase Cancer Center dated July 10, 2004 and amended on April 10, 2008 (the "**ZelleRx-FCCC License**"). The Parties also acknowledge and agree that as of the Effective Date of this Agreement, CONEKSIS is an affiliate (as that term is defined in the ZelleRx-FCCC License) of CONKWEST and therefore also is an exclusive licensee of the FCCC Rights; provided that CONEKSIS covenants and agrees only to exercise its license under the FCCC Rights for uses within the Field.

(ii) In addition, CONKWEST hereby grants to CONEKSIS, subject to the terms and conditions of this Agreement, an exclusive sublicense, under the FCCC Rights, with a limited right to sublicense only to Affiliates of CONEKSIS or for the sole purpose of having licensed products (as that term is defined in ZelleRx-FCCC License) made for CONEKSIS, in each case, during the term of this Agreement and solely for use in the Field; provided that CONEKSIS shall not exercise the sublicense granted to it under this Section 2(c)(ii) unless and until CONEKSIS ceases to be an affiliate (as that term is defined in the ZelleRx-FCCC License) of CONKWEST.

(iii) Notwithstanding any other provision of this Section 2(c), in the event that the ZelleRx-FCCC License terminates, such sublicense to the FCCC Rights shall

automatically terminate effective ninety (90) days following termination thereof without the necessity of notice from FCCC regarding such termination, in which case the Parties acknowledge that, in accordance with Section 2E of the ZelleRx-FCCC License, FCCC is obligated to negotiate in good faith for a period of ninety (90) days from such termination date to grant a license to CONEKSIS under the FCCC Rights. In addition, CONEKSIS acknowledges and agrees that CONEKSIS' exercise of the license under the FCCC Rights as an affiliate of CONKWEST (as described in Section 2(c)(i) above) or as a sublicensee of CONKWEST (as described in Section 2(c)(ii) above) shall, in all cases, be subject to the terms of the ZelleRx-FCCC License (as such agreement may be amended from time to time after the Effective Date) and CONEKSIS agrees to comply, and shall comply, in the exercise of its (sub)license under the FCCC Rights with all terms and conditions of the ZelleRx-FCCC License applicable to an affiliate or sublicensee of CONKWEST, as the case may be, as if such terms of the ZelleRx-FCCC License were incorporated herein by reference, including without limitation, the following provisions of the ZelleRx-FCCC License: Sections 2D, 2E, 3F, 6B, 6C, 7B, 10A and 10G.

(d) Option to the CONEKSIS Mark. Subject to the terms and conditions of this Agreement, CONKWEST hereby grants to CONEKSIS, during the term of this Agreement, a first option to acquire the CONEKSIS Mark, including applications and registrations therefor in the US and abroad, together with the goodwill of the business symbolized by the CONEKSIS Mark (the "**CONEKSIS Option**"), the terms of such acquisition to be reasonably negotiated by the Parties within a reasonable time of CONEKSIS exercising such CONEKSIS Option.

(e) Transfer of Domain Name. CONKWEST hereby transfers (the "**Transfer**") to CONEKSIS all of its rights, title, and interest in and to the domain name "www.coneksis.com" (the "**Domain Name**") and shall, within thirty (30) days of the Effective Date of this Agreement, effectuate such transfer with the registrar of the Domain Name.

(f) Sublicense Rights. For purposes of clarity, CONEKSIS is entitled to sublicense the rights granted in Sections 2(a)(i), 2(a)(ii), 2(b), and 2(c) hereto (including the right to distribute the Biological Material) only for use in the Field and to the extent necessary to develop and/or commercialize Commercial Product(s), Licensed Product(s) and/or Licensed Services, as

the case may be; provided, however, that (i) such sublicensee(s) shall not be authorized to grant any further sublicense; (ii) any sublicenses granted by CONEKSIS under the FCCC Rights shall be in accordance with Section 2(c) above and the ZelleRx-FCCC License; and (iii) to the extent any such sublicenses may involve the creation of any CONEKSIS Modification, CONKWEST's prior written approval thereto must be obtained in accordance with Section 2(a) above. Any sublicenses granted by CONEKSIS under the terms of this Agreement shall be subject to terms and conditions that are at least as restrictive as those set forth in this Agreement. CONEKSIS shall notify CONKWEST of any sublicense granted by CONEKSIS relating to this Agreement with thirty (30) days thereafter and upon CONKWEST's request shall provide to CONKWEST a copy of any such sublicense agreement, which copy may be redacted to remove any terms not reasonably required for the purposes of determining compliance with the terms of this Agreement. For clarity, CONEKSIS does not have the right to sublicense the rights granted in Section 2(a)(iii) hereto.

(g) Licensee and Sublicensee Compliance. CONEKSIS will, and will undertake that its Affiliates and sublicensees will, comply with all laws, rules, regulations and guidelines which apply to the use of the Biological Material, the CONKWEST Know-How, and the CONKWEST Patents, including without limitation, those promulgated by the U.S. Food and Drug Administration (or the foreign local equivalent), and those relating to the export and import of the Biological Material and the CONKWEST Know-How.

(h) Transfer of Biological Material and Know-How. CONKWEST shall provide the Biological Material to CONEKSIS, without charge for handling and delivery therefore, on a date mutually agreeable to both Parties and pursuant to reasonable delivery instructions provided by CONEKSIS to CONKWEST in advance. CONKWEST shall also provide CONEKSIS a report (the "**CONKWEST Report**") containing CONKWEST Know-How, including instructions on how to work with the Biological Material, no later than the time of the provision of the Biological Material. The CONKWEST Report shall be regarded at all times as CONKWEST Confidential Information.

(i) Sharing of CONKWEST IND(s). CONKWEST shall permit CONEKSIS to access, and shall provide CONEKSIS sufficient rights to reference and use in association with

CONEKSIS exercising its rights and performing its obligations under this Agreement, the CONKWEST IND(s) and regulatory communications associated with any submissions of such CONKWEST IND(s). For the avoidance of doubt, CONEKSIS shall exercise such rights of reference and use provided by CONKWEST to CONEKSIS under this Section 2(i) solely with respect to Licensed Products, Licensed Services and/or Commerical Products within the Field.

3. Ownership; Prosecution/Maintenance; Reservation of Rights; No Additional Rights.

(a) Ownership of CONKWEST Existing Rights. CONEKSIS acknowledges that subject to the licenses or sublicenses, as the case may be, granted to CONEKSIS by CONKWEST in Sections 2(a) and 2(c) hereunder, all right, title and interest in and to the CONKWEST Existing Rights is and shall remain the sole property of CONKWEST. CONEKSIS further acknowledges and agrees that, except as expressly permitted in Section 2(a) hereto, it shall not modify or improve the CONKWEST Existing Rights without the prior written consent of CONKWEST, nor use the CONKWEST Existing Rights for any purpose outside of the Field.

(b) Ownership of CONEKSIS Modifications. CONEKSIS and CONKWEST agree that ownership and inventorship with respect to any Intellectual Property developed hereunder shall be determined according to US laws; provided, however, that subject to the license granted to CONEKSIS by CONKWEST under Section 2(b) hereto, all right, title, and interest in and to the CONEKSIS Modifications is and shall remain the sole property of CONKWEST and, to the extent such CONEKSIS Modifications are identified, discovered, invented, acquired, and/or developed by CONEKSIS (by itself or in collaboration with Third Party(ies)), CONEKSIS hereby assigns, and/or shall cause to be assigned, to CONKWEST all of its right, title, and interest in and to such CONEKSIS Modifications.

(c) Prosecution/Maintenance. The Parties shall reasonably cooperate with each other in preparing and filing all appropriate documentation in connection with any patent applications

or patents under this Section 3(c). Subject to the terms and conditions of any agreement(s) with a Third Party regarding the CONEKSIS Modifications:

(i) CONKWEST shall consult with CONEKSIS to determine in which countries any patent applications related to any CONEKSIS Modifications shall be filed, prosecuted, and maintained, including corresponding PCT applications and national phase entry applications, and any and all patent applications, prosecution, issue and maintenance fees related to any divisional, substitute, reissue, continuation, or extension patents that are based thereon;

(ii) Unless otherwise agreed in writing, CONKWEST shall pay for any and all fees and costs resulting from drafting, filing, prosecuting, or maintaining such patents or patent applications related to such CONEKSIS Modifications and shall keep CONEKSIS reasonably informed on the status of such patents and patent applications; and

(iii) In the event that CONKWEST decides not to file a patent or patent application described under Section 3(c)(i) hereto, or decides not to prosecute or maintain any such patent application or patent under Section 3(c)(ii) hereto, then CONEKSIS shall have the right, but not the obligation, to file, prosecute, or maintain such patent application or patent, in which case CONEKSIS shall bear all costs and expenses related thereto, beginning on the date that CONEKSIS exercises such right and CONEKSIS shall keep CONKWEST reasonably informed on the status of any such patents and/or patent applications.

(iv) Each Party shall cooperate with the other Party in connection with activities relating to the preparation, filing, prosecution and maintenance of patents and patent applications relating to the CONEKSIS Modifications undertaken by the other Party pursuant to this Section 3(c), including: (A) making available to such other Party in a timely manner any documents or information reasonably necessary or appropriate to facilitate such other Party's filing, prosecution and maintenance of any such patent or patent application; and (ii) if and as appropriate, signing (or causing to have signed) all documents relating to the filing, prosecution and maintenance of any such patent or patent application by such other Party. Each Party shall also promptly provide to the other Party all information reasonably requested by such other Party with regard to such Party's activities pursuant to this Section 3(c).

(d) Ownership of Results. Notwithstanding Sections 3(a) and 3(b) hereto, all right, title, and interest in and to any results and data arising in any part of the world developed by or under the authority of CONEKSIS (by itself or in collaboration with or with the assistance of any Third Party) as a result of its use of any or all of the CONKWEST Existing Rights or the CONEKSIS Modifications (collectively, "**Results**") shall, as between the Parties, be the exclusive property of CONEKSIS and, subject to Section 3(e) hereto, CONKWEST shall have no rights therein. CONEKSIS shall have the unrestricted right to publish or otherwise disclose Results obtained by the practice of the rights granted under this Agreement provided such disclosure does not include any CONKWEST Confidential Information. The name of CONKWEST shall be given proper recognition in such publication(s) as scientifically appropriate.

(e) License to Results. Notwithstanding Section 3(d), CONEKSIS shall provide CONKWEST with a copy of any new Results generated by or under the authority of CONEKSIS on a reasonably regular basis during the TERM (but in no event less than once every six (6) months or as otherwise reasonably requested by CONKWEST). CONEKSIS hereby grants CONKWEST a non-exclusive, perpetual, irrevocable, royalty-free, license to use the Results solely for CONKWEST's internal research purposes and outside the Field. Notwithstanding the foregoing, it is understood that the license granted by CONEKSIS to CONKWEST in this Section 3(e) shall include the right for CONKWEST to authorize a third party conducting research and/or other activities for or on behalf of CONKWEST outside the Field to use any Results in the performance of such activities . For clarity, such Results shall be considered to be CONEKSIS' proprietary and Confidential Information. Except as specified in this Section 3(e), CONKWEST is expressly prohibited from disclosing such Results to Third Parties and, to the extent such Results are provided in tangible form, CONKWEST shall not create derivative works thereof or, except for its own internal research purposes, reproduce, display, distribute, or perform such Results.

(f) Reservation of Rights; No Additional Rights. All rights not specifically granted to CONEKSIS herein are expressly reserved by CONKWEST. For the avoidance of doubt, except as expressly set forth in Section 2(a) hereto, CONEKSIS is expressly prohibited from reproducing, modifying, publicly performing, publicly displaying, creating derivative works of,

or otherwise creating derivatives of or improvements to any of the CONKWEST Existing Rights or the Biological Material and from Selling, transferring, assigning, or otherwise providing any Third Party access to the CONKWEST Existing Rights or the Biological Material. Nothing contained herein shall be construed to confer any rights upon either Party by implication, estoppel, or otherwise as to any technology or patent rights of the other Party other than those which are expressly set forth herein.

4. Manufacture of Licensed Products. CONKWEST shall have the first right, but not the obligation, to manufacture Licensed Products and/or Commercial Products for CONEKSIS, whereby, for each order of Licensed Products, CONKWEST shall notify CONEKSIS in writing within thirty (30) days of CONKWEST's receipt of an order of its decision to manufacture such Licensed Products or not; provided, however, that CONEKSIS may engage a Third Party to manufacture Licensed Products in the event that CONKWEST is unable or unwilling to manufacture and deliver such Licensed Products in the timeframe and/or quantity required by CONEKSIS and at a price agreeable to the Parties, such pricing to be reasonably negotiated.

5. Consideration; Payment.

(a) Royalty Payments. In consideration of the Licenses granted in Section 2 hereto, CONEKSIS agrees to pay CONKWEST during the TERM:

(i) a "**Royalty**" or "**Royalties**" for the Licensed Products and/or Licensed Services Sold, distributed, or otherwise transferred by CONEKSIS and/or its sublicensees, in the amount of three percent (3%) of the Gross Revenue actually received by CONEKSIS and/or its sublicensees therefor;

(ii) a "**Royalty**" or "**Royalties**" for the Sale of Commercial Products by CONEKSIS and/or its sublicensees in the amount of three percent (3%) of the Gross Revenue actually received by CONEKSIS and/or its sublicensees therefor; and/or

(iii) CONEKSIS shall pay CONKWEST five percent (5%) of any Sublicensing Revenue actually received by CONEKSIS.

(iv) All amounts necessary to reimburse CONKWEST for amounts payable by CONKWEST under the ZelleRx-FCCC License as a result of or arising from CONEKSIS' exercise of the rights granted to it under the FCCC Rights pursuant to this Agreement.

CONEKSIS (itself or by or through its permitted sublicensees and/or other contractors) shall take all commercially reasonable steps to develop, commercialize, and promote the sales of Licensed Products, Licensed Services and/or Commercial Products. CONEKSIS will have no obligation to pay CONKWEST a "Minimum Annual Royalty" on any Commercial Products, Licensed Products or Licensed Services.

All Royalties and other amounts due pursuant to this Section 5(b) for a particular calendar quarter shall be due and payable by CONEKSIS to CONKWEST in U.S. dollars within thirty (30) days following the end of such calendar quarter. With each payment, CONEKSIS shall provide a written statement setting forth the total Gross Revenue and Sublicensing Revenues for the applicable calendar quarter and such other information as CONKWEST may reasonably request in order to verify the calculation of payments made by CONEKSIS to CONKWEST under this Agreement or to satisfy CONKWEST's reporting obligations under the ZelleRx-FCCC License.

(c) Method of Payment. All payments to CONKWEST hereunder shall be made payable to CONKWEST and sent to the address identified in Section 13 or remitted to CONKWEST's account at a bank in the United States to be designated by CONKWEST in writing and sent to CONEKSIS in advance of such payment.

(d) Third-Party Payments. Subject to Section 5(a)(iv) above, CONKWEST is responsible for all payments, if any, to Third Parties that are owed pursuant to any agreement executed by CONKWEST prior to the Effective Date as a result of CONEKSIS exercising the Licenses granted by CONKWEST to CONEKSIS herein in accordance with the terms and conditions of this Agreement. Notwithstanding the foregoing, CONEKSIS is responsible for obtaining, at its expense, any Third Party intellectual property required to utilize, practice or otherwise perform under the Licenses granted herein, including the development and commercialization of its products, including the Commercial Products, Licensed Products and/or Licensed Services.

(e) Payments in U.S. Dollars. All payments due hereunder are payable in United States dollars.

(f) Taxes:

(i) All payments due hereunder are inclusive of all applicable Taxes subject however to Section 3(f)(ii) below. If any such Taxes are chargeable in respect of any payments, CONEKSIS shall pay such Taxes at the applicable rate in respect of any such payments following the receipt, where applicable, of a Taxes invoice in the appropriate form issued by CONKWEST in respect of those payments. The applicable Taxes shall be payable on the due date of the payment to which such Taxes relate.

(ii) CONEKSIS may deduct withholding Taxes from the payment it owes CONKWEST under this Agreement. CONEKSIS will, on behalf of CONKWEST, pay the withheld Tax to the appropriate authority and provide CONKWEST with proof of payment and evidence of the tax obligation. CONEKSIS will at CONKWEST's request and expense provide CONKWEST reasonable assistance in recovering these withholding Taxes.

(g) Maintenance of Records. CONEKSIS shall keep accurate records of all of its operations and of reports of operations by its sublicensees within the scope of this Agreement. CONKWEST, at its sole expense, shall have the right to have a Certified Public Accountant of its choice inspect such records at CONEKSIS' office for two years after the calendar year to which they pertain at reasonable times upon two (2) weeks prior written notice by CONKWEST. In addition, and without limiting the foregoing, CONEKSIS shall comply with the record keeping and auditing requirements of the ZelleRx-FCCC License, as communicated by CONKWEST to CONEKSIS reasonably in advance.

6. Quality Standards.

(a) In order to carry out the rights granted in Section 2(a)(iii) hereto, CONEKSIS is authorized to use the CONKWEST Marks in such style, appearance and manner as CONKWEST shall, in its sole discretion, specify or approve in writing and solely on or in association with products and/or services in the Field and in strict accordance with all of the applicable Quality Standards. CONEKSIS may not manufacture, sell, promote, or distribute any product or service to be used in association with the CONKWEST Marks, including but not limited to the Licensed Products and Licensed Services, until it has obtained the requisite written approvals from CONKWEST. It is within CONKWEST's sole reasonable discretion to grant or withhold any approval. CONEKSIS further understands that it is an essential condition of the validity of this Agreement, of the validity of the CONKWEST Marks licensed herein, and for the protection of the high reputation enjoyed by CONKWEST, that the products and services produced in association with any of the CONKWEST Marks be of high and consistent quality subject to the on-going approval and continuing supervision and control of CONKWEST.

(b) CONEKSIS is expressly prohibited from modifying the CONKWEST Marks unless expressly agreed to and such modifications are expressly approved in writing by CONKWEST.

(c) CONEKSIS will not use the CONKWEST Marks in conjunction or association with any other trademark, trade name, or logo, or place the CONKWEST Marks in close proximity to any other name, mark or logo without the express prior written approval of CONKWEST.

(d) CONEKSIS will comply as soon as reasonably practicable (but in any event within twenty days) with all reasonable instructions furnished by CONKWEST from time-to-time with respect to the style, appearance and manner of use of the CONKWEST Marks on or in connection with the products and/or services, including instructions to revise the style, appearance or manner of use as CONKWEST may specify from time to time.

(e) Whenever the CONKWEST Marks are used on or in connection with the products and/or services, CONEKSIS shall use the trademark symbol "™", the service mark symbol "SM", or the registration symbol "®", as appropriate.

7. Infringement by Third Parties.

(a) Notice. If any of the CONKWEST Existing Rights or the CONEKSIS Modifications are infringed and/or misappropriated by a Third Party, the Party first having knowledge of such infringement and/or misappropriation shall promptly notify the other Party in writing. The notice shall set forth the facts of such infringement and/or misappropriation in reasonable detail.

(b) Infringement Actions; CONKWEST Rights/CONEKSIS Modifications. CONKWEST shall have the sole and exclusive right, but not the obligation, to institute, litigate and control any claim, action or proceeding with respect to any infringement and/or misappropriation by a Third Party (an "Infringement Action") of any of the CONKWEST Existing Rights or the CONEKSIS Modifications, by counsel of its own choice, in which case CONEKSIS shall reasonably cooperate with CONKWEST at CONKWEST's request and expense in the litigation of such Infringement Action; provided, however, that CONEKSIS shall not be obligated to join in any such Infringement Action related to the CONKWEST Existing Rights or the CONEKSIS Modifications (subject to ownership of the CONEKSIS Modifications) except to the extent necessary for standing purposes. CONKWEST shall be entitled to make all decisions with respect to control of litigation, settlement, consent judgment or other voluntary final disposition of an Infringement Action regarding the CONKWEST Existing Rights and/or the CONEKSIS Modifications; provided that CONKWEST shall have no right or authority to bind CONEKSIS with respect to any such matters without CONEKSIS' express prior written consent; and provided, however, that CONKWEST's rights and obligations under this Section 7(b) with respect to the CONEKSIS Modifications are subject to the terms and conditions of any agreement(s) with a Third Party with whom CONEKSIS collaborated to identify, discover, invent, acquire, and/or develop such CONEKSIS Modifications.

8. Representations and Warranties.

(a) Each Party hereby represents and warrants to the other Party as of the Effective Date that:

(i) it is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated;

(ii) it has the corporate power and authority and the legal right to enter into this Agreement free from any conflicting right owed to a Third Party and to perform its obligations hereunder;

(iii) it has taken all necessary corporate action on its part to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder and that this Agreement has been duly executed and delivered on behalf of each Party, and constitutes a legal, valid, binding obligation, enforceable against such Party in accordance with its terms;

(iv) all necessary consents, approvals and authorizations of all applicable competent authorities and other persons required to be obtained by such Party in order to execute this Agreement on behalf of such Party have been obtained; and

(v) the execution and delivery of this Agreement and the performance of such Party's obligations do not constitute a default or require any consent under any other contractual obligation of such Party.

(b) CONKWEST hereby represents and warrants to CONEKSIS that as of the Effective Date:

(i) CONKWEST owns and controls within the Field the CONKWEST Existing Rights, and has obtained all necessary assignments, licenses, and other rights in and to the CONKWEST Existing Rights necessary to provide to CONEKSIS the Biological Material and CONKWEST Know-How and grant the Licenses as described herein;

(ii) CONKWEST has the sole and exclusive right to grant to CONEKSIS the Licenses, Option, and Transfer set out in this Agreement; and

(iii) CONKWEST has not previously entered into any agreement, whether written or oral, with respect to the CONKWEST Existing Rights which conflicts with the rights granted to CONEKSIS hereunder and will not enter into any such agreement during the Term of this Agreement.

(c) CONEKSIS hereby represents and warrants to CONKWEST that:

(i) CONEKSIS will not attend any meetings with regulatory agencies that relate to the CONKWEST Existing Rights unless it is accompanied by a representative of CONKWEST or CONKWEST agrees in writing that CONEKSIS may attend such meetings in the absence of CONKWEST;

(ii) CONEKSIS shall not, and shall not collude with, authorize or assist any Third Party to, use any of the CONKWEST Existing Rights or any of the CONEKSIS Modifications outside of the Field;

(iii) CONEKSIS shall not, and shall not collude with, authorize or assist any Third Party to, take any action to intentionally compete, directly or indirectly, with CONKWEST outside of the Field; and

(iv) CONEKSIS shall not, and shall not collude with, authorize or assist any Third Party to, distort, misuse, diminish, infringe, dilute, contest or challenge CONKWEST's rights in and to, ownership of, and registrations or applications for registration of, CONKWEST's Existing Rights or the CONEKSIS Modifications.

9. Indemnification.

(a) CONKWEST shall indemnify, defend and hold harmless CONEKSIS and its Indemnitees from and against any and all claims, losses, demands, liabilities, judgments, actions, causes of action, costs and expenses, of any type or kind (including reasonable attorneys' fees) (collectively "**Claims**") brought by a Third Party, if the Claims:

(i) result from a breach of CONKWEST's representations and warranties under Section 8 hereinabove;

(ii) result from a material breach by CONKWEST of the terms of this Agreement; or

(iii) result from a claim that the CONKWEST Existing Rights infringe the intellectual property of a Third Party;

provided, however, that CONKWEST shall not be obligated to indemnify CONEKSIS and its Indemnitees under this Section 9(a) to the extent the Claims are a result of negligence or willful misconduct of CONEKSIS or its Indemnitees or a matter with respect to which CONEKSIS is obligated to indemnify CONKWEST pursuant to Section 9(b) below, and provided further, that CONKWEST's liability to indemnify CONEKSIS or its indemnities under this Section 9(a) shall not exceed the amounts paid by CONEKSIS to CONKWEST hereunder.

(b) CONEKSIS shall indemnify, defend and hold harmless CONKWEST and its Indemnitees from and against any and all Claims brought by a Third Party, if the Claims:

(i) result from a breach of CONEKSIS' representations and warranties under Section 8 hereinabove;

(ii) result from the material breach by CONEKSIS of the terms of this Agreement or any terms of the ZelleRx-FCCC License applicable to CONEKSIS in its capacity as an affiliate (as defined in the ZelleRx-FCCC License) of CONKWEST or CONKWEST's sublicensee;

(iii) result from the development, commercialization, Sale, distribution or use of a Licensed Product, Licensed Service, and/or Commercial Product by or under the authority of CONEKSIS or its sublicensees;

(iv) result from any use of the Biological Material or CONKWEST Know-How by CONEKSIS or its sublicensees (other than claims that the CONKWEST Cell Lines infringe the intellectual property rights of a Third Party); or

(v) result from a claim that the CONEKSIS Modifications infringe the intellectual property of a Third Party;

provided, however, that CONEKSIS shall not be obligated to indemnify CONKWEST and its Indemnities under this Section 9(b) to the extent the Claims are a result of negligence or willful misconduct of CONKWEST or its Indemnitees or a matter in respect of which CONKWEST is obligated to indemnify CONEKSIS pursuant to Section 9(a) above.

(c) In order to maintain the right to be covered under Section 9(a) or (b), the Indemnitee must: (i) promptly notify the indemnifying Party (**"Indemnitor"**) in writing after learning of any Claims; (ii) allow the Indemnitor to manage and control (by way of intervention or otherwise) the defense and settlement of any such Claims against the Indemnitees; (iii) cooperate with the Indemnitor in the defense or the settlement negotiation of Claims reasonably required by the Indemnitor; and (iv) abstain from making any statements or taking any actions which damage the defense against any Claims (including, without limitation, any statements against the interest of the Indemnitees or admissions of causation or guilt). The Indemnitor shall not agree to any settlement that adversely affects the Indemnitees' rights or interests without the Indemnitees' prior written approval (which approval shall not be unreasonably withheld). The Indemnitor will not be responsible for any costs or expenses (including attorney fees) incurred or made by the Indemnitees without Indemnitor's prior written consent, and then only to the extent they are reasonable. The Indemnitees may retain its or their own legal counsel to monitor an indemnification event, but the Indemnitees shall be responsible for its own costs and expenses with respect thereto, subject to the preceding sentence.

(d) Disclaimer of Warranties. EXCEPT AS SPECIFICALLY STATED IN SECTION 8 ABOVE, CONKWEST MAKES NO REPRESENTATIONS AND EXTENDS NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED. WARRANTIES DISCLAIMED INCLUDE, BUT ARE NOT LIMITED TO, ANY EXPRESS OR IMPLIED WARRANTIES OF DESIGN, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE; OR ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICE.

(e) Limitations of Liability. IN NO EVENT WILL EITHER PARTY BE LIABLE FOR ANY LOST REVENUES, LOST PROFITS, OR OTHER INCIDENTAL, SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES ARISING OUT OF THIS AGREEMENT OR ITS PERFORMANCE OR BREACH, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES; PROVIDED THAT THE FOREGOING LIMITATION

OF LIABILITY SHALL NOT APPLY TO LIMIT A PARTY'S DAMAGES IN THE EVENT OF (A) THE OTHER PARTY'S BREACH OF ITS CONFIDENTIALITY OBLIGATIONS UNDER SECTION 10 BELOW, (B) THE USE BY OR UNDER THE AUTHORITY OF CONEKSIS OF ANY OF THE CONKWEST EXISTING RIGHTS OR CONEKSIS MODIFICATIONS OUTSIDE IN THE FIELD IN BREACH OF THIS AGREEMENT OR (C) ANY BREACH BY CONEKSIS OF SECTION 2(c) ABOVE. FOR THE AVOIDANCE OF DOUBT, DIRECT FINANCIAL OR OTHER LOSSES, INCLUDING LOSSES RESULTING FROM CONEKSIS' BREACH OF THE SCOPE OF THE LICENSES, ARE EXCLUDED FROM THIS PROVISION.

(f) The provisions of this Section shall survive termination.

10. Confidentiality.

(a) Each Party, with respect to the other Party's Confidential Information:

(i) may only use the Confidential Information for the purposes envisaged under this Agreement;

(ii) must ensure that only those of its officers, employees, sublicensees and Third Parties working with, for and/or on behalf of such Party who are directly concerned with carrying out the purposes envisaged under this Agreement have access to the Confidential Information on a strictly applied "need to know" basis, are informed of the secret and confidential nature of it, and have entered into written agreements, prior to such disclosure, obligating them to hold in confidence and not use any Confidential Information except as permitted by this Agreement;

(iii) must keep the Confidential Information secret and confidential and not disclose or permit to be disclosed, make available or permit to be made available the same to any Third Party for any reason without the prior written consent of the disclosing Party or except as set forth in this Agreement; and

(iv) must not copy, reproduce or otherwise replicate for any purpose or in any manner whatsoever any documents containing the Confidential Information except as necessary to exercise the rights granted it and/or in the performance of its obligations under this Agreement.

(b) The obligations of confidence referred to in Section 10(a) shall not extend to any Confidential Information which:

(i) is or becomes generally available to the public otherwise than by reason of breach by a recipient Party of the provisions of this Agreement;

(ii) is known to the recipient Party and is at its free disposal prior to its receipt from the disclosing Party provided that evidence of such knowledge is proven by competent written records;

(iii) is subsequently disclosed to the recipient Party without obligations of confidence by a Third Party owing no such obligations to the disclosing Party in respect of that Confidential Information;

(iv) is independently developed by a Party without reliance on the Confidential Information of the other Party, provided that evidence of such is proven by competent written records; or

(v) is required to be disclosed in order to comply with any law, regulation or valid court order (including, without limitation, as part of any regulatory submission or approval process) to the extent necessary for such compliance; provided, however, the Party seeking such disclosure shall provide prompt written notice of this requirement to the disclosing Party in order to provide the disclosing Party an opportunity to seek appropriate relief to prevent or limit such disclosure, provided always that in such circumstances such disclosure shall be only to the extent so required and shall be subject to reasonable prior consultation with the disclosing Party with a view to agreeing to the timing and content of such disclosure, or other such equitable relief and shall reasonably cooperate with such other Party’s efforts to seek confidential treatment of any Confidential Information to be disclosed.

(c) All Confidential Information owned by and disclosed by the disclosing Party to the recipient Party shall remain the property of the disclosing Party. In the event that a court or competent authority assumes partial or complete control over the assets of a recipient Party based on the insolvency or bankruptcy of that Party, the recipient Party shall promptly notify such court or competent authority that (i) Confidential Information received from the disclosing Party under this Agreement remains the property of the disclosing Party; and (ii) of the confidential obligations under this Agreement; and to the extent permitted by law, take all steps reasonably necessary to maintain the confidentiality and security of the disclosing Party's Confidential Information to ensure that the court or competent authority maintains that Confidential Information in confidence in accordance with this Agreement.

(d) The obligations of the Parties under Section 10 shall last until the Confidential Information is no longer secret and confidential through no breach of any provision of this Agreement.

(e) The requirement under Section 10(b)(v) to notify the disclosing Party when Confidential Information is required to be disclosed by law shall not apply when such disclosure is required as part of any regulatory submission or approval process.

(f) Each Party agrees not to disclose to any Third Party the terms of this Agreement without the prior written consent of the other Party hereto, except each Party may disclose the terms of this Agreement: (i) to advisors (including financial advisors, attorneys and accountants), actual or potential sublicensees, acquisition partners or investors, and others on a need to know basis, in each case under appropriate confidentiality provisions substantially equivalent to those in this Agreement; or (ii) to the extent necessary to comply with applicable laws and court orders, including securities laws, regulations or guidances; provided that in the case of paragraph (ii) the disclosing Party shall promptly notify the other Party and (other than in the case where such disclosure is reasonably necessary to comply with securities laws, regulations or guidances) allow the other Party a reasonable opportunity to oppose with the body initiating the process and, to the extent allowable by law, to seek limitations on the portion of the Agreement that is required to be disclosed.

11. Term; Termination.

(a) This Agreement shall come into force on the Effective Date and:

(i) with respect to the licenses granted in Sections 2(a)(i), 2(a)(iii), and 2(b) shall remain in full force and effect perpetually, unless terminated as herein provided;

(ii) with respect to the license granted in Section 2(a)(ii), shall remain in full force and effect, unless earlier terminated as herein provided, until the last-to-expire Valid Claim (the "**Term**"), at which time such license shall be fully paid up and perpetual, unless terminated as herein provided; and

(iii) with respect to the sublicense granted in Section 2(c) shall remain in full force and effect for as long as the ZelleRx-FCCC License remains in full force and effect.

(b) Termination for Insolvency.

(i) If voluntary or involuntary proceedings by or against a Party are instituted in bankruptcy under any insolvency law, or a receiver or custodian is appointed for such Party, or proceedings are instituted by or against such Party, in each of the foregoing cases only if it is for dissolution of such Party, which proceedings, if involuntary, shall not have been dismissed within sixty (60) days after the date of filing, then this Agreement may be terminated by the other Party.

(ii) Notwithstanding Section 3(b), all rights and licenses granted under this Agreement are, and shall be deemed to be, for purposes of Section 365(n) of the United States Bankruptcy Code, licenses of rights to "intellectual property" as defined under Section 101(35A) of the United States Bankruptcy Code. In the event of the commencement of a bankruptcy proceeding by or against a Party under the United States Bankruptcy Code, the other Party shall be entitled to complete access to any such intellectual property licensed to it hereunder, and all embodiments of such intellectual property, but only as necessary for the purposes of exploitation of the licenses granted to the non-affected party under this Agreement and subject to payment of the applicable fees (if any) set forth in this Agreement through the effective date of any termination hereunder.

(c) Either Party has the right, upon sixty (60) days prior written notice to the other Party, to terminate this Agreement, including all licenses hereunder, if such other Party is in breach of its material obligations hereunder and has not cured such breach within sixty (60) days after receipt of written notice requesting cure of the breach. Notwithstanding the foregoing, if the Party alleged to be in breach disputes such any allegation of material breach in writing within the applicable sixty (60) day period, the affected Party shall not have the right to terminate this Agreement unless and until it is finally determined by arbitration conducted in accordance with Section 24 below that such material breach was committed by such Party, and such Party fails to cure such material breach within sixty (60) days after such determination.

(d) CONEKSIS has the right, upon sixty (60) days prior written notice to CONKWEST, to terminate this Agreement for any reason or no reason, including any or all Licenses granted by CONKWEST hereunder.

(e) CONKWEST shall have the right to terminate this Agreement upon notice to CONEKSIS in the event that CONEKSIS, or any of its sublicensees, or any Third Party assigned or designated by CONEKSIS, or any of its sublicensees, takes any action, directly or indirectly, or knowingly provides financial or other assistance, including legal or technical advice, directly or indirectly, to any Third Party to challenge to the validity, enforceability, scope, inventorship or ownership of any of the CONKWEST Patents or any patent rights included within the FCCC Rights in any court or tribunal or before the United States Patent and Trademark Office or any patent office in a jurisdiction outside of the United States, or in any arbitration proceeding, including in connection with an opposition proceeding or re-examination, and within thirty (30) days after written notice thereof by CONKWEST, CONEKSIS does not withdraw or cause to be withdrawn such action; provided, however, that CONKWEST shall not have such right to terminate this Agreement if such action is taken with respect to a CONKWEST Patent that has been asserted against CONEKSIS, or any of its sublicensees, in a legal, court, administrative or other governmental proceeding.

(f) In the event of termination of this Agreement by CONKWEST under subsections (c) or (e) above or by CONEKSIS under subsection (d) above, the Licenses granted hereunder shall terminate, CONEKSIS will destroy the Biological Material and the CONKWEST Cell

Lines and destroy all CONKWEST Confidential Information provided by CONKWEST to CONEKSIS hereunder within thirty (30) days following termination under such subsection, and CONEKSIS specifically agrees to make no further use of the CONKWEST Existing Rights or the CONEKSIS Modifications for any purpose. For the avoidance of doubt, in the event of any such termination, the licenses and rights granted by CONEKSIS to CONKWEST hereunder shall survive.

12. Assignment; Successors. This Agreement including the rights and privileges granted hereunder may not be assigned by either Party without the prior written consent of the other Party; provided, however, that either Party may, without the other Party's consent, assign this Agreement and its rights and obligations hereunder (a) to an Affiliate or (b) in connection with the transfer or sale of all or substantially all of its business or assets, or in the event of its merger, consolidation, change in control or other similar transaction. This Agreement is binding upon and will inure to the benefit of the Parties and their respective successors and permitted assigns.

13. Notice Address. Any payment, notice or other communication pursuant hereto shall be sufficiently made or given if sent to the other Party by certified or registered mail postage prepaid, facsimile, or sent by nationally-recognized overnight courier addressed to it at its address below or at such other address as a Party may later designate by written change of address notice given to the other Party in accordance with this Section 13. Any such notice shall be deemed to have been given: (a) when delivered if sent by facsimile on a business day (or if delivered or sent on a non-business day, then on the next business day); (b) on the business day after dispatch if sent by nationally-recognized overnight courier; or (c) on the fifth (5th) business day following the date of mailing, if sent by mail.

If to CONKWEST:

CONKWEST Incorporated
2533 South Coast Highway 101
Suite 210
Cardiff-By-The-Sea, CA 92007-2133
Attention: Barry J. Simon, M.D.,
President & CEO
Telephone: (858) 633-0300
Facsimile: (858) 380-1999
E-mail: bsimon@conkwest.com

With copies to:

Pietragallo Gordon Alfano Bosick & Raspanti, LLP
38th Floor, One Oxford Centre
Pittsburgh, PA 15219
Attention: Alicia M. Passerin, Ph.D, Esq.
Telephone: (412) 263-4369
Facsimile: (412) 261-0915
E-mail: AMP@Pietragallo.com

If to CONEKSIS:

Conkesis, Inc.
2533 South Coast Highway 101
Suite 210
Cardiff-By-The-Sea, CA 92007-2133
Attention: Chief Executive Officer
Telephone: (858) 633-0300
Facsimile: (858) 380-1999
Email:

14. Headings. All headings are for convenience only and shall not affect the meaning of any provision hereof.

15. Force majeure. If a Party (the "**Non-Performing Party**") is unable to carry out any of its obligations under this Agreement due to Force Majeure, this Agreement shall remain in effect but the Non-Performing Party's relevant obligations under this Agreement and the corresponding obligations of the other Party (the "**Innocent Party**") under this Agreement, shall be suspended for a period equal to the circumstance of Force Majeure, provided that:

(a) the suspension of performance is of no greater scope than is required by the Force Majeure;

(b) the Non-Performing Party gives the Innocent Party written notice describing the circumstance of Force Majeure as soon as reasonably practical, including the nature of the occurrence;

(c) the Non-Performing Party uses all reasonable efforts to remedy its inability to perform and to mitigate the effects of the circumstance of Force Majeure; and

(d) as soon as practicable after the event which constitutes Force Majeure the Parties discuss how best to continue their operations as far as possible in accordance with this Agreement.

16. Entire Agreement. This Agreement, together with any Appendices attached hereto and specifically referenced herein, contains the entire understanding of the Parties with respect to the subject matter herein and supersedes all previous agreements and undertakings with respect thereto.

17. Miscellaneous: This Agreement may be amended only by a writing signed by the authorized representative of each of the Parties.

18. Survival: The expiration or termination of this Agreement for any reason shall not release either Party from any liability that, at the time of such expiration or termination, has already accrued to the other Party or that is attributable to a period prior to such expiration or termination, nor will any termination of this Agreement preclude either Party from pursuing all rights and remedies it may have under this Agreement, or at law or in equity, with respect to any breach of this Agreement. In addition, the following provisions of the Agreement shall survive expiry or any termination of the Agreement: Sections 1, 2(b), 3, 5(g), 9, 10,11, 13, 14, this Section 18, 19, 20, 21, and 24 and all definitions relating to the foregoing.

19. Governing Law: This Agreement shall be construed in accordance with the laws of the State of Delaware, and the patent laws of the United States, without regard or reference to any of its rules or provisions governing conflict of laws.

20. Severance of Terms: If the whole or any part of this Agreement is or becomes or is declared illegal, invalid or unenforceable in any jurisdiction for any reason (including both by reason of the provisions of any legislation and also by reason of any decision of any court or competent authority which either has jurisdiction over this Agreement or has jurisdiction over any of the Parties):

(a) in the case of the illegality, invalidity or unenforceability of the whole of this Agreement it shall terminate in relation to the jurisdiction in question; or

(b) in the case of the illegality, invalidity or unenforceability of part of this Agreement that part shall be severed from this Agreement in the jurisdiction in question and that illegality, invalidity or unenforceability shall not in any way whatsoever prejudice or affect the remaining parts of this Agreement which shall continue in full force and effect unless the absence of the invalidated, illegal or unenforceable provisions(s) adversely affects the substantive rights of the Parties. The Parties shall in such an instance use their reasonable good faith efforts to replace the invalid, illegal or unenforceable provision(s) with valid, legal and enforceable provision(s) which, insofar as practical, implement the purposes of this Agreement.

21. Waiver. The waiver by a Party of any right hereunder, or of any failure of the other Party to perform, or of any breach or violation of any provision hereof by the other Party shall not operate or be construed a waiver of any other right hereunder or of any other subsequent failure, breach or violation of such other Party hereof whether of a similar nature or otherwise.

22. Export. It is understood that the Biological Material and Know-How provided or made available by CONKWEST under this Agreement may be subject to applicable laws and regulations controlling the export and import of technical data, biological materials, laboratory prototypes, and other information or materials that may require a license from the applicable agency of the United States Government or foreign government, and CONEKSIS will comply with all such laws and regulations in the performance of this Agreement. CONKWEST neither represents that a license will not be required nor does CONKWEST represent that if a license is required, it will be issued.

23. Counterparts; Telefacsimile, Electronic Execution. This Agreement may be executed in any number of counterparts (facsimile and electronic transmission included), and by each of the Parties on separate counterparts, each of which, when so executed, shall be deemed an original, but all of which shall constitute but one and the same instrument. After facsimile or electronic transmission, the Parties agree to execute and exchange documents with original signatures.

24. Dispute Resolution.

(a) The Parties shall negotiate in good faith and use reasonable efforts to settle any dispute, controversy or claim arising from or related to this Agreement or the performance or breach thereof. If the Parties do not fully settle, and a Party wishes to pursue the matter, each such dispute, controversy or claim that is not an "Excluded Claim" shall be finally resolved by binding arbitration in accordance with the Commercial Arbitration Rules and Supplementary Procedures for Large Complex Disputes of the American Arbitration Association (**"AAA"**), and judgment on the arbitration award may be entered in any court having jurisdiction thereof.

(b) The arbitration shall be conducted by a panel of three persons experienced in the pharmaceutical business: within thirty (30) days after initiation of arbitration, each Party shall select one person to act as arbitrator and the two Party-selected arbitrators shall select a third arbitrator within thirty (30) days of their appointment. If the arbitrators selected by the Parties are unable or fail to agree upon the third arbitrator, the third arbitrator shall be appointed by the AAA. The place of arbitration shall be San Diego, California, and all proceedings and communications shall be in English.

(c) Either Party may apply to the arbitrators for interim injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either Party also may, without waiving any remedy under this Agreement, seek from any court having jurisdiction any injunctive or provisional relief necessary to protect the rights or property of that Party pending the arbitration award. The arbitrators shall have no authority to award punitive or any other type of damages not measured by a Party's compensatory damages. Each Party shall bear its own costs and expenses and attorneys' fees and an equal share of the arbitrators' fees and any administrative fees of arbitration.

(d) Except to the extent necessary to confirm an award or as may be required by law, neither a Party nor an arbitrator may disclose the existence, content, or results of an arbitration without the prior written consent of both Parties; provided that either Party may make such disclosures as are permitted for Confidential Information of the other Party under Section 10 above. In no event shall an arbitration be initiated after the date when commencement of a legal or equitable proceeding based on the dispute, controversy or claim would be barred by the applicable Delaware statute of limitations.

(e) The Parties agree that, in the event of a good faith dispute over the nature or quality of performance under this Agreement, neither Party may terminate this Agreement until final resolution of the dispute through arbitration or other judicial determination. The Parties further agree that any payments made pursuant to this Agreement pending resolution of the dispute shall be refunded if an arbitrator or court determines that such payments are not due.

(f) As used in this Section, the term "**Excluded Claim**" means a dispute, controversy or claim that concerns (a) the validity or infringement of a patent, trademark or copyright; or (b) any antitrust, anti-monopoly or competition law or regulation, whether or not statutory; or (c) the misappropriation of any trade secret or breach of confidentiality obligation under this Agreement.

SIGNATURE PAGE FOLLOWS

SIGNATURE PAGE TO NON-EXCLUSIVE LICENSE AGREEMENT

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

CONKWEST INCORPORATED:

By: /s/ Barry J. Simon
Name: Barry J. Simon, M.D.
Title: President and COO
Date: June 9, 2015

CONEKSIS, INC.

By: /s/ Barry J. Simon
Name: Barry J. Simon, M.D.
Title: President and CEO
Date: June 9, 2015

SCHEDULE A

[***]

APPENDIX B

CONKWEST KNOW-HOW

[***]

SCHEDULE C

CONKWEST MARKS

[***]

SCHEDULE D – FCCC Patents and Patent Applications

[***]

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED AS TO CERTAIN PORTIONS OF THIS DOCUMENT. EACH SUCH PORTION, WHICH HAS BEEN OMITTED HEREIN AND REPLACED WITH AN ASTERISK [***], HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Exhibit 10.9

JOINT DEVELOPMENT AND LICENSE AGREEMENT

This Joint Development and License Agreement (this "Agreement") is made and entered into as of the 18th day of December, 2014 (the "Effective Date"), by and between CONKWEST INCORPORATED, a Delaware corporation with offices at 2533 South Coast Highway 101, Suite 210, Cardiff-By-The-Sea, CA 92007-2133 ("CONKWEST"), and SORRENTO THERAPEUTICS, INC., a Delaware corporation with offices at 6042 Cornerstone Ct. W., San Diego, Ca 92121 ("SRNE"). CONKWEST and SRNE are sometimes referred to herein individually as a "Party" and together as the "Parties."

Recitals

WHEREAS, CONKWEST is an innovative life sciences company that owns all rights, title, and interest in and to certain CONKWEST Existing Rights, including, but not limited to, the CONKWEST Cell Line, CONKWEST Master Cell Bank, and CONKWEST Working Cell Bank, and has the right to grant licenses thereto; and

WHEREAS, CONKWEST has commercialized and is continuing to commercialize the CONKWEST Cell Line and variants thereof for use in a variety of diagnostic and therapeutic applications, including for use in the treatment of cancers and infections; and

WHEREAS, SRNE owns all rights, title, and interest in and to certain SRNE Existing Rights, including but not limited to certain proprietary tissue targeting moiety ("TTM") including but not limited to chimeric antigen receptors and their corresponding genetic sequences (the "SRNE TTM(s)");

WHEREAS, CONKWEST and SRNE desire to exclusively collaborate in a Program (defined below) of any and all Projects, each Project intended to facilitate the joint development of certain TTM modified proprietary effector cell lines, including the CONKWEST Cell Line, CONKWEST Master Cell Bank, CONKWEST Working Cell Bank, NK cell lines, and/or T cell lines (collectively, the "Effector Cell Line(s)"), including any and all TTM-modified Effector Cell Lines and Effector Cell Line derivatives (the "Joint Cell Line(s)") for therapeutic applications (the "Joint Product(s)"); and

WHEREAS, concurrently with the execution of this Agreement, CONKWEST and SRNE are entering into a Subscription and Investment Agreement, in the form attached hereto as Exhibit A (the "Investment Agreement"), and a Registration Rights Agreement, in the form attached hereto as Exhibit B (the "Registration Rights Agreement"). NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained in this Agreement, the Parties, intending to be legally bound, agree as follows:

ARTICLE 1

DEFINITIONS

1.1 "BLA" means the Biological License Application (together with any other required registrations, notifications or forms) for any Joint Product (and/or pre-market approval to make and sell commercially any Joint Product) filed with the FDA.

1.2 “CAR(s)” means a chimeric antigen receptor consisting of a monoclonal antibody or a functional part thereof, a transmembrane domain, and one or more signaling domains capable of activating Effector Cell Line that confers a cell or tissue specificity onto the Effector Cell Line.

1.3 “Clinical Trials” means clinical studies conducted in humans anywhere in the world in accordance with GCPS.

1.4 “Confidential Information” has the meaning set forth in the Mutual Confidentiality Agreement.

1.5 “CONKWEST Cell Line” means [***].

1.6 “CONKWEST Confidential Information” means all Confidential Information that is owned or Rightfully Used by CONKWEST.

1.7 “CONKWEST Existing Rights” means CONKWEST Rights existing as of the Effective Date.

1.8 “CONKWEST Intellectual Property Rights” means all CONKWEST Know-How, CONKWEST Patents, and all other Intellectual Property Rights pertaining to the CONKWEST Cell Line that are owned or Rightfully Used by CONKWEST but which are not Joint Product Rights (including, for clarity, any Developed Intellectual Property Rights that CONKWEST identifies, discovers, invents, acquires, and/or develops after the Effective Date but which are not Joint Product Rights).

1.9 “CONKWEST Know-How” means all Know-How pertaining to the CONKWEST Cell Line that is owned or Rightfully Used by CONKWEST but which is not a Joint Product Right (including, for clarity, any Developed Know-How that CONKWEST identifies, discovers, invents, acquires, and/or develops after the Effective Date but which is not a Joint Product Right). CONKWEST Know-How does not include CONKWEST Patents.

1.10 “CONKWEST Master Cell Bank” means the GMP-certified CONKWEST Cell Line. CONKWEST Master Cell Bank does not include any modifications, derivations, or improvements to the CONKWEST Cell Line.

1.11 “CONKWEST Patents” means the Patents pertaining to the CONKWEST Cell Line that are listed on Schedule 2 hereto, which may be updated from time to time, and any Developed Patents (including patent applications) filed by or on behalf of CONKWEST which are not Joint Product Rights.

1.12 “CONKWEST Rights” means CONKWEST Cell Line, CONKWEST Intellectual Property Rights, CONKWEST Master Cell Bank, and CONKWEST Working Cell Bank.

1.13 “CONKWEST Working Cell Bank” means the GLP and cGMP unmodified CONKWEST Cell Line. CONKWEST Working Cell Bank does not include any modifications, derivations, or improvements to the CONKWEST Cell Line.

1.14 “Copyrights” means all copyrights and other works of authorship, and all rights, title and interests in and to all copyrights, works of authorship, copyright registrations and applications for copyright registration, certificates of copyright and copyrighted interests, and all other rights of any kind or nature therein, arising under any law anywhere in the world.

1.15 “Costs” shall have the meaning specified in Section 2.4(c) hereto.

1.16 “Developed Intellectual Property Rights” means all Developed Know-How, Developed Patents, all other Intellectual Property Rights identified, discovered, invented, acquired, and/or developed after the Effective Date by SRNE and/or CONKWEST (separately or jointly, as well as including any subcontractors and/or agents thereof) in the course of and specifically related to at least one Project in the Program, including those using or based upon the Intellectual Property Rights of the other Party.

1.17 “Developed Know-How” means all Know-How that is identified, discovered, invented, acquired and/or developed after the Effective Date by SRNE and/or CONKWEST (separately or jointly, as well as including any subcontractors and/or agents thereof) in the course of and specifically related to at least one Project in the Program, including those using or based upon the Intellectual Property Rights of the other Party. Developed Know-How does not include Developed Patents. Notwithstanding anything to the contrary in this Agreement, the Parties acknowledge and agree that Developed Know-How specifically excludes: (i) any Know-How constituting SRNE Existing Rights, and (ii) any Know-How constituting CONKWEST Existing Rights.

1.18 “Developed Patents” means all Patents filed by or on behalf of either Party that claim subject matter identified, discovered, invented, acquired and/or developed after the Effective Date by SRNE and/or CONKWEST (separately or jointly, as well as including any subcontractors and/or agents thereof) in the course of and specifically related to at least one Project in the Program, including those using or based upon the Intellectual Property Rights of the other Party. Notwithstanding anything to the contrary in this Agreement, the Parties acknowledge and agree that Developed Patents specifically exclude: (i) any Patents constituting SRNE Existing Rights, and (ii) any Patents constituting CONKWEST Existing Rights.

1.19 “Effective Date” means the date stated in the opening paragraph of this Agreement.

1.20 “Effector Cell Line(s)” has the meaning specified in the preamble of this Agreement.

1.21 “Excluded CARs” means the following CARs: [***].

1.22 “Excluded Products” means any products that include an Excluded CAR and/or any product used for or in connection with any of the following: [***]

1.23 “FDA” means the United States Food and Drug Administration or any successor agency having the administrative authority to regulate the approval for marketing of new human pharmaceutical and biological products in the United States, and any equivalent authority in any jurisdictions outside of the United States.

1.24 “Feasibility Work” means any preliminary work required in order for the Steering Committee to select which, if any, Joint Cell Line(s) and/or Joint Product(s) shall be pursued as part of the Program, where such preliminary work may include selection of the CAR(s), creation of the Joint Cell Line(s), and/or generation of in vitro data relating to such Joint Cell Line(s).

1.25 “Final Report” has the meaning specified in Section 5.2 of this Agreement.

1.26 “GCPS” means the then-current Good Clinical Practice Standards, as defined in the U.S. regulations, 21 CFR, and as further elaborated by the FDA in applicable guidance documents, together with equivalent regulations and requirements in jurisdictions outside of the United States.

1.27 “GLP” means the then-current Good Laboratory Practices, as defined in the U.S. regulations, 21 CFR § 58, and as further elaborated by the FDA in applicable guidance documents, together with equivalent regulations and requirements in jurisdictions outside of the United States.

1.28 “GMP” means the then-current Good Manufacturing Practices, as defined in the U.S. regulations, 21 CFR §§ 210 and 211, and as further elaborated by the FDA in applicable guidance documents, together with equivalent regulations and requirements in jurisdictions outside of the United States.

1.29 “Government Authority” means any supranational, national, regional, state or local government, court, governmental agency, authority, board, bureau, instrumentality or regulatory body.

1.30 “Gross Revenue” means gross receipts actually received by or on behalf of a Party from sales of all [***].

1.31 “Infringement Action” has the meaning specified in Section 6.3(b) of this Agreement.

1.32 “Insolvency Event” means with respect to any Party, the occurrence of any one of the following events:

(a) a court of competent jurisdiction shall have entered a decree or order for relief in respect of the Party in an involuntary proceeding under any applicable United States bankruptcy, insolvency, reorganization or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Party or of all or any substantial part of its property, or ordering the winding up or liquidation of its affairs, and such decree or order shall remain unstayed and in effect for a period of sixty (60) consecutive days; or

(b) the Party shall have commenced a voluntary proceeding under any applicable United States bankruptcy, insolvency, reorganization or other similar law now or hereafter in effect, or shall have consented to the entry of an order for relief in an involuntary case under any such law, or shall have consented to the appointment

of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Party or of all or any substantial part of its property, or shall have made an assignment for the benefit of creditors; or

(c) the Party shall have failed generally to pay its debts as they become due or shall have taken any corporate action in furtherance of any of the matters referred to in clause (b) above.

1.33 "Intellectual Property Rights" means, collectively, Patents, Know-How, Copyrights, moral rights, and all other like technology and related intellectual property rights anywhere in the world.

1.34 "Joint Cell Line(s)" has the meaning specified in the preamble of this Agreement.

1.35 "Joint IND" means the Investigational New Drug Application (IND) for a Joint Cell Line and/or a Joint Product.

1.36 "Joint Master Cell Bank(s)" means the GMP-certified Joint Cell Line(s).

1.37 "Joint Patents" has the meaning set forth in Section 6.2(d) of this Agreement.

1.38 "Joint Product(s)" has the meaning set forth in the preamble of this Agreement.

1.39 "Joint Product Rights" means the Joint IND associated with a Joint Cell Line or Joint Product, and the Developed Intellectual Property Rights in the Joint Cell Line(s), Joint Master Cell Bank, Joint Working Cell Bank, and Joint Products.

1.40 "Joint Working Cell Bank" means the GLP-certified Joint Cell Line(s).

1.41 "Know-How" means all technical and other information, data, methods, inventions (whether patentable or not and whether or not reduced to practice), trade secrets, and similar proprietary rights and other know-how and trade secret rights arising under any law anywhere in the world.

1.42 "Mutual Confidentiality Agreement" means the Mutual Confidentiality Agreement between CONKWEST and SRNE entered into on November 1, 2014.

1.43 "Party" and "Parties" have the meanings stated in the opening paragraph of this Agreement.

1.44 "Patents" means all patents, patent applications, utility models, including any extension, registration, confirmation, continuation-in-part, reissue, re-examination, supplementary protection certificate or renewals thereof including, without limitation any foreign equivalents thereof, and all rights of any kind or nature therein arising under any law anywhere in the world.

1.45 “Person” means an individual, partnership, firm, corporation, limited liability company, joint venture, association, trust or other entity or any government agency or political subdivision thereof.

1.46 “Phase I Clinical Trial” means a phase I or a phase I/II Clinical Trial in any country that is intended to initially evaluate the safety and/or therapeutic or antigenic effect of a Joint Cell Line in human subjects that would satisfy the requirements of 21 C.F.R. § 312.21(a), as amended, if such Clinical Trial was conducted in the U.S.

1.47 “Phase II Clinical Trial” means a phase II, phase IIb or a phase II/III Clinical Trial in any country that is intended to initially evaluate the effectiveness of a Joint Cell Line for a particular indication under study that would satisfy the requirements of 21 C.F.R. § 312.21(b), as amended, if such Clinical Trial was conducted in the U.S. For clarity, a Phase II Clinical Trial shall not include a phase I/II Clinical Trial.

1.48 “Phase III Clinical Trial” means all tests and studies in patients (other than Phase I and Phase II Clinical Trials) that are intended to provide substantial evidence of efficacy and safety in support of a BLA for a Joint Cell Line, including pivotal trials and all tests and studies that are required by the applicable Regulatory Agency from time to time, pursuant to regulations, guidelines or otherwise, as Phase III Clinical Trials tests and studies for the Joint Cell Line, including the trials referred to in 21 C.F.R. § 312.21(c), as amended, in the case of such Clinical Trials in the U.S.

1.49 “Pre-Approved” means approved by the Steering Committee as set forth in Section 2.1 prior to any development, testing, Regulatory Approval, or commercialization.

1.50 “Primary Party” has the meaning specified in Section 2.4 of this Agreement.

1.51 “Principal Investigator” has the meaning specified in Section 2.4(a)(iii) of this Agreement.

1.52 “Progress Reports” has the meaning specified in Section 5.1 of this Agreement.

1.53 “Program” means a series of Projects.

1.54 “Project” means collaborative research and development by the Parties relating to the use of CONKWEST’s Existing Rights and SRNE’s Existing Rights, the details of which are set forth in Article 2 hereto and in Statements of Work which may be agreed upon by the Parties and which will become part of this Agreement. For purposes of clarity, (i) the Project(s) expressly exclude the Excluded CARs; (ii) the inclusion of any of CONKWEST’s Existing Right(s) and/or SRNE’s Existing Right(s) in a first Project does not preclude the inclusion of such Existing Rights in a subsequent Project that is governed by separate Statement(s) of Work and may be driven by a different Primary Party from the first Project, and (iii) the inclusion of Jointly Developed Products in a subsequent Project that is governed by separate Statement(s) of Work and may be driven by a different Primary Party from the first Project.

1.55 “Regulatory Approval” means, with respect to a state, nation or multinational jurisdiction, (i) any approvals, licenses, registrations or authorizations necessary for the manufacture (where relevant), marketing and sale of a Joint Cell Line or Joint Product in such state, nation or jurisdiction, and (ii) where relevant, pricing approvals necessary to obtain reimbursement from a Government Authority.

1.56 “Research Credit Payment” means the research credit payment by SRNE to CONKWEST for funding the development of any Joint Product(s) to be determined by CONKWEST in the amount of $[***].

1.57 “Revenue” means the sum total of Gross Revenue and Sublicensing Revenue, provided that, for clarity all equity investments and similar consideration received by a Party in connection with a Strategic Transaction shall not and shall not be deemed to be Revenue hereunder.

1.58 “Rightfully Use” means, with respect to any Intellectual Property Rights owned by a Third Party, that a Party has an interest therein sufficient to enable it to (a) use such Intellectual Property Rights and (b) grant to the other Party a license or sublicense to use such Intellectual Property Rights, in either case without violating the terms of any agreement or other arrangement with or Intellectual Property Rights of any Third Party.

1.59 “Secondary Party” has the meaning specified in Section 2.4 of this Agreement.

1.60 “SRNE TTMs” has the meaning set forth in the preamble to this Agreement and includes, but is not limited to, the following initial TTMs: [***].

1.61 “SRNE Confidential Information” means all Confidential Information that is owned or Rightfully Used by SRNE.

1.62 “SRNE Existing Rights” means SRNE Rights existing as of the Effective Date.

1.63 “SRNE Intellectual Property Rights” means all SRNE Know-How, SRNE Patents, and all other Intellectual Property Rights that are owned or Rightfully Used by SRNE but which are not Joint Product Rights (including, for clarity, any Developed Intellectual Property Rights that SRNE identifies, discovers, invents, acquires, and/or develops after the Effective Date but which are not Joint Product Rights).

1.64 “Sorrento Introduced Investor/s” means one or more Third Party investors introduced to Conkwest by an officer or director of SRNE.

1.65 “SRNE Know-How” means all Know-How that is owned or Rightfully Used by SRNE but which is not a Joint Product Right (including, for clarity, any Developed Know-How that SRNE identifies, discovers, invents, acquires, and/or develops after the Effective Date but which is not a Joint Product Right). SRNE Know-How does not include SRNE Patents.

1.66 “SRNE Patents” means the Patents that are listed on Schedule 3 hereto, which may be updated from time to time, and any Developed Patents (including patent applications) filed by or on behalf of SRNE which are not Joint Product Rights.

1.67 “SRNE Rights” means the SRNE TTMs and SRNE Intellectual Property Rights.

1.68 “Statement of Work” means the written description(s) of the research and development activities for accomplishing a Project, a template of which is provided in Schedule 1 of this Agreement.

1.69 “Steering Committee” means a committee made up of representatives from each Party and which is tasked with managing the relationship between the Parties with respect to the Program and overseeing the particular Projects making up the Program.

1.70 “Strategic Transaction” means a financing event, joint venture, merger, acquisition, change in control, equity investment, or initial public offering involving a Party, or a sale of all or substantially all of a Party’s business or assets relating to this Agreement.

1.71 “Sublicensing Revenue” means all fees, consideration, and other amounts, including milestone payments and royalties, actually received by or on behalf of a Party from the licensing or sublicensing of Joint Product Rights, provided that, for clarity, (i) amounts received by a Party in connection with performing sponsored research, (ii) clinical trial costs, (iii) FTE, and (iv) equity investments and similar consideration received by a Party in connection with a Strategic Transaction shall not and shall not be deemed to be Sublicensing Revenue hereunder.

1.72 “Term” has the meaning specified in Section 12.1 of this Agreement.

1.73 “Termination Date” means the effective date of any Termination Notice.

1.74 “Termination Notice” means a written notice delivered by one Party to the other Party of its election to terminate this Agreement pursuant to Article 12 of this Agreement.

1.75 “Third Party” means any Person other than CONKWEST or SRNE.

1.76 “Third Party Rights” has the meaning specified in Section 3.4 of this Agreement.

1.77 “Tissue Targeting Moiety” and/or “TTM” means a molecular moiety and expressed or presented on the surface of a cell that enables the targeting of the cell to specific cells or tissue. The molecular moiety includes but is not limited to a CAR.

1.78 “United States” means the United States of America, including the District of Columbia and the Commonwealth of Puerto Rico.

1.79 “Wind Down Procedures” means diligent efforts by each of the Parties to wind down and terminate a Project or the Program as quickly as possible and in a commercially reasonable manner. As a part of the Wind Down Procedures, each Party shall use its best efforts to minimize any further costs and expenses associated with a Project or the Program, as the case may be.

ARTICLE 2

PROJECTS COMPRISING THE PROGRAM BETWEEN THE PARTIES

2.1 Steering Committee. The Steering Committee shall be made up of three (3) members from each Party, with each member having one vote. The Steering Committee shall be tasked with general oversight of the Program and with specific management of each Project making up the Program as set forth in this Section 2.1.

(a) Meetings. The Steering Committee shall meet (i) quarterly during the Term, (ii) at any other intervals as may be mutually agreed, and (iii) otherwise at the request of either Party upon the provision of at least five (5) days prior written notice to the other Party. Meetings may be held in person, by telephone, or by video conference call, and the location of each meeting shall alternate between the offices of the Parties (or any other venue as may be agreed between the Parties in writing).

(b) Quorum. Meetings of the Steering Committee shall require a quorum consisting of at least two (2) members of each Party; provided, however, that a quorum shall only be reached upon full attendance of all Steering Committee members to address any items that would affect the scope or terms or conditions of this Agreement (including any decisions pertaining to the Projects or the Program, or financial terms and conditions). If such quorum is not present within one hour from the time appointed for the meeting, those members who did attend shall jointly issue a notice to re-convene the meeting at the same place and time at least seven (7) days later. If the Steering Committee fails to convene for three consecutive times upon the notice of a meeting, the issues to be discussed and decided by the Steering Committee as provided in the meeting notice shall be finally determined by those members of the Steering Committee in attendance at the next scheduled Steering Committee meeting, regardless of whether the required quorum is met.

(c) Votes; Binding Effect. Any determination of the Steering Committee shall be made by a majority vote of all Steering Committee members in which the quorum requirement set forth in Section 2.1(b) is met and shall be binding upon the Parties. If there is a deadlock in any matter to be decided by the Steering Committee, then the CEOs of each Party shall, if requested by either Party, meet and confer and attempt to resolve such deadlock.

(d) Minutes. The Steering Committee shall keep full and complete minutes of the Steering Committee meetings and each Party shall retain a copy of such minutes for their record. SRNE shall be responsible for preparing and distributing the minutes of the first Steering Committee meeting. Thereafter, minutes shall be prepared by each respective party on an alternating basis. The Party responsible

for preparing the minutes shall provide a copy of such minutes to the other Party and such other Party shall be given the opportunity to review and comment thereon. The minutes shall be filed by Steering Committee and the Parties in accordance with this provision upon the reasonable approval of the Party that did not prepare the minutes.

(e) Responsibilities of the Steering Committee. For each potential Project or Project, as the case may be, the Steering Committee shall be tasked with at least the following action items:

(i) Selecting which potential Projects will be advanced to the stage of performing Feasibility Work;

(ii) For any potential Project, drafting and agreeing upon an initial Statement of Work for carrying out the Feasibility Work for such potential Project, such Statement of Work to include, among other things, the scope of the Feasibility Work, which Party is to carry out the Feasibility Work (assuming a Primary Party has not been identified yet), where the Feasibility Work is to be performed, and allocation of costs between the Parties

(iii) identifying which Party shall be the Primary Party and which Party shall be the Secondary Party, provided that if a potential Project is initiated by a Party in response to actual or potential collaboration with a Third Party, then such Party shall be the Primary Party with respect to such Project;

(iv) drafting and agreeing upon the various Statement(s) of Work for carrying out the Project,

(v) allocating the financial responsibility(ies) for performing such Project among the Primary and Secondary Parties, and

(vi) selecting which, if any, Joint Cell Lines and/or Joint Products shall be pursued as part of such Project.

Each Project shall continue unless and until terminated by the Primary Party, provided that the Secondary Party shall have the right to exercise its option, as set forth in Article 4, for any Project which the Primary Party elects to discontinue.

The Program shall continue for the later of three (3) years or until the last to expire Project.

2.2 Projects; Exclusivity. The Parties hereby agree to exclusively collaborate in the Program for the purpose of jointly developing any and all TTM-modified Effector Cell Lines. The Parties agree that such exclusivity extends to any SRNE Rights or any CONKWEST Rights included in a Project. By way of non-limiting example, SRNE agrees that any monoclonal antibody used to develop a Project CAR shall be used exclusively for that

Project and shall not be the subject of any relationship with a Third Party in any TTM-modified Effector Cell Line-based therapy, excluding the purified recombinant antibody or antibody drug conjugates (ADC) format of the monoclonal antibody. Again by way of non-limiting example, CONKWEST agrees that it shall not work with any Third Party on any TTM-modified Effector Cell Line-based therapy. Further, CONKWEST acknowledges and agrees that CD16 expressing NK-92 cell lines may not be used by Conkwest in connection with TTM without SRNE's express prior written consent, and CONKWEST will not license nor permit or assist any Third Party use TTM in connection with any CD16 expressing NK-92 cell lines. If CONKWEST desires to use CD16 expressing NK-92 cell lines as an Effector Cell Line or otherwise in connection with TTM, then CONKWEST must do so under the terms and conditions of this Agreement and the CD16 expressing NK-92 cell lines shall be and be deemed to be included within the definition "Effector Cell Line" and subject to the exclusive rights of SRNE hereunder. For each Project making up the Program, each Party shall work and collaborate exclusively with the other Party with respect to the subject matter of such Project and shall conduct the Project in accordance with the terms of this Agreement and as set forth in the various Statements of Work as they may be agreed to by the Parties in writing from time to time. During the Term, the Parties agree to work and collaborate exclusively with the other Party with respect to any and all Joint Cell Lines and Joint Products.

2.3 Initial Responsibilities of Each Party. At points in time and in accordance with terms set forth in this Agreement and/or a Statement of Work, as applicable:

(a) CONKWEST shall:

(i) within five (5) business days of the Effective Date of this Agreement, notify SRNE of the names of and contact information for three (3) representatives to serve on the Steering Committee;

(ii) provide to SRNE the CONKWEST Know-How and other information related to the CONKWEST Cell Line, solely to the extent set forth and specified in the applicable Statement of Work;

(iii) supply to SRNE [***] vials of cells from the CONKWEST Working Cell Bank, solely to the extent set forth and specified in the applicable Statement of Work;

(iv) supply to SRNE [***] vials of cells from the CONKWEST Master Cell Bank, solely to the extent set forth and specified in the applicable Statement of Work;

provided, however, that SRNE's use of all materials provided by CONKWEST pursuant to this Section 2.3(a) shall be for the sole purpose of performing the Program in accordance with this Article 2 and subject to the license granted in Article 3 hereto; and

(b) SRNE shall:

(i) within five (5) business days of the Effective Date of this Agreement, notify CONKWEST of the names of and contact information for three (3) representatives to serve on the Steering Committee;

(ii) pay the Research Credit Payment to CONKWEST to fund development of Joint Cell Lines and Joint Products, of which [***];

(iii) SRNE agrees to purchase shares of common stock of CONKWEST, and CONKWEST agrees to sell shares of its common stock SRNE, in each case pursuant to the terms of the Investment Agreement and MOU. The shares of common stock of CONKWEST sold and issued to SRNE under the Investment Agreement shall have the registration rights set forth in the Registration Rights Agreement;

(iv) permit CONKWEST, at CONKWEST's sole cost, to locate a laboratory on the SRNE premises either using an offset to the Research Credit Payment or by charging CONKWEST the fees as mutually agreed upon, provided that CONKWEST will remain solely liable for its activities and conduct in such laboratory, will comply with all laws, regulations, rules, and guidelines applicable to SRNE's premises, will obtain all necessary Government Approvals for such laboratory, and will fully indemnify, defend, and hold SRNE harmless from and against any and all claims, costs, liabilities, causes of action, and damages arising out of or associated with such laboratory and CONKWEST's conduct therein. If this Agreement is terminated or expires, SRNE shall provide CONKWEST period of one (1) year from the termination or expiration date in which to relocate such laboratory;

(v) provide to CONKWEST the SRNE Know-How and other information related to the SRNE TTM(s), solely to the extent set forth and specified in the applicable Statement of Work; and

(vi) supply to CONKWEST, as soon as it may be available, but no later than three (3) months from the effective date of the Steering Committee approving a Project, an initial supply of the SRNE TTM sequences selected for NK-92 modification in such Project, solely to the extent set forth and specified in the applicable Statement of Work;

provided, however, that CONKWEST's use of such materials provided by SRNE shall be for the sole purpose of performing the Program in accordance with this Article 2 and subject to the license granted in Article 3 hereto.

2.4 Joint Cell Line(s); Joint Product(s). As set forth in this Article 2 and in a Statement of Work(s) to be agreed to by the Parties in accordance with Section 2.1 for each Joint Cell Line and/or Joint Product in a Project, the development, testing, Regulatory Approval, and/or commercialization of such Joint Cell Line and/or Joint Product shall be driven by one Party (the "Primary Party"), with the other Party referred to as the "Secondary Party". Unless indicated to the contrary in the applicable Statement of Work, the Primary Party for a given Project will have the right and authority to initiate and control the development, testing, Regulatory Approval, or commercialization of the Joint Product or Joint Cell Line subject to such Project, including the right to make, have made, use, sell, have sold, import, and otherwise commercialize such Joint Product or Joint Cell Line, and to license and sublicense all applicable Intellectual Property Rights (including Joint Product Rights) with respect thereto. Unless indicated to the contrary in a Statement of Work, the rights and responsibilities of the Primary Party and the Secondary Party for each Joint Cell Line and/or Joint Product shall be as follows:

(a) Rights and Responsibilities of the Primary Party. Unless otherwise agreed to in writing by both Parties for a Project, the Primary Party shall have the following rights and responsibilities:

(i) developing a Statement of Work(s) setting forth a plan for development and testing of any Joint Cell Line and/or Joint Product with milestones and timelines, and presenting the Statement of Work to the Steering Committee for approval;

(ii) creating a budget for implementation of the Statement of Work(s) and presenting the budget to the Steering Committee and CEOs of each Party for approval;

(iii) assigning an internal principal investigator for directing the implementation of the Project (the "Principal Investigator"); provided, however, that if, for any reason, the Principal Investigator becomes unavailable, the Primary Party immediately shall provide the Secondary Party with written notification of the Principle Investigator's unavailability and shall identify a successor, subject to approval by the Secondary Party, which approval shall not be unreasonably delayed or denied;

(iv) providing accurate and timely reports to the Steering Committee regarding progress toward milestones and use of funds;

(v) carrying out the development, testing, Regulatory Approval, and/or commercialization of the applicable Joint Cell Line and/or Joint Product as set forth in the Statement of Work;

(vi) booking the sales as revenue for the specific Joint Cell Line and/or Joint Product as set forth in the Statement of Work;

(vii) soliciting and executing out-licensing, discovery, development, marketing and/or distribution deals with a Third Party for the specific Joint Cell Line and/or Joint Product as set forth in the Statement of Work, provided that the Secondary Party shall be provided with prior written notice of and right to comment on such deal, such comment to be given fair consideration by the Primary Party; and

(viii) if desired, forming a joint venture with a Third Party for the discovery, development and/or commercialization of the specific Joint Cell Line and/or Joint Product as set forth in the Statement of Work, provided, however, that the Secondary Party shall be provided with prior written notice of and right to comment on such joint venture, such comment to be given fair consideration by the Primary Party.

(b) Rights and Responsibilities/Authority of the Secondary Party. Unless otherwise agreed to in writing by both Parties, the Secondary Party shall have the following responsibilities and authority:

(i) paying its pro rata share of all costs associated with the development, testing, Regulatory Approval, or commercialization of such Joint Cell Line and/or Joint Product in accordance with Section 2.4(c) hereto;

(ii) cooperating with the Primary Party and, upon request and at the Primary Party's expense, providing reasonable assistance in connection with the development, testing, Regulatory Approval and/or commercialization of the applicable Joint Cell Line and/or Joint Product;

(iii) cooperating with the Primary Party and, upon request and at the Primary Party's expense, providing reasonable assistance in connection with out-licensing, discovery, development, or commercialization of the applicable Joint Cell Line and/or Joint Product with a Third Party that the Primary Party has a joint venture or licensing deal; and

(iv) attending any meetings with regulatory agencies, including but not limited to the FDA, legal proceedings, or other meetings or proceedings that relate to Joint Product Rights, or its own Intellectual Property or Cell Line(s), e.g., CONKWEST Intellectual Property or CONKWEST Cell Lines, or SRNE Intellectual Property or SRNE TTMs, , as the case may be.

(c) Costs; Revenue. Upon written agreement by the Parties to pursue a Joint Cell Line and/or Joint Product, the Primary Party, as designated by the Steering Committee, shall, unless otherwise agreed to in writing by the Parties:

(i) bear all costs associated with or resulting from the development of a Joint Cell Line and/or Joint Product (collectively, the "Costs"), from the conclusion of the Feasibility Work through commercialization, during which period the Primary Party and the Secondary Party shall split the Revenue generated from such Joint Cell Line and/or Joint Product in shares of [***]% and [***]%, respectively; provided, however, that if the Secondary Party shares in the Costs associated with or resulting from the development of such Joint Cell Line and/or Joint Product in an amount of more than [***]%, then the Revenue shall be divided among the Parties on a pro rata basis, and further provided, however, [***];

(ii) bear all Costs associated with or resulting from the development of a Joint Cell Line and/or Joint Product, from the conclusion of the Feasibility Work to before entering Phase I Clinical Trials, during which period the Primary Party and the Secondary Party shall split the Revenue generated from such Joint Cell Line and/or Joint Product in shares of [***]% and [***]%, respectively;

(iii) bear all Costs associated with or resulting from the development of a Joint Cell Line and/or Joint Product, from the conclusion of the Feasibility Work to before entering Phase II Clinical Trials, during which period the Primary Party and the Secondary Party shall split the Revenue generated from such Joint Cell Line and/or Joint Product in shares of [***]% and [***]%, respectively;

(iv) bear all Costs associated with or resulting from the development of a Joint Cell Line and/or Joint Product, from the conclusion of the Feasibility Work to before entering Phase III Clinical Trials, during which period the Primary Party and the Secondary Party shall split the Revenue generated from such Joint Cell Line and/or Joint Product in shares of [***]% and [***]%, respectively; or

(v) bear all Costs associated with or resulting from the development of a Joint Cell Line and/or Joint Product, from the conclusion of the Feasibility Work to after entering Phase III Clinical Trials but before commercialization, during which period the Primary Party and the Secondary Party shall split the Revenue generated from such Joint Cell Line and/or Joint Product in shares of [***]% and [***]%, respectively.

For purposes of clarity, Costs include any costs associated with obtaining Third Party Rights pursuant to Section 3.4 hereto or otherwise which the Primary Party reasonably deems necessary for its development, testing, Regulatory Approval, or commercialization of the Joint Cell Line and/or Joint Product.

The Primary Party for a Project will be entitled to exclusive access to any FTEs which are provided by a Third Party (such as a collaborator) for use in connection with such Project.

2.5 Legal and Regulatory Compliance. In connection with the Program, each Party will (a) perform all of its responsibilities and obligations in a timely, professional, and competent manner in compliance with all applicable laws and, to the extent applicable, GLPs, GCPS and GMPs, and (b) without limiting the generality of the foregoing, comply at all times with the provisions of the Generic Drug Enforcement Act of 1992 and, upon request, certify in writing to the other Party that none of it, its employees, or any person providing services to it in connection with the activities contemplated by this Agreement, have been debarred under the provisions of such Act.

ARTICLE 3

LICENSE GRANTS

3.1 License to CONKWEST Rights. Subject to the terms and conditions of this Agreement, CONKWEST hereby grants to SRNE during the Term, a non-exclusive, worldwide, royalty-free, non-transferable (except as provided in Section 13.2 hereof), non- sublicensable (except as provided in Section 3.3 hereof), right and license, under all of the CONKWEST Rights, to use the CONKWEST Rights solely for the purpose of developing, testing, seeking Regulatory Approval for, and/or commercializing a Pre-Approved Joint Cell Line or Joint Product, including the right and license to make, have made, use, have used, sell, have sold, import, reproduce, modify, publicly perform, publicly display, create derivatives of, and otherwise exploit and commercialize the CONKWEST Rights, but in any event solely for or in connection with a Pre-Approved Joint Cell Line or Joint Product, and solely in the manner and to the extent permitted under the applicable Statement of Work(s) or as set forth in Section 2.4.

3.2 License to SRNE Rights. Subject to the terms and conditions of this Agreement, SRNE hereby grants to CONKWEST during the Term, a non-exclusive, worldwide, royalty-free, non-transferable (except as provided in Section 13.2 hereof), non-sublicensable (except as provided in Section 3.3 hereof), right and license, under all of the SRNE Rights, to use the SRNE Rights solely for the purpose of developing, testing, seeking Regulatory Approval for, and/or commercializing a Pre-Approved Joint Cell Line or Joint Product, including the right and license to make, have made, use, have used, sell, have sold, import, reproduce, modify, publicly perform, publicly display, create derivatives of, and otherwise exploit and commercialize the SRNE Rights, but in any event solely for or in connection with a Pre-Approved Joint Cell Line or Joint Product, and solely in the manner and to the extent permitted under the applicable Statement of Work(s) or in Section 2.4.

3.3 Sublicense Rights. The Primary Party in a given Project may, without the consent of the Secondary Party, sublicense any of the rights granted to it in Section 3.1 or 3.2, as the case may be, to a Third Party with respect to the specific Joint Cell Line and/or Joint Product that the Primary Party is responsible for, in which case the Primary Party may only grant sublicenses to those Third Parties that are performing contract services for and on behalf of the Primary Party in relation to one of the items listed in Section 2.4 hereto to the extent necessary to perform such contract services for such Project and consistent with the Program. The Primary Party shall remain responsible for and liable for the conduct of its sublicensees hereunder. Further, the Primary Party may sublicense any of the rights granted to it in Section 3.1 or 3.2, as the case may be, to a Third Party, as long as such Third Party has or assumes the same responsibilities as the Primary Party with respect to such Joint Cell Line and/or Joint Product provided, however, that the Secondary Party shall be provided with prior written notice of and right to comment on such sublicense, such comment to be given fair consideration by the Primary Party.

3.4 Access to Third Party Rights. Nothing in this Agreement will restrict or prohibit a Party from acquiring or obtaining a license to any Intellectual Property Rights of a Third Party ("Third Party Rights"), nor from using any Third Party Rights in the exercise of its rights and obligations under this Agreement. Any and all costs associated with Third Party Rights which are necessary or reasonably useful for either Party to fulfill its obligations in furtherance of one or more Projects making up the Program without violating, misappropriating or infringing on any such Third Party Rights, shall be shared by the Parties at the pro rata share set forth in Section 2.4(c) (including, without limitation, up-front payments, milestone payments, and royalties). The Party obtaining such Third Party Rights shall be required to obtain the right to, and shall, sublicense such Third Party Rights to the other Party. Notwithstanding anything to the contrary in this Section 3.4, in the event the Secondary Party desires to obtain any Third Party Rights that will be subject to the cost sharing provision set forth in Section 2.4(c), then: (i) the Secondary Party shall give the Primary Party written notice at least ten (10) business days prior to the date in which the Secondary Party acquires or licenses such Third Party Rights and provide the Primary Party with a copy of the relevant acquisition or license agreement and any other information reasonably requested by the Primary Party with respect to such Third Party Rights, including the total cost to acquire or license such Third Party Rights, and (ii) the Primary Party shall be entitled to terminate the Project prior to the date the Secondary Party's acquires or licenses the applicable Third Party Rights, in which event, should the Secondary Party acquire or license the applicable Third Party Rights, the Secondary Party shall be deemed to have exercised its option under Article 4 and be deemed the Primary Party with respect to the Project, including with respect to cost sharing.

3.5 Trademark License. Subject to the terms and conditions of this Agreement, each Party hereby grants to the other Party during the Term, a non-exclusive, worldwide, royalty-free, non-transferable (except as provided in Section 13.2 hereof), non-sublicensable limited license to use the trademarks, service marks, and logos of the granting Party solely in connection with the licensed Party's performance of its rights and obligations under a given Project. Sample uses by the licensed Party of the trademarks, service marks, and logos of the granting Party will be provided to the granting Party upon request for review and approval by the granting Party. The licensed Party will immediately cease

any usage of a trademark, service mark, or logo of the granting Party at any time upon the request of the granting Party if the licensed Party's use is damaging or otherwise harming the granting Party or the value or goodwill of such trademark, service mark, or logo. It is understood and agreed that the granting Party shall retain all right, title and interest in and to its trademarks, service marks, and logos, and all benefits (including, without limitation, goodwill) accruing from a licensed Party's use of such trademarks, service marks, and logos will automatically vest in and inure to the benefit of the granting Party.

ARTICLE 4

OPTIONS

4.1 Option to CONKWEST. To the extent that SRNE is the Primary Party with respect to any Joint Product as set forth in Section 2.4 hereto, in the event that SRNE is unable to, or opts not to, undertake to perform or execute any or all of the responsibilities of the Primary Party set forth in Section 2.4 hereto and any Statements of Work detailing such responsibilities, SRNE hereby grants CONKWEST an exclusive option to undertake to perform or execute such responsibilities of the Primary Party (the "CONKWEST Option"); provided, however, that such CONKWEST Option is subject to Section 4.4 hereto. For purposes of clarity, the CONKWEST Option provides CONKWEST with the option, at its discretion, but not the obligation, to undertake to perform or execute any or all of the responsibilities of the Primary Party. The period of the CONKWEST Option commences on the Effective Date hereof and continues for ninety (90) days from SRNE's written notification to CONKWEST of its inability or option not to undertake to perform or execute such responsibility(ies); provided, however, that if CONKWEST does not exercise the CONKWEST Option within such period of time, then the Parties may enter into an agreement with a Third Party for the performance or execution of such responsibilities on terms as are mutually negotiated and agreed to by the Parties, such negotiation and agreement not be unreasonably withheld or delayed.

4.2 Option to SRNE. To the extent that CONKWEST is the Primary Party with respect to any Joint Product as set forth in Section 2.4 hereto, in the event that CONKWEST is unable to, or opts not to, undertake to perform or execute any or all of the responsibilities of the Primary Party set forth in Section 2.4 hereto and any Statements of Work detailing such responsibilities, CONKWEST hereby grants SRNE an exclusive option to undertake to perform or execute such responsibilities of the Primary Party (the "SRNE Option"); provided, however, that such CONKWEST Option is subject to Section 4.4 hereto. For purposes of clarity, the SRNE Option provides SRNE with the option, at its discretion, but not the obligation, to undertake to perform or execute any or all of the responsibilities of the Primary Party. The period of the SRNE Option commences on the Effective Date hereof and continues for ninety (90) days from CONKWEST's written notification to SRNE of its inability or option not to undertake to perform or execute such responsibility(ies); provided, however, that if SRNE does not exercise the SRNE Option within such period of time, then the Parties may enter into an agreement with a Third Party for the performance or execution of such responsibilities on terms as are mutually negotiated and agreed to by the Parties, such negotiation and agreement not be unreasonably withheld or delayed.

4.3 Clarification. For purposes of clarity, in the event that one of the Options set forth in this Article 4 is not exercised, any use or commercialization of a Joint Product by a Third Party requires the express written consent of both Parties.

4.4 Statement of Work; Separation. In the event that one Party exercises its respective Option granted in Section 4.1 or 4.2 hereto, as the case may be, the Parties hereby agree that the Steering Committee shall prepare, and the Parties shall reasonably negotiate, a Statement of Work that specifically defines such Party's responsibilities, including financial responsibilities, as the new Primary Party and the other Party's responsibilities, including financial responsibilities, as the new Secondary Party, such Statement of Work requiring unanimous written approval by the Steering Committee and, to the extent the Statement of Work details financial obligations, of the CEO of each Party. If the Parties cannot agree on the terms of such Statement of Work, then the Parties hereby agree to reasonably negotiate a separation agreement between the Parties with respect to such Project. For purposes of clarity, the exercise of a Party's Option (or the decision not to exercise such Option) in accordance with the terms of this Article 4 with respect to a specific Project does not affect any rights of the Parties with respect to other Projects that are part of the Program, or with respect to the Program itself.

ARTICLE 5

REPORTS

5.1 Progress Reports. For each Joint Product, quarterly written reports summarizing the progress with respect to such Joint Product ("Progress Reports") shall be submitted by the Primary Party to the Secondary Party.

5.2 Final Report. For each Joint Product, upon completion of any preclinical studies or Phase I-IV Clinical Trials a written report summarizing the data and results thereof ("Final Report") shall be submitted by the Primary Party to the Secondary Party within three (3) months of completion of such studies or Clinical Trials.

5.3 Books and Records. For each Joint Product, each Party shall establish and maintain true and complete books of account, records, royalty statements, license fees, invoices, and other data containing all particulars reasonably necessary for an independent determination of the amounts payable by each of the Parties under this Agreement ("Records"). The Records for each elapsed calendar year during the Term of this Agreement shall be maintained for four (4) years after the end of such year. As to the Records of each Party, the other Party, its accountants, financial officers, attorneys, and outside Certified Public Accountants as chosen by such other Party, shall have the right, during normal business hours and on thirty (30) days prior written notice, not more than once per calendar year, to audit, inspect, copy, and make extracts from all Records to the extent necessary, and for the sole purpose of, verifying the accuracy of any payments made and statements furnished to such other Party. In the event any examination of the Records of one Party by the other Party discloses an underpayment to such other Party: (i) the other Party shall provide written notice to the Party describing the findings; and (ii) the Party shall, within thirty (30) days of receipt of such written notice, pay to the other Party any undisputed

amount of any underpayment, plus all reasonable costs of audit and collection incurred by such other Party. All information obtained by the other Party as a result of the activities performed under this Section 5.3 will be considered Confidential Information of the Party.

ARTICLE 6

INTELLECTUAL PROPERTY

6.1 Existing Rights. SRNE acknowledges that CONKWEST owns all rights, title, and interest in and to the CONKWEST Existing Rights and that, except as expressly set forth in Section 3.1 hereto, SRNE shall have no rights to CONKWEST Existing Rights. CONKWEST acknowledges that SRNE owns all rights, title, and interest in and to the SRNE Existing Rights and that, except as expressly set forth in Section 3.2 hereto, CONKWEST shall have no rights to SRNE Existing Rights.

6.2 Ownership of Joint Product Rights; Patent Prosecution and Maintenance.

(a) Ownership and Inventorship. CONKWEST and SRNE agree that ownership and inventorship with respect to all Developed Intellectual Property Rights shall be determined according to US laws. Notwithstanding such ownership and inventorship, the Parties own an undivided interest in and to all rights, title, and interest in and to the Joint Product Rights as set forth in Section 6.2(c) below.

(b) Disclosure of Intellectual Property. Each Party agrees to promptly disclose information and Know-How resulting from performance of a Project to the other Party on a confidential basis for evaluation.

(c) Ownership of Joint Product Rights. The Parties agree that they own an undivided interest in and to all rights, title, and interest in and to the Joint Product Rights (which, for clarity, excludes any CONKWEST Existing Rights and/or any SRNE Existing Rights incorporated into a Joint Product or Joint Cell Line, and any other Developed Intellectual Property Rights which are not Joint Product Rights). To the extent any Joint Product Rights are or would, as a matter of law, be solely owned by one Party, such Party hereby irrevocably and unconditionally assigns a joint ownership interest in and to such Joint Product Rights to the other Party. Each Party shall execute and deliver (and shall cause its employees and consultants to execute and deliver) all assignments and other documents necessary to assign the Joint Product Rights to the Parties. Neither Party may make, have made, use, have used, sell, have sold, import, export, reproduce, display, transmit, modify, create derivative works of, sublicense, commercialize, and otherwise exploit in any manner the Joint Product Rights without the prior written consent of the other Party other than as set forth in Section 2.4.

(d) Filing and Prosecution of Project Patent Applications.

(i) The Steering Committee shall determine in which countries any patent applications related to any Joint Product Rights shall be filed, prosecuted, and maintained, including corresponding PCT

applications and national phase entry applications, and any and all patent applications, prosecution, issue and maintenance fees related to any divisional, substitute, reissue, continuation, or extension patents that are based thereon (the "Joint Patents"). Unless otherwise agreed in writing, the Primary Party shall pay for any and all fees and costs resulting from drafting, filing, prosecuting, or maintaining such Joint Patents and shall keep the Steering Committee updated on the status of such Joint Patents.

(ii) In the event that the Steering Committee decides not to file a Joint Patent, or decides not to prosecute or maintain any such Joint Patent, then either Party shall have the right to file, prosecute, or maintain such Joint Patent, in which case such Party shall bear all costs and expenses related thereto, including reimbursing the other Party for any costs and expenses paid by such other Party for drafting, filing, prosecuting and/or maintaining such Joint Patent(s).

(iii) The Parties shall reasonably cooperate with each other in preparing and filing all appropriate documentation in connection with any Joint Patents.

(iv) For purposes of clarity, the terms of Section 2.4 hereto apply to rights granted in this Section 6.

6.3 Infringement by Third Parties.

(a) Notice. If any of the CONKWEST Rights, SRNE Rights, or Joint Product Rights are infringed and/or misappropriated by a Third Party, the Party first having knowledge of such infringement and/or misappropriation shall promptly notify the other Party in writing. The notice shall set forth the facts of such infringement and/or misappropriation in reasonable detail.

(b) Litigation of Infringement Actions.

(i) Infringement Actions; CONKWEST Rights. CONKWEST shall have the sole and exclusive right, but not the obligation, to institute, litigate and control any claim, action or proceeding with respect to any infringement and/or misappropriation by a Third Party (an "Infringement Action") of any of the CONKWEST Rights, by counsel of its own choice, in which case SRNE shall reasonably cooperate with CONKWEST at CONKWEST's request and expense in the litigation of such Infringement Action, provided, however, that SRNE shall not be obligated to join in any such Infringement Action. CONKWEST shall be entitled to make all decisions with respect to control of litigation, settlement, consent judgment or other voluntary final disposition of an

Infringement Action regarding the CONKWEST Rights, provided that CONKWEST shall have no right or authority to bind SRNE with respect to any such matters without SRNE's express prior written consent.

(ii) Infringement Actions; SRNE Rights. SRNE shall have the sole and exclusive right, but not the obligation, to institute, litigate and control any Infringement Action of the SRNE Rights, by counsel of its own choice, in which case CONKWEST shall reasonably cooperate with SRNE at SRNE's request and expense in the litigation of such Infringement Action, provided, however, that CONKWEST shall not be obligated to join in any such Infringement Action. SRNE shall be entitled to make all decisions with respect to control of litigation, settlement, consent judgment or other voluntary final disposition of an Infringement Action regarding the SRNE Rights, provided that SRNE shall have no right or authority to bind CONKWEST with respect to any such matters without CONKWEST's express prior written consent.

(iii) Infringement Actions; Joint Product Rights. With respect to each Joint Product, the Primary Party shall have the initial right, but not the obligation, to institute, litigate and control any Infringement Action with respect to any infringement and/or misappropriation of any of the Joint Product Rights pertaining to such Joint Product, by counsel of its own choice, in which case the Secondary Party shall cooperate with the Primary Party in the litigation of such Infringement Action. If the Primary Party elects not to institute, litigate, or control such Infringement Action, then the Secondary Party shall have the right, but not the obligation, to do so, in which case the Primary Party shall cooperate with the Secondary Party in the litigation of such Infringement Action. The Party that is not controlling such Infringement Action agrees to and hereby consents to be joined to such Infringement Action at any time upon the request of the other Party. The party controlling such Infringement Action shall be responsible for all costs and expenses associated with such an Infringement Action. The Parties shall reasonably cooperate in making all decisions with respect to control of litigation, settlement, consent judgment or other voluntary disposition of an Infringement Action regarding the Joint Product Rights, provided, however, that the Party controlling such Infringement Action shall be entitled to make all final decisions with respect to the foregoing, but further provided that the Party controlling such Infringement Action shall have no right or authority to admit liability on behalf of the other Party without the other Party's express prior written consent. Any damages or other monetary awards recovered in such an Infringement Action shall be applied first to defray all of the costs and expenses incurred in

the Infringement Action. If any balance remains, then the Parties shall retain the balance according to their pro rata share as set forth in Section 2.4 hereto.

ARTICLE 7

REPRESENTATIONS AND WARRANTIES

7.1 Mutual Representations. Each of the Parties represents and warrants to the other as follows:

(a) Due Organization, Good Standing and Power. It is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation and has the power and authority to own, lease and operate its assets and to conduct the business now being conducted by it. It has all requisite power and authority to enter into this Agreement and to perform its obligations hereunder.

(b) Authorization and Validity of Agreements. The execution and delivery and the performance by it of this Agreement and the consummation by it of the transactions contemplated hereby have been duly authorized and approved by all necessary corporate action on its part. This Agreement has been duly executed and delivered by it and constitutes its legal, valid and binding obligation enforceable against it in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting creditors' rights generally and by general equity principles.

(c) Absence of Conflicts. The execution, delivery and performance of this Agreement, and the consummation by it of the transactions contemplated hereby, do not and will not:

(i) violate any applicable laws, regulations, orders, writs, injunctions or decrees of any applicable Government Authority;

(ii) conflict with, or result in the breach of any provision of, its charter or bylaws;

(iii) result in the creation of any lien or encumbrance of any nature upon any property being transferred or licensed pursuant hereto; or

(iv) violate, conflict with, or result in the breach or termination of, or constitute a default under (or event which with notice, lapse of time or both would constitute a default under) any permit, contract or agreement to which it is a party or by which its properties or businesses are bound.

(d) Consents. No authorization, consent or approval of, or notice to or filing by such Party with, any governmental authority is required for the execution, delivery and performance by such Party of this Agreement.

(e) Employee Obligations. All of its employees, officers and consultants have legal obligations requiring, in the case of employees and officers, assignment to it of all inventions made during the course of and as a result of their association with it and obligating all such individuals to maintain as confidential the confidential information of it, as well as the Confidential Information of a Party or a Third Party which it may receive.

(f) Compliance with Laws. It will obtain and maintain all necessary Regulatory Approvals for carrying out its work under a Project and, in carrying out its work under a Project such work shall be carried out in compliance with (i) any applicable laws including, without limitation, federal, state, or local laws, regulations, or guidelines governing the work at the site where such work is being conducted, and (ii) GLPs, GCPS and GMPs, to the extent applicable thereto.

(g) It will comply at all times with the provisions of the Generic Drug Enforcement Act of 1992 and will, upon request, certify in writing to the other that none of it, its employees, or any person providing services to it in connection with the activities contemplated by this Agreement have been debarred under the provisions of such Act.

(h) Exclusivity. It will exclusively collaborate with the other Party with respect to the subject matter of this Agreement as set forth in Section 2.2.

7.2 CONKWEST's Representations and Warranties. CONKWEST hereby represents and warrants to SRNE as follows:

(a) Existing Rights. CONKWEST exclusively owns all right, title, and interest in and to the CONKWEST Existing Rights, and to the knowledge of CONKWEST, the CONKWEST Existing Rights, and the use thereof in accordance with the terms of this Agreement, do not and will not infringe upon, misappropriate, or otherwise violate any Third Party Rights.

(b) No Infringement. No Person has asserted a claim, formal or informal, against CONKWEST that (i) challenges the validity of CONKWEST's interest in any component of the CONKWEST Existing Rights, (ii) alleges that CONKWEST's use of any component of the CONKWEST Existing Rights infringes, misappropriates or violates any Third Party Rights, or (iii) seeks to enjoin or restrain CONKWEST's use of the CONKWEST Existing Rights in any manner that would interfere with the Program. To the best of CONKWEST's knowledge, no Person has a meritorious basis for such a claim. To the best of CONKWEST's knowledge, no Person has infringed, misappropriated or violated CONKWEST's rights with respect to any component of the CONKWEST Existing Rights.

(c) Licenses. CONKWEST has the right to grant to SRNE the license to CONKWEST Rights granted pursuant to Section 3.1 hereto.

(d) Exclusivity. CONKWEST shall not use Effector Cell Line(s), nor any modification, derivative, or improvement of the CONKWEST Cell Line or other Effector Cell Line(s), with any TTM in any relationship with a Third Party, unless such rights to a TTM or Effector Cell Line are acquired or obtained pursuant to Section 3.4.

7.3 SRNE's Representations and Warranties. SRNE hereby represents and warrants to CONKWEST as follows:

(a) Existing Rights. SRNE exclusively owns all right, title, and interest in and to the SRNE Existing Rights, and to the knowledge of SRNE, the SRNE Existing Rights, and the use thereof in accordance with the terms of this Agreement, do not and will not infringe upon, misappropriate, or otherwise, violate any Third Party Rights.

(b) No Infringement. No Person has asserted a claim, formal or informal, against SRNE that (i) challenges the validity of SRNE's interest in any component of the SRNE Existing Rights, (ii) alleges that SRNE's use of any component of the SRNE Existing Rights infringes, misappropriates or violates any Third Party Rights, or (iii) seeks to enjoin or restrain SRNE's use of the SRNE Existing Rights in any manner that would interfere with the Program. To the best of SRNE's knowledge, no Person has a meritorious basis for such a claim. To the best of SRNE's knowledge, no Person has infringed, misappropriated or violated SRNE's rights with respect to any component of the SRNE Existing Rights.

(c) Licenses. SRNE has the right to grant to CONKWEST the license to SRNE Rights granted pursuant to Section 3.2 hereto.

(d) Exclusivity. SRNE shall not use any TTM in any relationship with a Third Party for any TTM-modified Effector Cell Line(s), or the Joint Cell Line(s) or the Joint Product(s) thereof, unless such rights to a TTM or Effector Cell Line are acquired or obtained pursuant to Section 3.4.

ARTICLE 8

DISCLAIMER AND WAIVER

8.1 Responsibility and Control. CONKWEST and SRNE shall each be solely responsible for the safety of its own employees, agents, licensees or sublicensees with respect to efforts employed under the Program to the extent such safety concern was not caused by the other Party's negligence or willful misconduct.

8.2 LIMITATION OF LIABILITY. EXCEPT WITH RESPECT TO A PARTY'S INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT, AND TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY CONSEQUENTIAL, INDIRECT, SPECIAL, INCIDENTAL, OR PUNITIVE DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO LOSS OF ANTICIPATED PROFIT. EXCEPT WITH RESPECT TO A PARTY'S INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT, EACH PARTY'S TOTAL AGGREGATE LIABILITY IN CONNECTION WITH THIS AGREEMENT SHALL BE LIMITED TO ONE MILLION U.S. DOLLARS ($1,000,000).

8.3 Disclaimer. SRNE accepts the CONKWEST Rights with the knowledge that they are experimental in nature, may have hazardous properties, and hereby covenants to comply with all applicable laws and regulations relating to the handling, use, storage and disposal of such CONKWEST Rights. CONKWEST accepts the SRNE Rights with the knowledge that they are experimental in nature, may have hazardous properties, and hereby covenants to comply with all applicable laws and regulations relating to the handling, use, storage and disposal of such SRNE Rights. **EXCEPT AS EXPRESSLY SET FORTH IN SECTION 7, THE CONKWEST CELL LINE AND THE SRNE TTMs ARE PROVIDED "AS-IS". EXCEPT AS EXPRESSLY SET FORTH IN SECTION 7, NEITHER PARTY MAKES ANY REPRESENTATIONS, AND EXTENDS NO WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND EACH PARTY HEREBY DISCLAIMS SAME. CONKWEST MAKES NO REPRESENTATION WITH RESPECT TO THE UTILITY, EFFICACY, NONTOXICITY, SAFETY OR APPROPRIATENESS OF USING THE CONKWEST RIGHTS. SRNE MAKES NO REPRESENTATION WITH RESPECT TO THE UTILITY, EFFICACY, NONTOXICITY, SAFETY OR APPROPRIATENESS OF USING THE SRNE RIGHTS.**

ARTICLE 9

CONFIDENTIALITY

9.1 Obligations of the Parties. The terms of the Mutual Confidentiality Agreement apply to this Agreement and all materials, information, and Know-How of any kind exchanged between the Parties hereunder.

ARTICLE 10

INDEMNIFICATION AND INSURANCE

10.1 Indemnity. Each Party (the "Indemnitor") shall defend, indemnify and hold the other Party and its affiliates, and their officers, directors, employees, agents, contractors, and customers (the "Indemnitee Parties") harmless from and against all losses, liabilities, damages and expenses (including reasonable attorneys' fees and costs) resulting from any claims, suits, demands, actions and other proceedings by any Third Party to the extent resulting from (a) any recklessness or willful misconduct by or on behalf of the Indemnitor in the performance of its activities contemplate by this Agreement, (b) any breach (or alleged breach) of any representation or warranty by the Indemnitor hereunder, or (c) any violation by the Indemnitor (or any of its employees or agents) of, or failure to adhere to, any applicable law, regulation or order in any country, in each case other than those certain losses, liabilities, damages and expenses to the extent arising out of the recklessness or willful misconduct of the other party.

10.2 Indemnity Procedure. In the event an Indemnitee Party seeks indemnification hereunder, it shall inform the Indemnitor of a claim as soon as reasonably practicable after it receives notice of the claim, shall permit the Indemnitor to assume direction and control of the defense of the claim (including the right to settle the claim solely for monetary consideration) and shall cooperate as requested (at the expense of the Indemnitor) in the defense of the claim. The indemnity obligations under this Section 10 shall not apply to amounts paid in settlement of any claim, demand, action or other proceeding if such settlement is effected without the prior express written consent of the Indemnitor, which consent shall not be unreasonably withheld or delayed.

10.3 Insurance. Each Party shall maintain commercial general liability insurance, including contractual liability insurance and products liability insurance against claims regarding its activities contemplated by this Agreement, in such amounts as it customarily maintains for similar products and activities. Each Party shall maintain such insurance during the term of this Agreement and thereafter for so long as it maintains insurance for itself covering such activities.

ARTICLE 11

PUBLICITY

11.1 Disclosure of Agreement. Subject to the terms of the Mutual Confidentiality Agreement, neither Party may release any information to any Third Party regarding the terms of this Agreement without the prior written consent of the other Party. Without limitation, this prohibition applies to press releases, educational and scientific conferences, investor updates, promotional materials, governmental filings and discussions with public officials, the media, securities analysts and investors. However, this provision does not apply to any disclosures regarding this Agreement or related information made to (i) a Party's professional advisors, (ii) in connection with a Strategic Transaction, or (iii) Government Authority which may be required by law, including requests for a copy of this Agreement or related information by tax authorities. If any Party to this Agreement determines a release of information regarding the terms of this Agreement is required by

law (including releases that may be required to be filed with the SEC), that Party will notify the other Party as soon as practicable and give as much detail as possible in relation to the disclosure required. The Parties will then cooperate with respect to determining what information should actually be released.

11.2 Publications. During the term of this Agreement, each Party shall provide the other Party with an opportunity to review and comment upon any proposed abstracts, manuscripts or proposed presentations that relate to a Project at least sixty (60) days prior to their intended submission for publication and agrees, upon request, not to submit such an abstract or manuscript for publication until the Parties have reasonably agreed upon whether or not to file for patent protection for any material in such publication which the other Party believes to be patentable. Upon one Party's reasonable request, the other Party shall delete from its abstracts, manuscripts or presentations any reference to such Party's Intellectual Property Rights to the extent such Party's Intellectual Property Rights contain trade secrets and/or submitted but not yet published patent filings of such Party.

11.3 Data. Notwithstanding anything to the contrary set forth in this Agreement or the Mutual Confidentiality Agreement, any and all data and technical information pertaining to the Effector Cell Lines, SRNE TTMs, Joint Cell Lines, or Joint Products, or to any Phase I Clinical Trial, Phase II Clinical Trial, or Phase III Clinical Trial, may be shared by either Party, with: (i) any Third Party in connection with Strategic Transaction or other strategic relationship between the disclosing Party and such Third Party, (ii) to the extent necessary to obtain any required Regulatory Approval, and (iii) to any Government Authority to the extent required to comply with any applicable law or regulation; provided, however, that such Party sharing such data and technical information shall, to the extent permitted by applicable law, only share such data and technical information with a Third Party under a confidentiality agreement no less protective than the terms and conditions of this Agreement, and further provided that the Party sharing such data and technical information with such Third Party shall be liable and responsible for the conduct of such Third Party disclosees hereunder.

ARTICLE 12

TERM AND TERMINATION

12.1 Term. The term of this Agreement (the "Term") shall begin as of the Effective Date and shall (i) expire upon completion of the Program, or (ii) continue until terminated in accordance with Article 2 or this Article 12.

12.2 Termination.

(a) Dissolution or Insolvency Event. Either Party may terminate this Agreement effective immediately upon delivery of a Termination Notice if the other Party (i) is dissolved under applicable corporate law and there is no successor to such Party's business or assets relating to this Agreement, or (ii) becomes subject to an Insolvency Event.

(b) Default. If either Party believes the other is in default of any of its material obligations under this Agreement, including failing to comply with a Statement of Work, it may give notice of such default to the other Party, which Party shall have sixty (60) days in which to remedy such default. If such alleged default is not remedied in the time period set forth above, the Party alleging default may terminate this Agreement immediately upon delivery to the defaulting Party of a Termination Notice. The non-defaulting Party's right to terminate this Agreement shall not be construed as an exclusive remedy.

12.3 Wind Down Procedures. In the event of termination of a Project, the Program, or this Agreement, as the case may be, pursuant to Section 12.1 or 12.2, the Project, Program, or Agreement shall be discontinued as of the Termination Date and the Parties shall in good faith commence the Wind Down Procedures promptly upon delivery of the Termination Notice. As part of such Wind Down Procedures, (i) SRNE shall return to CONKWEST all CONKWEST Existing Rights, excluding CONKWEST Cell Lines embodied in a Joint Cell Line, and (ii) CONKWEST shall return to SRNE all SRNE Existing Rights, excluding SRNE TTM-modified Joint Cell Lines. The Primary Party for the specific Joint Cell Lines and/or Joint Products that have been generated shall have sole discretion to either continue or discontinue the development of the specific Joint Cell Lines and Joint Products. No new Project, however, shall be initiated by either Party.

12.4 Surviving Rights/Obligations. This Agreement shall continue until terminated in accordance with this Article 12. Further, the provisions of Section 2.3(b)(iii), 2.4, and this 12.4, and of Articles 1 (Definitions), 6 (Intellectual Property), 7 (Representations and Warranties), 8 (Disclaimer and Waiver), 9 (Confidentiality), 10 (Indemnification and Insurance), 11 (Publicity), and 13 (Miscellaneous) of this Agreement, together with any provisions required for the interpretation or enforcement of any of the foregoing, shall survive the termination or expiration of this Agreement. Termination of this Agreement for any reason shall be without prejudice to any rights that shall have accrued to the benefit of either Party prior to such termination.

ARTICLE 13

MISCELLANEOUS

13.1 Agency. Neither Party is, nor shall be deemed to be, an employee, agent, partner or legal representative of the other Party for any purpose. Neither Party shall have the right, power or authority to enter into any contracts in the name of, or on behalf of, the other Party, nor shall either Party have the right, power or authority to pledge the credit of the other Party in any way or hold itself out as having the authority to do so.

13.2 Assignment. Neither Party may assign this Agreement or any of its rights, duties, or obligations hereunder without the prior written consent of the other Party; provided, however, that either Party may assign this Agreement without the consent of the other

Party (a) to an affiliate of the assigning Party, or (b) to a Third Party in connection with a Strategic Transaction. Any purported assignment in violation of the foregoing shall be void. Any permitted assignee shall assume all obligations under this Agreement.

13.3 Further Actions. Each Party agrees, subsequent to the execution and delivery of this Agreement and without any additional consideration, to execute, acknowledge and deliver such further documents and instruments, and to do all such other acts, as may be necessary or appropriate in order to carry out the purposes and intent of this Agreement.

13.4 Force Majeure. If any Party is impeded in fulfilling its undertakings in accordance with this Agreement by labor conflict, unforeseen acts of nature, including but not limited to flood, fire, storm etc., accident, war, mobilization or unforeseen military call-up of a large magnitude, requisition, confiscation, commandeering, legislative or judicial or regulatory action, riot, insurrection, sabotage, terrorism, explosion, general shortage of transport, goods or energy and faults or delays in deliveries from sub-contractors or suppliers caused by any circumstances referred to in this Section 13.4, the impediment shall be considered a Force Majeure and the Party shall be excused from liability for delays due to such reasons, provided always that it notifies the other Party without undue delay after such a circumstance has occurred and provides the other Party with an estimate of the length of time during which it is probable that it will be unable to comply with said obligation(s). Where applicable, the Parties agree to set in place without delay any means to enable them to prevent a rupture in the supply of any Product likely to have deleterious consequences for public health. In the event that the case of Force Majeure should last more than ninety (90) days, any Party shall have the option to suspend application of this Agreement, which will resume automatically upon termination of the Force Majeure.

13.5 Notices. All notices, demands, waivers, instructions, consents and other communications hereunder shall be in writing, shall be effective upon receipt, and shall be deemed given if delivered personally or by facsimile transmission (receipt verified), telexed, mailed by registered or certified mail (return receipt requested), postage prepaid, or sent by express courier service, to the Parties at the following addresses (or at such other address for a Party as shall be specified by like notice):

If to CONKWEST, addressed to:

CONKWEST INCORPORATED
Attn: Barry J. Simon, M.D., Chief Executive Officer
2533 South Coast Highway 101, Suite 210,
Cardiff-By-The-Sea, CA 92007-2133
Telephone: (858) 633-0300
Fax: (858) 380-1999

With copy to:

PIETRAGALLO GORDON ALFANO BOSICK & RASPANTI, LLP
Attn: Alicia M. Passerin, Ph.D., Esq.

38th Floor, One Oxford Centre
Pittsburgh, PA 15219
Telephone: (412) 263-2000
Fax: (412) 261-0915

If to SRNE, addressed to:

Sorrento Therapeutics, Inc.
Attn: Henry Ji, Ph.D., President & Chief Executive Officer
6042 Cornerstone Court, Suite B
San Diego, CA 92121
Telephone: (858) 210-3701
Fax: (858) 210-3759

13.6 Amendment. No amendment, modification or supplement of any provision of this Agreement shall be valid or effective unless made in writing and signed by a duly authorized officer of each Party.

13.7 Waiver. No provision of this Agreement shall be waived by any act, omission or knowledge of a Party or its agents or employees except by an instrument in writing expressly waiving such provision and signed by a duly authorized officer of the waiving Party, which waiver shall be effective only with respect to the specific obligation and instance described therein.

13.8 Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

13.9 Descriptive Headings. The descriptive headings of this Agreement are for convenience only, and shall be of no force or effect in construing or interpreting any of the provisions of this Agreement.

13.10 Governing Law. This Agreement shall be governed by and interpreted in accordance with the substantive laws of the State of Delaware, without regard to its choice of law rules.

13.11 Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement. In such event, the Parties shall substitute for such invalid or prohibited provision a valid and enforceable provision consistent with the spirit and objective of such invalid or prohibited provision.

13.12 Entire Agreement of the Parties. This Agreement, including the Schedules hereto, and the Mutual Confidentiality Agreement constitute and contain the complete, final and exclusive understanding and agreement of the Parties as to the matters covered herein and supersede any and all prior negotiations, correspondence, understandings and agreements, whether oral or written, between the Parties respecting the subject matter hereof.

13.13 Jointly Prepared. This Agreement has been prepared jointly and shall not be strictly construed against either Party.

13.14 Third Party Rights. This Agreement is not intended to confer any benefits upon, or create any rights in favor of, any Person other than the Parties and, where expressly provided, their affiliates.

13.15 Bankruptcy. The Parties agree that all rights and licenses granted under this Agreement are rights and licenses in "intellectual property" within the scope of Section 101(35A) (or its successors) of Section 101 of the United States Bankruptcy Code, or its successors (collectively, the "Bankruptcy Code") or any other similar law in any jurisdiction. Each Party, as a licensee hereunder, shall have and may fully exercise all rights available to it under the Bankruptcy Code or any other similar law in any jurisdiction, including, without limitation, under Section 365(n) or its successors.

13.16 Board Seat. For as long as SRNE beneficially holds at least 250,000 shares of common stock of CONKWEST (subject to adjustment for stock splits, stock dividends, recapitalizations and the like), SRNE shall have the right to appoint one individual to serve as a member of the Board of Directors of CONKWEST (the "Board Representative") having observation rights; provided, however, that such Board Representative shall receive full voting rights upon the closing of a private financing round for common stock of CONKWEST within six (6) months of the Effective Date of this Agreement, further provided that at least $10,000,000 of such gross proceeds is from one or more SRNE Introduced Investors. Henry Ji, Ph.D., the current Chief Executive Officer of SRNE, shall be the initial Board Representative and appointed to the Board of Directors of CONKWEST effective as of the Effective Date.

[—remainder of page intentionally left blank—]

[SIGNATURE PAGE TO JOINT DEVELOPMENT AND LICENSE AGREEMENT]

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement.

CONKWEST INCORPORATED		SORRENTO THERAPEUTICS, INC.	
By:	/s/ Barry Simon	By:	/s/ Henry Ji
Name:	Barry Simon	Name:	Henry Ji
Title:	President and CEO	Title:	President and CEO

SCHEDULE 1

SAMPLE STATEMENT OF WORK

This Statement of Work ("**SOW**") by and between CONKWEST INCORPORATED, a Delaware corporation with offices at 2533 South Coast Highway 101, Suite 210, Cardiff-By-The-Sea, CA 92007-2133 ("CONKWEST"), and SORRENTO THERAPEUTICS, INC., a Delaware corporation with offices at 6042 Cornerstone Ct. W., San Diego, Ca 92121 ("SRNE") (each a "Party" and together the "Parties") is attached to and part of that certain Joint Development and License Agreement entered into between the Parties on December [•], 2014 (the "**Agreement**"). All of the terms and conditions of the Agreement are incorporated herein by reference. To the extent of any conflict between this SOW and the Agreement, the terms of this SOW shall prevail.

I. Joint Development. This SOW refers to the joint development of the following subject matter by the Parties as part of the Project described in the Agreement:

[INSERT DESCRIPTION OF JOINT CELL LINE(S), JOINT PRODUCTS, OTHER JOINT MATERIALS OR SUBJECT MATTER TO BE DEVELOPED UNDER THIS SOW]

II. Identification of the Primary and Secondary Parties; Responsibilities. For purposes of the Joint Development described in Paragraph I of this SOW (the "Joint Development"), the Steering Committee has determined that _____ shall be the Primary Party and that _____ shall be the Secondary Party.

A. Responsibilities of the Primary Party.

[INSERT LIST OF RESPONSIBILITIES, INCLUDING DELIVERABLES TO BE DELIVERED UNDER THIS SOW AND INCLUDE TIME LINE FOR COMPLETING SUCH RESPONSIBILITIES/DELIVERING SUCH DELIVERABLES, ASSOCIATED LABOR RATES, ANY ANTICIPATED WORK BY THIRD PARTIES, ETC.]

B. Responsibilities of the Secondary Party.

[INSERT LIST OF RESPONSIBILITIES, INCLUDING DELIVERABLES TO BE DELIVERED UNDER THIS SOW AND INCLUDE TIME LINE FOR COMPLETING SUCH RESPONSIBILITIES/DELIVERING SUCH DELIVERABLES, ASSOCIATED LABOR RATES, ANY ANTICIPATED WORK BY THIRD PARTIES, ETC.]

III. Budget; Allocation of Costs; Payment Terms. The budget attached hereto as Schedule A, which is a part of this SOW, has been agreed to by the Parties. Any and all Costs associated with or resulting from the Joint Development shall be allocated between the Parties as follows:

[INSERT COST ALLOCATION OR INDICATE THAT THE COST ALLOCATION IS AS SET FORTH IN THE AGREEMENT]

[INSERT PAYMENT TERMS]

IV. TERM; TERMINATION. The term of this SOW shall commence on _____ ("Effective Date" and shall continue for _____ ("Initial SOW Term") unless sooner terminated by either Party in accordance with the terms of the Agreement. This SOW shall automatically renew for additional _____ year terms at the same terms and conditions (each, a "Renewal SOW Term") upon the expiration of the Initial SOW Term and each Renewal SOW Term. The Initial SOW Term and the Renewal SOW Term, if any, shall be collectively referred to as the "SOW Term".

The Parties have caused this SOW to be executed by their respective duly authorized representatives.

CONKWEST INCORPORATED	SORRENTO THERAPEUTICS, INC.
By: _____	By: _____
Print Name: _____	Print Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

THIS IS A SAMPLE SOW - DO NOT SIGN

SCHEDULE 2

CONKWEST PATENTS

[***]

SCHEDULE 3

SRNE PATENTS

[***]

SCHEDULE 4

[INSERT EXECUTED MOU]

EXHIBIT A

INVESTMENT AGREEMENT

EXHIBIT B

REGISTRATION RIGHTS AGREEMENT

Exhibit 10.10

EXECUTION COPY

LICENSE AGREEMENT

BY AND BETWEEN

CONKWEST, INC.

AND

INTREXON CORPORATION

February 23, 2010

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LICENSE AGREEMENT

This License Agreement (this "**Agreement**") is made and entered into as of February 23, 2010 (the "**Effective Date**"), by and between CONKWEST, INC., an Illinois corporation having an offices at 3790 Via De La Valle, Suites 206, San Diego, CA 92014, USA ("**CONKWEST**"), and INTREXON CORPORATION, a Virginia corporation, having an office at 1872 Pratt Drive, Blacksburg, Virginia 24060, USA ("**Intrexon**"). CONKWEST and Intrexon are sometimes referred to herein individually as a "**Party**" and together as the "**Parties**."

Recitals

WHEREAS, CONKWEST owns or Rightfully Uses NK–92 and certain related Licensed Patents and Know-How and has the right to grant licenses thereto.

WHEREAS, Intrexon desires to obtain both non-exclusive and exclusive licenses to NK–92 and the related Licensed Patents and Know-How, and CONKWEST is willing to grant such licenses, in each case, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained in this Agreement, and intending to be legally bound, the Parties agree as follows:

ARTICLE 1. DEFINITIONS

Capitalized terms used in this Agreement shall have the meanings given such terms in this Article 1, or as otherwise defined in this Agreement.

1.1 "**Affiliate**" means, with respect to a Party, any Person which directly or indirectly controls, is controlled by or is under common control with such Party. For purposes of this definition, "**control**" means direct or indirect ownership of more than fifty percent (50%) of the voting securities or the profits interest of such Person or otherwise has the right to control the policies and decisions of such Person by contract or otherwise.

1.2 "**BLA**" means a Biological License Application (or any successor application) for any Licensed Product filed by Intrexon or its Affiliates with the FDA, or any similar application prescribed by the regulatory authorities in a market other than the United States, for regulatory approval to make and commercially sell such Licensed Product.

1.3 "**Calendar Quarter**" means a three-month period ending on March 31, June 30, September 30 or December 31.

1.4 "**Calendar Year**" means the twelve (12) month period ending December 31.

1.5 "**Combination Product**" means any product containing both a component that constitutes a Licensed Product and one or more other components that do not constitute a Licensed Product.

1.6 "**Confidential Information**" means, subject to the provisions of Section 11.1(i)-(vi), proprietary information of the disclosing Party which has commercial value, including, without limitation, trade secrets, know-how, formulas, processes, product ideas, inventions (whether patentable or not), improvements, copyrightable or patentable materials, schematics, and other technical, business, financial and product development plans, forecasts and strategies. Confidential Information also includes the proprietary information of a Third Party which the disclosing Party is permitted to provide to the receiving Party hereunder.

1.7 "**Exclusive Field**" means, collectively, all of the applications of the Licensed Patents, Licensed Materials or Know-How, that are designated by Intrexon as Exclusive Indications for the exclusive use of Intrexon pursuant to the provisions of Attachment I.

1.8 "**Exclusive Indication**" means [***] applications that constitutes the Exclusive Field.

1.9 "**FDA**" means the United States Food and Drug Administration or any successor agency having the administrative authority to regulate the approval for marketing of new human pharmaceutical and biological products in the United States.

1.10 "**Field of Use**" means the use of [***]. For the avoidance of doubt, the Exclusive Field is within the Field of Use.

1.11 "**First Commercial Sale**" means the first sale of a Licensed Product to a Third Party following BLA approval of such Licensed Product, or if BLA approval is not required, the first sale of a Licensed Product to a Third Party for cash consideration on an arm-length basis and not under an exemption from BLA approval or other exemption from regulatory approval for compassionate use or similar purposes.

1.12 "**GAAP**" means generally accepted accounting principles in the U.S., consistently applied, or such successor accounting standard (e.g., International Financial Reporting Standards) that may be required by an authority of competent jurisdiction and upon which Intrexon bases its accounting records for all other purposes in general.

1.13 "**IND**" means an Investigational New Drug Application (or any successor application) for any Licensed Product filed by Intrexon or its Affiliates with the FDA, or any similar application prescribed by the regulatory authorities in a market other than the United States, for approval and right to proceed to commence human clinical testing with respect to such Licensed Product. If an IND is not required to be filed for a particular Licensed Product, then for purposes of Section 3.2, the IND filing shall be deemed to have occurred on the first day that Intrexon or its Affiliates receives approval to proceed to commence human clinical testing with respect to such Licensed Product.

1.14 "**Know-How**" means any and all written technical and other information, data, methods, technology and materials of any kind provided to Intrexon pursuant to Section 2.3, regardless of whether patentable and which are not in the public domain, including without limitation trade secrets and other Confidential Information, directly relating to NK–92 that are owned or Rightfully Used by CONKWEST as of the Effective Date.

1.15 “**Licensed Materials**” means cells provided by CONKWEST to Intrexon from the NK–92 cell line pursuant to Section 2.3 and any cells or molecules that are replicated, modified or derived by Intrexon therefrom, including progeny of the NK–92 cell line replicated, modified or derived by Intrexon therefrom.

1.16 “**Licensed Patents**” means the patents and patent applications owned or Rightfully Used by CONKWEST at any time during the Term which relate directly to NK–92 or are necessary or useful for Intrexon to exercise the License granted to Intrexon under this Agreement, including those listed in Schedule A and any provisional patent applications, non-provisional applications, divisionals, continuations, continuation-in-part applications, continued prosecution, patents granted on such applications, reissues, renewals, substitutions, supplementary protection certificates and the like, and patents of addition, reexaminations, extensions; and all foreign counterparts thereof.

1.17 “**Licensed Product**” means any product in the Field of Use intended for therapeutic or prophylactic use in humans which (a) but for the License would infringe a Valid Claim or (b) otherwise incorporates, uses or is derived from the Licensed Materials or the Know-How.

1.18 “**Net Sales**” means any and all gross revenues actually received by Intrexon and its Affiliates on account of the sale or transfer of Licensed Product by Intrexon or its Affiliate to a Third Party, less the following:

(a) trade, quantity, promotional and other customary discounts actually allowed and taken directly with respect to such sales, or amounts repaid or credited because of retroactive price adjustments;

(b) rebates (including price reductions, rebates to social and welfare systems, chargebacks or reserves for chargebacks, cash rebate incentives, government mandated rebates and similar types of rebates);

(c) the portion of administration fees paid to group purchasing organizations or pursuant to inventory management agreements with Third Party wholesalers and warehousing chains related exclusively to the distribution of Licensed Product;

(d) tariffs, duties, excises, sales taxes or other taxes imposed and paid with respect to the production, sale, delivery or use of such Licensed Products (excluding national, state or local taxes based on income);

(e) the amount of chargebacks, and amounts repaid or credited by reason of rejections, recalls, damages or returns of goods, costs to return Licensed Product of the type described in sub-paragraph (f) below, and costs of disposal of recalled Licensed;

(f) freight, postage, shipping, transportation and insurance charges actually allowed or paid by Intrexon or any of its Affiliates for delivery of Licensed Products sold by Intrexon or any of its Affiliates to a Third Party and to the extent added to the sale price and set forth separately as such in the total amount invoiced; and

(g) a reasonable allowance for bad debt calculated in accordance with GAAP.

Notwithstanding the foregoing, no discount, allowance, rebate, chargeback, or any similar amount, however designated, that is given or associated with the purchase by any Third Party of any product other than the Licensed Products, or with the purchase or provision of any service, shall be taken into consideration in calculating any deductions from the invoiced amount. Net Sales amounts shall be determined from the books and records of Intrexon and its Affiliates maintained in accordance with GAAP, consistently applied. In the case of any sale for value, such as barter or counter-trade, of Product, other than in an arm's length transaction exclusively for cash, Net Sales shall be deemed to be the Net Sales at which substantially similar quantities of Product are sold for cash in an arm's length transaction in the relevant country, or as reasonably agreed by Intrexon and CONKWEST if unknown to Intrexon, shall be included in the definition of Net Sales. In the case of Combination Products for which the component constituting a Licensed Product and each of the other components not constituting a Licensed Product have established market prices when sold separately, Net Sales shall be determined by multiplying the Net Sales for each such Combination Product by a fraction, the numerator of which shall be the established market price for the Licensed Product contained in the Combination Product and the denominator of which shall be the sum of the established market prices for the Licensed Product plus the other components contained in the Combination Product. When separate market prices are not established, then the Parties shall negotiate in good faith to determine a fair and equitable method of calculating Net Sales for the Combination Product in question, taking into account factors such as relative cost and relative therapeutic or prophylactic contribution. Net Sales shall be recorded in accordance with GAAP.

1.19 "**NK–92**" means [***].

1.20 "**Person**" means an individual, partnership, firm, corporation, limited liability company, joint venture, association, trust or other entity or any government agency or political subdivision thereof.

1.21 "**Phase I Clinical Trial**" means a human clinical trial, the principal purpose of which is a preliminary determination of safety in healthy individuals or patients as required in 21 C.F.R. §312.21(a), as may be amended from time to time, or a similar clinical study prescribed by the regulatory authorities in a market other than the United States.

1.22 "**Phase II Clinical Trial**" means a human clinical trial, the principal purpose of which is a preliminary determination of efficacy or dose ranges in patients with the disease target being studied as required in 21 C.F.R. §312.21(b), as may be amended from time to time, or a similar clinical study prescribed by the regulatory authorities in a market other than the United States.

1.23 "**Phase III Clinical Trial**" means a human clinical trial other than a Phase I Clinical Trial or Phase II Clinical Trial, the principal purpose of which is to provide substantial evidence of efficacy and safety in patients with the disease target being studied as required in 21 C.F.R. §312.21(c), as may be amended from time to time, or a similar clinical study prescribed by the regulatory authorities in a market other than the United States.

1.24 "**Reserved Field**" means the use of NK–92 for the following applications: [***].

1.25 "**Rightfully Use**" means, with respect to NK–92, the Know-How or the Licensed Patents, that CONKWEST has an interest therein sufficient to enable it to (a) use that intellectual property and (b) grant to Intrexon a license or sublicense to use that intellectual property as contemplated hereunder, in either case without violating the terms of any agreement or other arrangement with or intellectual property rights of any Third Party.

1.26 "**Sublicensing Revenues**" means any amounts received by Intrexon or its Affiliates from any Third Party sublicensee of the License of the rights licensed to Intrexon under this Agreement, including, without limitation, any amounts received by Intrexon or its Affiliates on account of sales of Licensed Products by such sublicensee. If Intrexon or its Affiliate receives non-cash consideration with respect to such sublicense, the fair market value of such non-cash consideration on the date of such receipt, as known to Intrexon, or as reasonably agreed by Intrexon and CONKWEST if unknown to Intrexon, shall be included in Sublicensing Revenues.

1.27 "**Third Party**" means any Person other than Intrexon, CONKWEST or an Affiliate of either of them.

1.28 "**Valid Claim**" means a claim of any issued and unexpired patent, or patent application within the Licensed Patents that has been pending approval for no more than four (4) years after its initial date of filing, and that has not been held invalid or unenforceable by a final decision of a court or governmental agency of competent jurisdiction, which decision can no longer be appealed or was not appealed within the time allowed.

ARTICLE 2. LICENSE GRANT

2.1 License.

Subject to the terms and conditions of this Agreement, CONKWEST hereby grants to Intrexon (i) a non-exclusive, worldwide, non-transferable (except as provided in Section 13.2), sublicensable (subject to Section 2.2), royalty-bearing license to the Licensed Patents, Know-How and Licensed Materials during the Term to research, develop, use, make, have made, market, have marketed, import, have imported, distribute, have distributed, sell and have sold Licensed Products solely in the Field of Use, and (ii) an exclusive, worldwide, non-transferable (except as provided in Section 13.2), sublicensable (subject to Section 2.2), royalty-bearing license to the Licensed Patents, Know-How and Licensed Materials during the Term to research, develop, use, make, have made, market, have marketed, import, have imported, distribute, have distributed, sell and have sold Licensed Products solely in the Exclusive Field (subsections (i) and (ii) above, collectively, the "**License**"). CONKWEST shall not take any action, nor authorize any Affiliate or Third Party to take any action, that is inconsistent with the rights granted to Intrexon pursuant to this Section 2.1.

2.2 Sublicenses.

Intrexon shall be entitled to grant sublicenses of its rights under the License, through one or more tiers of sublicensees; provided, that Intrexon (a) shall pay CONKWEST the amounts

under Section 4.3, (b) shall obtain the written commitment of such sublicensees to abide by all applicable terms and conditions of this Agreement and Intrexon shall remain fully responsible to CONKWEST for the performance of all such terms by its sublicensee, and (c) Intrexon shall provide a true and correct copy of the sublicense agreement (redacted with respect to any information that does not directly relate to the sublicense of the License) to CONKWEST within thirty (30) days of its execution.

2.3 Transfer of Know-How and NK–92 Supply.

Within thirty (30) days of CONKWEST's receipt of the license fee under Section 3.1, CONKWEST will provide to Intrexon the Know-How, as in existence as of the Effective Date, and an initial supply of [***] (the "**Master Cells**") and [***] (the "**Research Cells**") as Licensed Materials. Intrexon may create its own working cell banks from the Master Cells and Research Cells and may provide Licensed Materials (including working cell banks derived by Intrexon from the Master Cells and Research Cells) to its sublicensees for the sole purpose of researching, developing and commercializing Licensed Products, in accordance with the terms of the License. Additionally, upon at least thirty (30) days prior written notice, CONKWEST will supply additional [***] (and Intrexon will reimburse CONKWEST its pre-approved, documented, out-of-pocket costs associated therewith) if reasonably requested by Intrexon during the Term. Intrexon shall comply with all laws, rules, regulations and guidelines which are applicable to access by and use of the Licensed Materials and the Know-How by Intrexon and its Affiliates and permitted sublicensees, including without limitation, those promulgated by the FDA (or the foreign equivalent) and the National Institutes of Health, and those relating to the export and import of the Licensed Materials and the Know-How.

2.4 No Additional Rights.

Nothing contained herein shall be construed to confer any rights upon either Party by implication, estoppel, or otherwise as to any technology or patent rights of the other Party except as expressly set forth herein. All rights not specifically granted to Intrexon herein are expressly reserved by CONKWEST.

ARTICLE 3. LICENSE FEES AND MILESTONE PAYMENTS

3.1 License Fees.

Within two (2) business days of the execution of this Agreement by both Parties, Intrexon shall pay CONKWEST a non-refundable license fee of [***], due and payable in immediately available funds by wire transfer to the bank account set forth on Schedule B.

3.2 Milestone Payments.

In addition to the license fees payable pursuant to Section 3.1, for each Exclusive Indication, Intrexon shall make additional non-refundable, non-creditable milestone payments to CONKWEST in the following amounts, due and payable in immediately available funds within thirty (30) days after the date on which such milestone is achieved:

Milestone Event*	**Payment**
*Payable for each Exclusive Indication; provided that, in the event that no Exclusive Indications have been elected, the following shall be payable for the first [***] non-exclusive indications. Under no circumstances shall Intrexon owe the following milestone payments for more than [***] indications.	
(a) First IND Filing	$[***]
(b) Start of First Phase II Clinical Trials	$[***]
(c) Start of Phase III Clinical Trials	$[***]
(d) First Commercial Sale	$[***]

ARTICLE 4. ROYALTIES

4.1 Royalties.

In consideration of the License granted by CONKWEST to Intrexon hereunder, Intrexon will pay or cause to be paid to CONKWEST the following royalties during the Term consisting of a percentage of Net Sales during any Calendar Year during the Term, due and payable pursuant to Article 6:

Aggregate Net Sales during Calendar Year	**Royalty**
(a) $[***] to $[***]	[***] provided, that such royalty will be [***] of Net Sales with respect to sales of a Licensed Product in a particular country that would not infringe a Valid Claim in such country absent the License
(b) Greater than $[***]	[***]; provided, that such royalty will be [***] of Net Sales with respect to sales of a Licensed Product in a particular country that would not infringe a Valid Claim in such country absent the License

4.2 Non-Redundant Royalties.

The obligation to pay royalties to CONKWEST under this Article is imposed only once with respect to the same unit of Licensed Product regardless of the number of Valid Claims and Licensed Patents covering the same. There shall be no obligation to pay CONKWEST under this Article on sales of Licensed Product between Intrexon and its Affiliates or between any of them but in such instances the obligation to pay royalties shall arise upon the sale by Intrexon or its Affiliates to Third Parties.

4.3 Sublicensing Revenues.

In addition to the payments, fees and royalties described elsewhere in this Agreement, Intrexon shall pay CONKWEST [***] of all Sublicensing Revenues, due and payable within ten (10) days after receipt by Intrexon of such Sublicensing Revenues.

ARTICLE 5. REPORTS

5.1 Financial Reports.

Within forty-five (45) days after the close of each Calendar Quarter of each year during the Term (including the last day of any such Calendar Quarter following the expiration or termination date of this Agreement), Intrexon shall provide a written report to CONKWEST of all Net Sales, royalty payments, milestone payments and Sublicensing Revenues actually accruing under Article 4 during such Calendar Quarter. Such quarterly reports shall indicate for such Calendar Quarter the Net Sales of each Licensed Product sold by Intrexon and its Affiliates and Sublicensing Revenues received from sublicensees with respect to which payment is due (shown with respect to such Calendar Quarter and on an aggregate basis during the applicable Calendar Year) and the applicable royalty calculation and shall also include gross revenues with respect to such sales and a breakdown of the allowable expenses used to determine Net Sales. In case no payment is due for any such period, Intrexon shall so report. Intrexon shall keep, and it shall cause its Affiliates and sublicensees to keep, accurate records in sufficient detail to enable the aforesaid payments due under Section 4 to be determined. Upon the request of CONKWEST, Intrexon and its Affiliates and sublicensees shall permit an independent regionally recognized certified public accountant selected by CONKWEST to have access, once in each Calendar Year during regular business hours and upon reasonable notice to Intrexon, to such of the records of Intrexon and its Affiliates and sublicensees with respect to such sales as may be necessary to verify the accuracy of the reports made during the previous Calendar Year, except that: said accountant shall meet the prior approval of Intrexon or its Affiliate or its sublicensee in question, which approval shall not be unreasonably withheld or delayed; and said accountant shall not disclose to CONKWEST any information except that which should properly have been contained in such reports; and said audit right may not be exercised more than once in any one Calendar Year. The records from which the royalty reports are prepared need not be retained by Intrexon longer than three (3) years. Any such audit shall be at the sole cost and expense of CONKWEST.

5.2 Product Reports.

Upon written request of CONKWEST, Intrexon shall provide CONKWEST with summary reports, not more frequently than annually during the Term, setting forth a summary-level review of the research, development and commercialization activities undertaken by Intrexon, its Affiliates and sublicensees with respect to the Licensed Products during the period covered by the report and/or since the last report. For the avoidance of doubt, reports provided by Intrexon pursuant to this Section 5.2 are the Confidential Information of Intrexon.

ARTICLE 6. PAYMENTS

6.1 Payments.

Payments shown to have accrued by each of the quarterly reports provided for under Article 5 above shall be due and payable in immediately available funds on the date such report is due and shall be paid in United States dollars.

6.2 Non-U.S. Sales.

The remittance of payments based on Net Sales or Sublicensing Revenues received by Intrexon or its Affiliates other than in United States dollars shall be payable to CONKWEST in United States dollars calculated using Intrexon's conversion methodology, which shall be consistent with GAAP, and shall be based on monthly averages (end of prior month spot rate plus end of current month spot rate divided by two) using central bank fixing rates in countries where available and open market rates otherwise. All taxes imposed as a result of the existence of this Agreement or the performance hereunder shall be paid by the Party required to do so by applicable law; provided, that only if so required by applicable law, Intrexon shall withhold the amount of any such taxes and shall promptly effect payment thereof to the appropriate tax authorities. In that case, Intrexon shall cooperate reasonably, at CONKWEST's expense, with CONKWEST in obtaining a refund of any such taxes, and shall transmit to CONKWEST official tax receipts or other evidence issued by such tax authorities sufficient to enable CONKWEST to support a claim for the United States income tax credit in respect of any such taxes so withheld.

6.3 Taxes.

If law or regulation requires the withholding of any taxes due by Intrexon or its Affiliates on sales of Licensed Products in a given country, the Parties shall confer regarding possible alternative arrangements to lawfully avoid such withholding. If, between a country and any other place designated, a treaty reduces or eliminates the withholding of any taxes otherwise due on royalties payable from such country, CONKWEST may (but shall not be obligated to) request a direct remittance of royalties to CONKWEST at such place as it may designate. If the parties are unable to formulate or agree upon action to lawfully avoid withholding, then the Parties agree that such taxes shall be included as deductions in the calculation of Net Sales, and Intrexon shall remit such taxes to the proper authority and provide CONKWEST with appropriate documentation thereof.

6.4 Late Payments.

Any payment (including royalty, milestone and development funding) which is not made when due hereunder shall accrue interest from the due date at the rate of one percent (1.0%) per month; provided that in no event shall such rate exceed the maximum legal annual interest rate. Collection of interest shall not prevent CONKWEST from exercising any other rights it may have as a consequence of the default in timely payment.

ARTICLE 7. DATA SHARING AND ACCESS

7.1 CONKWEST Information.

CONKWEST will provide Intrexon [***].

7.2 Intrexon Information.

Intrexon will provide CONKWEST [***].

ARTICLE 8. INTELLECTUAL PROPERTY

8.1 Prosecution of Licensed Patents.

(a) CONKWEST shall prosecute and reasonably maintain all of the patents and applications included within the Licensed Patents with counsel of its own choosing and at its own expense in the following countries and territories: United States, European Union and Canada. CONKWEST also agrees to keep Intrexon reasonably informed of the status of all patent applications and any patents issuing therefrom included in the Licensed Patents by providing Intrexon reports at least twice per Calendar Year listing all such patents and patent applications, identified by country, title and patent or application number and briefly describing their status. CONKWEST also agrees to provide Intrexon with copies of all substantive official communications related to such patent applications or patents and to give reasonable due consideration to the advice of Intrexon's counsel in connection with all such substantive official communications from the applicable patent office.

(b) Should CONKWEST (at its discretion) not wish to prosecute or maintain any patent or application included within the Licensed Patents in any particular country in which Licensed Products are being sold or intended to be sold (as determined by the Parties) (a "**Discontinued Patent**"), CONKWEST will provide Intrexon with thirty (30) days' advance written notice (but in any event sufficient notice to enable Intrexon to meet any deadlines by which an action must be taken to establish or preserve any such rights in a Licensed Patent in any country) of its intentions (a "**Patent Discontinuance Election**"). Upon Intrexon's receipt of a Patent Discontinuance Election, or if at any time CONKWEST fails to initiate any such action within thirty (30) days after a request by Intrexon that it do so (or, if after initiating a requested action, CONKWEST at any time thereafter fails to diligently pursue such action) [***], Intrexon may elect to prosecute and maintain the applicable Discontinued Patent at its own expense on CONKWEST's behalf by providing CONKWEST with written notice of such election within thirty (30) days of its receipt of the Patent Discontinuance Election. Upon such election by Intrexon, CONKWEST shall assign to Intrexon the right, but not the obligation, to prosecute and maintain such Discontinued Patent on CONKWEST's behalf and at Intrexon's expense. Pending such assignment, CONKWEST shall exercise commercially reasonable efforts at Intrexon's reasonable expense to maintain or otherwise ensure that available patent protection will not be lost with respect to such Discontinued Patent; provided, that Intrexon does not unreasonably delay the assignment thereof. With respect to any Discontinued Patent, each document or a draft thereof in either Party's possession or control pertaining to the prosecution or maintenance of such Discontinued Patent, including without limitation, each patent application, office action, response to office action, request for terminal disclaimer and request for reissue or reexamination

of any patent issuing from such application shall be provided to the Party that is not conducting such activity as follows. Documents received from any patent office or counsel's analysis thereof shall be provided to the other Party promptly after receipt. For a document to be filed in any patent office, a draft of such document shall be provided sufficiently prior to its filing to allow for review and comment by the other Party. The Party conducting the activity agrees to give good faith consideration to all comments provided by the other Party. In the event that claims must be narrowed and the other Party disagrees with said action or wishes to continue to pursue broader claims, then the Party conducting such activity agrees to pursue said broader claims in additional patent filings or as appropriate at the other Party's expense.

8.2 Infringement by Third Parties.

(a) Notice. Upon learning of any suspected infringement of the Licensed Patents in the Field of Use, each Party shall promptly notify the other Party in writing of the details of any such suspected infringement and shall inform the other Party of any evidence thereof.

(b) Intrexon's Right to Enforce Within the Field of Use. Intrexon, in its sole discretion, is empowered, but not obligated, to enforce the Licensed Patents within the Field of Use at any time during the Term at its sole expense by initiating, prosecuting and controlling any claim, action or proceeding with respect to such infringement using counsel of its choice that is reasonably acceptable to CONKWEST, as follows:

(i) CONKWEST will reasonably cooperate with any such defense or enforcement, including joining as a named party as necessary;

(ii) [***];

(iii) [***];

(iv) [***]; and

(v) [***].

(c) CONKWEST's Right to Enforce Within the Field of Use. If Intrexon fails to bring an infringement action described in Section 8.2 within a period of ninety (90) days after receiving written notice from CONKWEST or within a period of one hundred-eighty (180) days after having actual knowledge of infringement of the Licensed Patents within the Field of Use, then CONKWEST shall have the right to bring and control any such infringement action, or otherwise assume the primary defense of such invalidity or unenforceability claims, by counsel of its own choice and expense. If CONKWEST reasonably determines that Intrexon is an indispensable party to the infringement action, Intrexon hereby consents to be joined. In such event, Intrexon shall have the right to be represented in that infringement action by counsel of its own choice and at Intrexon's expense. CONKWEST shall have the right to settle any such infringement action, subject to Intrexon's prior consent, which consent will not be unreasonably withheld. Any damages or other monetary awards recovered by CONKWEST shall be applied first to defray all of the costs and expenses incurred in the infringement action. If any balance remains, such balance shall be (i) shared equally by CONKWEST and Intrexon if such infringement action is within the Exclusive Field, or (ii) retained by CONKWEST if such infringement action is outside of the Exclusive Field.

(d) CONKWEST's Right to Enforce Outside the Field of Use. CONKWEST, in its sole discretion, retains the power but is not obligated, to enforce the Licensed Patents outside the Field of Use; provided, that in any proceeding in which the validity or enforceability of a Licensed Patent is asserted or that is otherwise likely to affect the enforcement of the Licensed Patents in the Field of Use, CONKWEST shall promptly notify Intrexon in writing and Intrexon may consult in the defense of any of the Licensed Patents at its own expense. CONKWEST shall consider in good faith any reasonable suggestions of Intrexon relative to the defense of the Licensed Patents.

8.3 Infringement of Third Party Intellectual Property.

(a) If any Third Party asserts a formal or informal claim against either Party (or any of their Affiliates, agents or sublicensees) alleging that any of the activities of Intrexon or its Affiliates or sublicensees with respect to the research, development or commercialization of Licensed Products infringes, misappropriates or violates the intellectual property rights of any Third Party, the Party first having notice of such claim shall promptly notify the other Party in writing. The notice shall set forth the facts of the claim in reasonable detail.

(b) Intrexon shall defend against any such Third Party claim brought against it, CONKWEST or any Party's Affiliates, agents or sublicensees if such claim does not involve the Licensed Patents or Know-How; provided, that CONKWEST shall be entitled to be represented in such defense by counsel of its own choosing at CONKWEST's sole expense. CONKWEST shall defend against any such Third Party claim brought against it, Intrexon or any Party's Affiliates, agents or sublicensees if such claim involves the Licensed Patents or Know-How; provided, that Intrexon shall be entitled to be represented in such defense by counsel of its own choosing at Intrexon's sole expense.

(c) All damages or other amounts, if any, payable to such Third Party pursuant to a final, unappealable court order or ruling or pursuant to a settlement effected in good faith (which settlement shall have been approved by both Parties, which approval shall not be unreasonably withheld, conditioned or delayed by either Party), together with all reasonable defense costs (including, without limitation, reasonable attorneys' fees, experts and witness fees, and other customary litigation costs and expenses) (collectively, "**Damages**") incurred by the Party controlling the defense, shall be borne (i) solely by CONKWEST to the extent such Damages are caused by or arise from the acts or omissions of CONKWEST, including without limitation any breach of a representation or warranty of CONKWEST hereunder, and (ii) solely by Intrexon to the extent such Damages are caused by or arise from the acts or omissions of Intrexon or its Affiliates and sublicensees pursuant to its activities under this Agreement. To the extent either Party owes an amount to the other in accordance with the preceding allocation of financial responsibility, the Party who owes such amount shall pay it promptly (and in any event within thirty (30) days) after such order, ruling or settlement.

8.4 No Implied License for Infringement of Third Party Rights.

Licenses granted by CONKWEST herein are not to be construed as consent by CONKWEST to any act which may be performed by Intrexon or its Affiliates or sublicensees, except to the extent such act would otherwise constitute infringement of the Licensed Patents, Licensed Materials or Know-How absent the License expressly granted in this Agreement.

ARTICLE 9. REPRESENTATIONS, WARRANTIES, COVENANTS, DISCLAIMERS

9.1 Mutual Warranties.

Each Party hereby represents and warrants to the other Party as of the Effective Date that:

(a) it is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated;

(b) it has the corporate power and authority and the legal right to enter into this Agreement free from any conflicting right owed to a Third Party and to perform its obligations hereunder;

(c) it has taken all necessary corporate action on its part to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder and that this Agreement has been duly executed and delivered on behalf of such Party and constitutes a legal, valid, binding obligation, enforceable against such Party in accordance with its terms;

(d) all necessary consents, approvals and authorizations of all applicable competent authorities and other Persons required to be obtained by such Party in order to execute and perform this Agreement on behalf of such Party have been obtained; and

(e) the execution and delivery of this Agreement and the performance of such Party's obligations do not constitute a default or require any consent under any other contractual obligation of such Party.

9.2 CONKWEST Warranty.

CONKWEST hereby represents and warrants to Intrexon that as of the Effective Date:

(a) CONKWEST owns or otherwise Rightfully Uses Licensed Patents, Licensed Materials and Know-How (in the case of the Licensed Materials and Know-How, provided by CONKWEST) and has the right to grant to Intrexon the License;

(b) there has not been as of the Effective Date any challenge to the Licensed Patents by any Third Party for which actual notice has been received by CONKWEST;

(c) to the knowledge of CONKWEST, the use of the Licensed Patents, NK–92 cells and use of the Know-How do not infringe on any valid claims of an issued United States patent owned by any Third Party;

(d) to the knowledge of CONKWEST, no Third Party is infringing any of the Licensed Patents, Licensed Materials or Know-How; and

(e) to the knowledge of CONKWEST, the Licensed Patents are valid and enforceable.

(f) to the best knowledge of CONKWEST, after due and diligent inquiry, since the development of NK–92, NK–92 has not been transferred, licensed or provided to any Third Party in any manner that would adversely effect the exclusive rights granted to Intrexon under this Agreement.

9.3 Disclaimer of Warranties.

Except as specifically set forth in this Agreement. NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, WARRANTIES OF NON-INFRINGEMENT, OR ANY OTHER STATUTORY OR NON-STATUTORY WARRANTIES.

9.4 Exclusion of Damages.

Except with respect to material breaches of Article 2 (License Grant), Article 10 (Indemnification; Insurance) or Article 11 (Confidentiality), in no event will either Party be liable for any special, incidental, consequential or indirect damages suffered by the other Party arising in any way out of this Agreement, however caused and on any theory of liability. This limitation will apply even if the Party has been advised of the possibility of such damage.

ARTICLE 10. INDEMNIFICATION AND INSURANCE

10.1 Responsibility and Control.

Subject to the provisions of Section 10.2, Intrexon and CONKWEST shall each be solely responsible for the safety of its own Affiliates, employees, agents, licensees (except Intrexon in the case of CONKWEST) or sublicensees with respect to its respective activities under this Agreement and each shall hold the other harmless with regard to any liability for damages or personal injuries resulting from acts of its respective employees, agents or Affiliates.

10.2 Mutual Indemnification.

(a) Indemnification by CONKWEST. CONKWEST hereby agrees to indemnify, defend and hold harmless Intrexon and its Affiliates and their respective directors, officers, employees, representatives and agents, and the heirs, successors and assigns of any of them, from and against any and all claims, actions, investigations, proceedings, expenses, costs, damages, liabilities and losses (including, without limitation, reasonable attorneys' fees, experts and witness fees, and other customary litigation costs and expenses) asserted against any of them by a Third Party (collectively, "**Claims**") arising from or based on (i) material breach of this Agreement by CONKWEST, (ii) breach of any representation of warranty of CONKWEST under this Agreement, or (iii) the negligence or willful misconduct of CONKWEST or its Affiliates.

(b) Indemnification by Intrexon. Intrexon hereby agrees to indemnify, defend and hold harmless CONKWEST and its Affiliates and their respective directors, officers, employees, representatives and agents, and the heirs, successors and assigns of any of them, from and against any and all Claims, arising from or based on (i) (1) material breach of this Agreement by Intrexon, or (2) the negligence or willful misconduct of Intrexon or its Affiliates, or (ii) resulting from violation of applicable law, personal injury, product liability or property damage relating to or arising from: (1) the manufacture, use, promotion or sale of Licensed Products by Intrexon or its Affiliates or sublicensees; or (2) the use by any Person of a Licensed Product made, created, sold or otherwise transferred by Intrexon or its Affiliates or sublicensees; or (3) the use by Intrexon or its Affiliates or sublicensees of Licensed Patents, Licensed Materials or Know-How; provided that, in the case of subsection (ii) above, Intrexon shall not indemnify, defend and hold harmless CONKWEST and it Affiliates to the extent that the Claim is due to the breach of this Agreement (including without limitation the breach of any representation of warranty) by CONKWEST or the negligence or willful misconduct of CONKWEST or its Affiliates.

(c) Notification of Claims; Conditions to Indemnification Obligations. The Parties shall promptly notify each other of any claims or suits with respect to which indemnification under this Agreement is or could be sought. The Party requesting indemnification shall permit the indemnifying Party to assume the defense of such claims or suits giving rise to the request at the indemnifying Party's sole expense. The requesting Party shall cooperate with the indemnifying Party in such defense when reasonably requested to do so. In no event shall the indemnifying Party compromise or settle any claim or suit in a manner that admits fault or negligence on the part of the indemnified Party, or that would otherwise adversely affect any rights of the indemnified Party, without the prior written consent of the indemnified Party, which consent will not be unreasonably withheld or delayed. The indemnifying Party shall have no liability under this Article 10 with respect to claims or suits settled or compromised without the indemnifying Party's prior knowledge and express written consent.

10.3 Insurance.

During the Term, Intrexon shall, at its own expense, furnish CONKWEST promptly after the Effective Date, and annually thereafter upon the CONKWEST's request, with a certificate of insurance evidencing insurance coverage to fulfill its indemnification obligations under this Agreement. Such insurance shall expressly provide coverage for personal injury Claims throughout the world (including, without limitation, the U.S.), and shall provide an aggregate minimum of $[***] of coverage per year on an occurrence-made basis until the occurrence of the First Commercial Sale of the first Licensed Product, at which time the minimum aggregate annual coverage shall be $[***]. CONKWEST shall be named an additional insured in the above insurance coverage, and such insurance will not be canceled, non-renewed or modified in any material manner without at least fifteen (15) days prior notice being given to CONKWEST. Intrexon shall maintain such insurance coverage during the Term and for a period of five (5) years thereafter.

ARTICLE 11. CONFIDENTIALITY

11.1 Undertakings of the Parties.

During the Term (as defined herein) of this Agreement and for five (5) years thereafter, each Party: (a) shall treat as confidential all Confidential Information provided to the receiving Party by the disclosing Party; (b) shall not use such Confidential Information except as expressly permitted under the terms of this Agreement or otherwise authorized in writing by the disclosing Party; (c) shall implement reasonable procedures to prohibit the disclosure, unauthorized duplication, misuse or removal of such Confidential Information; and (d) shall not disclose such Confidential Information to any Third Party unless it is necessary to fulfill one or more obligations expressly required by this Agreement, and unless such Third Party has agreed in writing to be bound by terms of confidentiality at least equivalent to those set forth in this Article 11, except that the period during which such information is to remain confidential may be reasonable and customary under the circumstances. Without limiting the foregoing, each of the Parties shall use at least the same procedures and degree of care to prevent the disclosure of the other Party's Confidential Information as it uses to prevent the disclosure of its own confidential information of like importance, and shall in any event use no less than reasonable procedures and a reasonable degree of care; provided, that such obligations shall not apply to any information that is:

(i) independently developed by such Party outside the scope and not in violation of this Agreement, as evidenced by such Party's contemporaneous written records;

(ii) in the public domain at the time of its receipt or thereafter becomes part of the public domain through no fault of the recipient;

(iii) received without an obligation of confidentiality from a Third Party having the right to disclose such information;

(iv) released from the restrictions of this Section 11.1 by the express written consent of the disclosing Party;

(v) disclosed to any Affiliate, sublicensee or subcontractor (including potential sublicensees or subcontractors) of such Party hereunder; provided that such Affiliate, sublicensee or subcontractor or potential sublicensee or subcontractor agrees to be bound by the provisions of this Section 11.1 or similar provisions in a separate confidentiality agreement; or

(vi) required by law, statute, rule or court order to be disclosed (the disclosing Party shall, however, use reasonable efforts to obtain confidential treatment of any such disclosure, consult with the other Party and permit the other Party to participate in seeking an appropriate protective order).

11.2 Disclosure of Agreement.

Unless otherwise provided in Section 11.1 or agreed to in writing or as necessary to comply with law, the terms of this Agreement shall be deemed Confidential Information; provided, that either Party may disclose this Agreement and its terms on a confidential basis (i.e.,

pursuant to a written agreement to maintain the confidentiality of this Agreement and its terms and conditions in a manner not less restrictive than as provided in Section 11.1) to actual or potential investors, lenders, advisors, Affiliates, sublicensees, permitted assignees or parties contemplating a strategic alliance or acquisition.

ARTICLE 12. TERM AND TERMINATION

12.1 Term.

Unless otherwise terminated in accordance with this Article 13, the term of this Agreement (the "**Term**") shall begin as of the Effective Date and shall continue thereafter for seventeen (17) years.

12.2 Termination.

Notwithstanding the foregoing, this Agreement may be terminated (a) upon the written consent of the Parties, (b) by either Party upon written notice in the event the other Party materially breaches this Agreement and fails to cure such breach within sixty (60) days after delivery to such party of written notice by the non-breaching Party setting forth such breach in reasonable detail and demanding a cure pursuant to this Section, or (c) by Intrexon upon one hundred and eighty (180) days written notice to CONKWEST.

12.3 Effect of Termination.

(a) Upon termination of this Agreement by the parties under Section 12.2(a), CONKWEST pursuant to Section 12.2(b) or Intrexon pursuant to Section 12.2(c), the License and all sublicenses thereunder shall automatically terminate, and Intrexon shall immediately cease (and cause its Affiliates and sublicensees to cease) developing, making, having made, using, selling, and having sold Licensed Products and using or practicing the Licensed Patents, Licensed Materials and the Know-How; provided, that each of Intrexon and its Affiliates and sublicensees may continue to sell off any inventory of Licensed Products that it may have on hand as of the effective date of such termination for up to one hundred eighty (180) days, subject to payment of applicable royalties hereunder and all other terms applicable to such sales under this Agreement.

(b) Upon expiration of this Agreement, or termination of this Agreement by Intrexon pursuant to Section 12.2(b), the License granted to Intrexon hereunder shall become fully-paid up, royalty free, perpetual and non-cancelable.

(c) Further, Sections 8.3, 9.3 and 9.4 and Articles 10 (Indemnification and Insurance), 11 (Confidentiality), 12 (Term and Termination) and 13 (Miscellaneous) of this Agreement shall survive the termination or expiration of this Agreement.

(d) Termination of this Agreement for any reason shall be without prejudice to any rights that shall have accrued to the benefit of either Party prior to such termination.

ARTICLE 13. MISCELLANEOUS

13.1 Independent Contractors.

Neither Party is, nor shall be deemed to be, an employee, agent, partner or legal representative of the other Party for any purpose. Neither Party shall have the right, power or authority to enter into any contracts in the name of, or on behalf of, the other Party, nor shall either Party have the right, power or authority to pledge the credit of the other Party in any way or hold itself out as having the authority to do so.

13.2 Assignment.

Except as otherwise provided herein, Intrexon shall not have the right to assign any of its rights or obligations under this Agreement without the prior written consent of CONKWEST; provided, that Intrexon, without any need for consent from CONKWEST, may assign all of its rights and obligations hereunder to an Affiliate (in which event Intrexon shall remain liable notwithstanding such assignment for all obligations and liabilities of Intrexon arising hereunder prior to such assignment and incurred by such Affiliate hereunder after such assignment) or in connection with (a) a merger, consolidation or change in control transaction of Intrexon, or (b) the sale of substantially all of Intrexon's assets to which this Agreement relates. CONKWEST may assign any of its rights or obligations under this Agreement without restriction. If and to the extent that a Party assigns any of its rights and/or obligations hereunder in accordance with this Section 13.2, then this Agreement shall be binding upon the assignee to the same extent as if it were a Party hereto and each reference herein to the name of the assigning Party shall be deemed to include the assignee. Any assignment not in accordance with this Section 13.2 shall be void. To the extent permitted above, this Agreement shall be binding upon and inure to the benefit of the Parties and their permitted successors and assigns.

13.3 Notices.

All notices to be given under this Agreement shall be in writing and shall be served either by facsimile, by deposit with an overnight courier with charges prepaid, or by deposit in the United States mail, first-class postage prepaid by registered or certified mail, addressed to the Parties at the address or facsimile number stated below or at any other address as designated by one Party upon notice to the other Party. Any such notices shall be deemed to have been given on the date of receipt by the addressee (or, if the date of receipt is not a business day, on the first business day after the date of receipt), as evidenced by (a) a receipt executed by the addressee (or a responsible person in its office), the records of the Person delivering such communication or a notice to the effect that such addressee refused to claim or accept such communication, if sent by messenger, U.S. mail or express delivery service, or (b) a receipt generated by the sender's electronic mail showing that such communication was sent to the appropriate electronic mail address on a specified date, if sent by electronic mail.

If to CONKWEST:

CONKWEST, Inc.
3790 Via De La Valle, Suite 206
San Diego, CA 92014
Attn: Chief Executive Officer
Email:bsimon@conkwest.com

With a copy to:

Cohen & Grigsby, P.C.
Dominion Tower
625 Liberty Avenue
Pittsburgh, Pennsylvania 15222-3152
Attention: David J. Kalson, Esq.
E-mail: dkalson@cohenlaw.com

If to Intrexon:

Intrexon Corporation
20358 Seneca Meadows Parkway
Germantown, MD 20876
Attn: Chief Medical Officer
Email:rherberman@intrexon.com

With a copy to:

Intrexon Corporation
20358 Seneca Meadows Parkway
Germantown, MD 20876
Attn: Legal Department
Email: LegalDept@intrexon.com

13.4 Amendment.

No amendment, modification or supplement of any provision of this Agreement shall be valid or effective unless made in writing and signed by a duly authorized officer of each Party.

13.5 Waiver.

No provision of this Agreement shall be waived by any act, omission or knowledge of a Party or its agents or employees except by an instrument in writing expressly waiving such provision and signed by a duly authorized officer of the waiving Party, which waiver shall be effective only with respect to the specific obligation and instance described therein.

13.6 Counterparts.

This Agreement may be executed simultaneously in two or more counterparts, including by facsimile signature or Adobe PDF signature, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

13.7 Descriptive Headings.

The descriptive headings of this Agreement are for convenience only, and shall be of no force or effect in construing or interpreting any of the provisions of this Agreement.

13.8 Governing Law.

This Agreement shall be governed by and interpreted in accordance with the substantive laws of the State of Delaware, without regard to the conflicts of laws principles of that or any other jurisdiction.

13.9 Severability.

Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement. In such event, the Parties shall substitute for such invalid or prohibited provision a valid and enforceable provision consistent with the spirit and objective of such invalid or prohibited provision.

13.10 Entire Agreement of the Parties.

This Agreement, including any exhibits or schedules hereto, constitutes and contains the complete, final and exclusive understanding and agreement of the Parties as to the matters covered herein and supersedes any and all prior negotiations, correspondence, understandings and agreements, whether oral or written, between the Parties respecting the subject matter hereof.

13.11 Jointly Prepared.

This Agreement has been prepared jointly and shall not be strictly construed against either Party.

13.12 No Third Party Rights.

This Agreement is not intended to confer any benefits upon, or create any rights in favor of, any Person other than the Parties, including without limitation, any Affiliates or sublicensees.

[Signatures appear on following page]

[SIGNATURE PAGE TO LICENSE AGREEMENT]

IN WITNESS WHEREOF, the Parties hereto have duly executed this License Agreement effective as of the date first set forth above.

CONKWEST, INC.

By: /s/ Barry Simon
Name: Barry Simon
Title: CEO

INTREXON CORPORATION

By: /s/ Rick Strong
Name: Rick Strong
Title: Chief Financial Officer

SCHEDULE A

Licensed Patents

[***]

SCHEDULE B

Wire Transfer Instructions

ATTACHMENT I

Procedure to Designate an Exclusive Indication for the Exclusive Field

Capitalized terms used in this Attachment I shall have the meanings given such terms in the Exclusive License Agreement dated February 23, 2010 (the **"Agreement"**), between CONKWEST Corporation (**"CONKWEST"**) and Intrexon Corporation (**"Intrexon"**).

Background

Pursuant to the terms and conditions of the Agreement, Intrexon is entitled to designate up to [***] Exclusive Indications. Once designated pursuant to this Attachment I, the Exclusive Indication will constitute a portion of the Exclusive Field.

1. Intrexon may, at any time during the Term designate, by written notice to CONKWEST, an Exclusive Indication. An Exclusive Indication shall be for [***]. For the avoidance of doubt, an Exclusive Indication may not be an indication set forth in the Reserved Field. Additionally, an Exclusive Indication may not be an Additional CONKWEST Indication (as defined below).

2. If the Exclusive Indication is not within the Reserved Field and is not an Additional CONKWEST Indication, then the Exclusive Indication shall become part of the Exclusive Field for all purposes under the Agreement effective upon such notice to CONKWEST, subject to the provisions of subsection 3 below.

3. If Intrexon does not file an IND for a Licensed Product for the Exclusive Indication within [***] following the written notice provided by Intrexon to CONKWEST pursuant to Section 1 above, then the Exclusive Indication shall no longer be deemed to be part of the Exclusive Field from and after the prescribed date for such filing. Additionally, Intrexon may, by written notice to CONKWEST, withdraw any Exclusive Indication from the Exclusive Field, and from and after such removal, such Exclusive Indication shall not count toward the maximum of [***] Exclusive Indications.

4. If the Exclusive Indication designated by Intrexon pursuant to Section 1 above is an Additional CONKWEST Indication, then CONKWEST shall provide Intrexon with written notice that the Exclusive Indication is an Additional CONKWEST Indication within [***] of the date of the notice from Intrexon received pursuant to Section 1 above.

5. An **"Additional CONKWEST Indication"** is an indication or application licensed on an exclusive or non-exclusive basis by CONKWEST to a Third Party, or which CONKWEST is actively pursuing through its own clinical development. Notwithstanding any provision of this Attachment I to the contrary, CONKWEST shall provide Intrexon with as much advance notice as reasonably possible of a

proposed Additional CONKWEST Indication. The following procedures shall apply to any proposed Additional CONKWEST Indication:

a. If the proposed Additional CONKWEST Indication is to be the subject of a license to a Third Party, then prior to granting such license, CONKWEST shall provide Intrexon with written notice of this proposed license. Within [***] of receiving such notice, Intrexon shall have the right, but not the obligation, to designate such indication as an Exclusive Indication by written notice to CONKWEST. Thereafter, the proposed Additional CONKWEST Indication shall constitute an Exclusive Indication, subject to the provisions of subsection 3 above. If Intrexon does not so designate such indication as an Exclusive Indication, then CONKWEST shall be free to grant the license to the Third Party and the indication or application shall become an Additional CONKWEST Indication, subject to the provisions of subsection (d), below.

b. If the proposed Additional CONKWEST Indication is to be developed by CONKWEST on its own, then CONKWEST shall provide Intrexon with written notice of its clinical development plans with respect to such indication. Within [***] of receiving such notice, Intrexon shall have the right, but not the obligation, to designate such indication as an Exclusive Indication by written notice to CONKWEST. Thereafter, the proposed Additional CONKWEST Indication shall constitute an Exclusive Indication, subject to the provisions of subsection 3 above. If Intrexon does not so designate such indication as an Exclusive Indication, CONKWEST shall be free to develop the indication or application on its own and such indication or application shall become an Additional CONKWEST Indication, subject to the provisions of subsection (d), below.

c. Intrexon may only provide the notices referred to in subsections (a) or (b) above, if Intrexon has the reasonable good faith intent at the time of the notice that it will be pursuing such indication or application.

d. If within [***] of the designation of an Additional CONKWEST Indication pursuant to subsections (a) or (b) above, an IND for such Additional CONKWEST Indication has not been filed with FDA, EMEA, or the Canadian or Korean regulatory equivalents, then such Additional CONKWEST Indication shall be subject to designation by Intrexon as an Exclusive Indication pursuant to this Attachment I. For clarity, if an Additional CONKWEST Indication is designated as an Exclusive Indication pursuant to this subsection (d), then the rights of CONKWEST or a Third Party, as applicable to such Additional CONKWEST Indication shall be terminated upon such designation, subject to the provisions of this Attachment I.

Exhibit 10.11

UHN- ZelleRx LICENSE AGREEMENT

This License Agreement ("Agreement"), dated as of May 9, 2005 (Effective Date), between University Health Network, a Canadian not-for-profit corporation ("UHN"), and ZelleRx Corporation, an Illinois for profit corporation ("ZelleRx"), each separately referred to as a "Party" or jointly as "the Parties".

Purpose and Intent

UHN has the right to grant licenses in the Licensed Intellectual Property as defined below; and

ZelleRx desires to obtain worldwide exclusive rights to such Licensed Intellectual Property for commercialization in the Field and in the Territory each as defined below; and

UHN is willing to grant a license to the Licensed Intellectual Property for such purposes;

Therefore the Parties agree as follows.

Agreement

1. **Definitions**. Capitalized terms used herein but not defined below shall have the meanings ascribed to them in the Clinical Trial Agreement. The following capitalized terms used in this Agreement shall mean:

A. "Affiliate" means, as to any person or entity, any other person or entity which directly or indirectly controls, is controlled by or is under common control with such person or entity. Control shall mean the right to control, or actual control of, management of such other entity, whether by ownership of voting securities, by agreement, or otherwise.

B. "Clinical Trial" means the clinical trial entitled "Dose Escalation Study of NK-92 Cell Infusions in Patients With Hematological Malignancies in Relapse After Autologous Stem Cell Transplantation" conducted at Princess Margaret Hospital, Toronto, Canada pursuant to that certain Clinical Trial Agreement (the "Clinical Trial Agreement") of even date herewith (herein, the "Clinical Trial Agreement").

C. "Data" means all data, results, conclusions, and observations arising from this Clinical Trial, including without limitation, the information set forth in the protocol, records, regulatory filings and other documentation comprising, referred to, pertaining to, arising or resulting from or associated with the Clinical Trial clinical outcomes; case report forms; treatment records; and information relating to cell production methods and techniques including cell expansion technologies, cell culture media optimization, culture techniques and quality assurance and quality control procedures; whether or not it is in the form of trade secrets, know-how, show-how, documents, models, inventions and equipment, or other information in any form (including oral disclosures) developed, invented or created for use in or as

a consequence of the Clinical Trial that is in the possession of UHN and has not become the subject of a patent application and/or been disclosed to UHN's Office of Intellectual Property (or a UHN authority having similar responsibilities) responsibilities) as of the Effective Date elements of which may be duplicated within the Sponsor Deliverables and the Source Documents (as defined below) and/or a New Invention or Discovery.

D. "Field" means the diagnosis and treatment of hematological malignancies by the use of NK-92 cells subsequent to relapse after bone marrow transplantation.

E. "Licensed Intellectual Property" means Data, Source Documents, and any New Inventions or Discoveries, whether or not disclosed in patents issued or applied for and other information arising or resulting therefrom. Such Licensed Intellectual Property includes, but is not limited to: clinical outcomes; case report forms; treatment records; cell production methods and techniques including cell expansion technologies, cell culture media optimization, culture techniques and quality assurance and quality control procedures; trade secrets, know-how, show-how, documents, models, inventions and equipment, or other information in any form (including oral disclosures) developed, invented or created for use in or as a consequence of the Clinical Trial that is related to and dependent on NK-92 cells and that is in the possession of UHN and has not become the subject of a patent application and/or been disclosed to UHN's Office of Intellectual Property as of the Effective Date. Licensed Intellectual Property does not include improvements to UHN's existing techniques and technologies that are not related to and dependent on the use of NK-92 cells.

F. "Licensed Product" means any product or process containing or using the Licensed Intellectual Property within the Field.

G. "New Invention or Discovery" means any invention or discovery conceived or first reduced to practice during, and as part of the research performed pursuant to, this Agreement or the Clinical Trial Agreement.

H. "Source Documents" means the original of all medical records, hospital records, clinical and patient charts, laboratory notes, pharmacy dispensing records, recorded data from automated medical equipment, diagnostic images, and other records (including microfiches, photographic negatives, microfilm or magnetic media of such records) generated in accordance with commonly accepted standards for documenting the provision of medical care and maintained by the clinical care units, pharmacy, laboratories and medico-technical departments of UHN (or the facility/entity where such records are created).

I. "Sublicense" means any agreement in which ZelleRx grants any rights in the Licensed intellectual Property to a third party.

J. "Sublicensee" means any person, company or other entity granted a Sublicense by ZelleRx under Paragraph 2.B. below, including Affiliates of the Sublicensee, but excludes persons, companies or other entities owned in part or wholly, controlled by or under common control by ZelleRx.

K. “Territory” means worldwide.

2. **GRANTS OF LICENSE AND RESERVATION OF RESEARCH RIGHTS**

A. **Grant to ZelleRx**. UHN hereby grants to ZelleRx and its Affiliates a worldwide exclusive license under the Licensed Intellectual Property to use the Licensed Intellectual Property in the development of Licensed Products and in applications for regulatory approvals related to such products and to make, have made, use, import, offer to sell and sell Licensed Products within the Field and within the Territory.

B. **Sublicense**. ZelleRx shall have the exclusive right to grant sublicenses to third parties to all rights granted ZelleRx under Paragraph 2.A. on terms consistent with terms of this Agreement All Sublicenses shall provide that the Sublicensee may not grant further Sublicenses to third parties, except to Affiliates of the Sublicensee, or except for the purpose of having Licensed Products made for the Sublicensee or Affiliate. ZelleRx shall provide UHN with a copy of each executed Sublicense within thirty (30) days of the execution thereof. Each Sublicense shall state that if this Agreement terminates for any reason, except expiration pursuant to Paragraph 9.A., the Sublicense shall automatically terminate effective the same date without the necessity of any notice from UHN to the Sublicensee. In each case, UHN agrees to negotiate in good faith for a period of ninety (90) days following the termination of this Agreement with each Sublicensee for a license directly from UHN granting the Sublicensee substantially the same rights under substantially the same terms as those contained in the license with ZelleRx. If no agreement is reached within the ninety (90) days, UHN shall have no further obligation to the Sublicensee.

3. **Consideration** As consideration for the licenses granted in Paragraph 2.A of this Agreement, ZelleRx shall deliver the NK-92 cell line and related information as provided in the Clinical Trial Agreement.

4. **Prosecution and Maintenance of Patents; Patent Costs**

A. **Prosecution and Maintenance**. As directed by ZelleRx, UHN shall be solely responsible for the preparation, filing, prosecution and maintenance of any patent applications and patents under the Licensed Intellectual Property. UHN shall cause its patent counsel to provide ZelleRx with a list of the countries in which it has filed and/or intends to file applications at least sixty (60) days prior to such filing to allow ZelleRx to suggest that additional countries be added to the list or that countries be deleted from the list UHN agrees to file applications in those countries requested by ZelleRx. ZelleRx agrees to cooperate, and agrees to cause its Sublicensees and Affiliates of either to cooperate, with UHN in the preparation, filing, prosecution and maintenance of the Licensed Patents by disclosing such information as may be necessary for the same and by promptly executing such documents as UHN may reasonably request in connection

therewith. ZelleRx shall bear its own costs in connection with its cooperation with UHN under this Paragraph and shall cause its Sublicensees and Affiliates to bear their own costs in connection with such cooperation with UHN. . UHN will provide ZelleRx copies of all material documents received or prepared by UHN in the prosecution and maintenance of the Licensed Patents. UHN shall provide copies in a timely manner to allow ZelleRx an opportunity to comment and request changes in UHN's documents. UHN agrees to include all reasonable comments of ZelleRx.

B. **Discontinuance of Patent Rights,** In the event that ZelleRx elects not to file, prosecute or maintain any patent application or patent under the Licensed Patents or pay any fee related thereto, in any country, ZelleRx shall promptly notify UHN of such election, but in no case later than sixty (60) days prior to any required action relating to the filing, prosecution or maintenance of such patent or patent application. From and after the effective date of such notice, such patent application or patent shall cease to be within the Licensed Patents for all purposes of this Agreement, and all rights and obligations of ZelleRx with respect thereto shall terminate and revert to UHN.

C. **Patent Costs**. ZelleRx agrees to pay all necessary and reasonable third party fees and expenses incurred by UHN in obtaining and maintaining patents under the Licensed Intellectual Property, including those incurred by UHN prior to the date of this Agreement within thirty (30) days after receipt of an invoice for such prior fees and expenses. Payment for fees and expenses incurred after the Effective Date shall be invoiced to ZelleRx on a monthly basis and ZelleRx agrees to pay such invoices within thirty (30) days of receipt. ZelleRx also agrees upon request by UHN to make timely estimated advanced payments for the filing of national applications. Documentation received from third party vendors to support the amounts invoiced shall be included with each invoice. ZelleRx shall raise any objections to such amounts invoiced within the thirty (30) day time period for payment. Invoices for advanced payments shall be reconciled with the advance payments made by ZelleRx every six (6) months. Any excess payment by ZelleRx shall be credited to future patent costs specified in this Paragraph.

5. **No Warranties; Indemnification, Insurance**

A. **Disclaimer of Warranties**. UHN makes no representations or warranties of any kind, express or implied, with respect to the information or invention(s) claimed in the Licensed Intellectual Property or with respect to the Licensed Patents themselves, including but not limited to, any representations or warranties about (i) the validity, scope or enforceability of any of the Licensed Patents; (ii) the accuracy, safety or usefulness for any purpose of any information provided by UHN to ZelleRx, its Sublicensees or Affiliates of either, with respect to the Licensed Intellectual Property and any products developed from or covered by them; (iii) whether the practice of the Licensed Intellectual Property will or might infringe a patent or other intellectual property right owned or licensed by a third party; (iv) the patentability of any invention claimed in the Licensed Intellectual Property; or (v) the accuracy, safety, or usefulness for any purpose of any product or process made or carried out in accordance with or through the use of the Licensed Intellectual Property.

B. **Indemnification**. ZelleRx agrees, and agrees to cause its Sublicensees and Affiliates of either, to indemnify, defend and hold harmless UHN, its Affiliates and all trustees, directors, officers, employees, fellows and agents of any of the foregoing (including UHN and its Affiliates, each an "Indemnified Person") from and against any and all claims, demands, loss, damage, penalty, cost or expense (including attorneys' and witnesses' fees and costs) of any kind or nature, arising from the development, production, use, sale or other disposition of Licensed Products and all activities associated therewith by ZelleRx, its Sublicensees or Affiliates of either, or any use of information provided by UHN to ZelleRx, its Sublicensees or Affiliates of either. ZelleRx agrees and agrees to cause each of its Sublicensees and Affiliates of either to agree not to sue any Indemnified Person in connection with the development, production, use, sale or other disposition of Licensed Products and all activities associated therewith. UHN shall be entitled to participate at its option and expense through counsel of its own selection, and may join in any legal actions related to any such claims, demands, losses, damages, costs, expenses and penalties. ZelleRx, its Sublicensees and Affiliates of either, shall not enter into any settlement affecting any rights or obligations of any Indemnified Person or which includes an express or implied admission of liability, negligence or wrongdoing by any Indemnified Person, without the prior written consent of such Indemnified Person.

C. **Assumption of Risk**. The entire risk as to the performance, safety and efficacy of any Licensed Products is assumed by ZelleRx, its Sublicensees and Affiliates of either, provided that such assumption of the risk shall not apply to the intentional misconduct or gross negligence by Indemnified Persons. Indemnified Persons shall not, except for their intentional misconduct or gross negligence, be responsible or liable for any injury, loss, or damage of any kind, including but not limited to direct, indirect, special, incidental or consequential damages or lost profits to ZelleRx, any Sublicensee, Affiliates of either or customers or any of the foregoing, or for any such injury, loss or damage to any other individual or entity, regardless of legal theory based on the development, manufacture, use, sale or other disposition of Licensed Products and all activities associated therewith. The above limitations on liability apply even though the Indemnified Person may have been advised of the possibility of such injury, loss or damage. ZelleRx shall not, and shall require all Sublicensees and Affiliates of either to not, make any agreements, statements, representations or warranties or accept any liabilities or responsibilities whatsoever with regard to any person or entity which are inconsistent with this Paragraph.

D. **Insurance**. ZelleRx agrees and agrees to cause its Sublicensees and Affiliates of either to maintain normal and adequate liability insurance that shall cover any claims for bodily injury, property, or other damage alleged to relate to Licensed Products. ZelleRx, Sublicensees, and Affiliates shall list UHN and its Affiliates, at ZelleRx's, its Sublicensees' or Affiliates' of either of them, expense, whichever is relevant, as additional named insureds under each liability insurance policy (including excess or umbrella liability policies) that ZelleRx, its Sublicensees and

Affiliates of either have or shall obtain, that includes any coverage of claims relating to Licensed Products. Such insurance shall be primary and noncontributory to any insurance UHN and its Affiliates may have. At UHN's request, ZelleRx will supply UHN from time to time with copies of each such policy, and will notify UHN in writing at least 30 days prior to any termination of or change in coverage under any such policies.

7. **Confidentiality**.

A. **Confidentiality, Publications and Data Access**. All information submitted by one party to the other concerning the Licensed Intellectual Property and Licensed Products shall be considered as confidential ("Confidential Information") and shall be utilized only pursuant to the licenses granted hereunder. During the term of this Agreement and for a period of five (5) years thereafter, neither party shall disclose to any third party any Confidential Information received from the other party without the specific written consent of such party. However, ZelleRx may disclose Confidential Information belonging to UHN to potential Sublicensees for the purpose of evaluating their interest in entering into a Sublicense but only after entering into a confidentiality and non-use agreement on the same terms as those contained in this Paragraph. The foregoing shall not apply where such Information

a) UHN can show was in its possession prior to the date of disclosure by ZelleRx, but only if such possession was obtained without breaching ZelleRx's rights in and to such Confidential Information;
b) Is disclosed by a third party who is authorized to do so;
c) becomes public knowledge through no breach of the terms of this Agreement;
d) is generated by UHN independently of any Confidential Information obtained under this Agreement;
e) is disclosed with the prior written approval of ZelleRx;
f) UHN is required to disclose under law or regulation to a judicial or regulatory or government authority,
g) must be disclosed to a potential subject for the purpose of recruitment and which must be disclosed to patients enrolled in the Clinical Trial or any legal representatives, in order to protect the participants' health and safety, and which must be disclosed to the Regulatory Ethics Board (the "REB") for such purposes;
h) which must be disclosed to the REBs of other participating centres in order to coordinate the review;
which may be published or reported in accordance with this Agreement.

B. **Publications**. Each Party shall provide to the other Party copies of any proposed publication or presentation containing any Confidential Information at least thirty (30) days in advance of submission for publication or presentation ("Disclosure"). The receiving Party may within thirty (30) days of receipt of such proposed Disclosure object in writing to such proposed Disclosure on the grounds that (i) it contains patentable subject matter that needs patent protection or (ii) that the Disclosure contains Confidential Information of the objecting Party. At the request of the objecting Party, the identified Confidential Information shall be deleted from the Disclosure and the objecting Party may request that public Disclosure may be delayed for an additional period of up to thirty (30) days to permit the preparation and filing of appropriate patent applications.

8. **Infringement**. In the event of an infringement of a patent or patents under the Licensed Intellectual Property the following shall apply:

A. **Notice**. Each party shall give the other written notice if one of them becomes aware of any infringement by a third party of any such patent(s) under the Licensed Intellectual Property. Upon notice of any such infringement, the parties shall promptly consult with one another with a view toward reaching agreement on a course of action to be pursued.

B. **ZelleRx's Right to Bring Infringement Action**.

(1) If a third party infringes any patent included in the Licensed Intellectual Property within the Field, ZelleRx shall have the right to institute and prosecute an action or proceeding to abate such infringement and to resolve such matter by settlement or otherwise. ZelleRx agrees to notify UHN of its intention to bring an action or proceeding prior to filing the same and in sufficient time to allow UHN the opportunity to discuss with ZelleRx the choice of counsel for such matter. ZelleRx agrees to hire counsel reasonably acceptable to UHN. ZelleRx shall keep UHN timely informed of material developments in the prosecution or settlement of such action or proceeding. ZelleRx shall be responsible for all costs and expenses of any action or proceeding against infringers which ZelleRx initiates. UHN shall cooperate fully by joining as a party plaintiff if required to do so by law to maintain such action or proceeding and by executing and making available such documents as ZelleRx may reasonably request. ZelleRx agrees to promptly reimburse UHN for its reasonable third party out-of-pocket fees and expenses incurred in joining an action or proceeding or cooperating with ZelleRx. UHN may be represented by counsel in any such legal proceedings, at UHN's own expense, subject to reimbursement under Paragraph 8.B.(2)., acting in an advisory but not controlling capacity.

(2) The prosecution, settlement, or abandonment of any action or proceeding under Paragraph 8.B.(1) shall be at ZelleRx 's reasonable discretion provided that ZelleRx shall not have any right to surrender any of UHN's rights to the Licensed Intellectual Property or to grant any infringer any rights to the Licensed Intellectual Property without UHN's written consent.

(3) Except as provided herein, all amounts of every kind and nature recovered from an action or proceeding of infringement by ZelleRx shall belong to ZelleRx. If the amounts recovered by ZelleRx exceed ZelleRx 's reasonable third party out-of-pocket fees and expenses, ZelleRx shall reimburse UHN for UHN's reasonable out-of-pocket fees and expenses incurred in hiring its own counsel.

C. **UHN's Right to Bring Infringement Action**. If a third party infringes any patent included under the Licensed Intellectual Property which UHN wishes to

prosecute, UHN shall first notify ZelleRx in writing and request that ZelleRx bring an action or proceeding against the infringing third party. If ZelleRx declines or fails to bring such an action or proceeding within thirty (30) days of receipt of the notice, UHN shall have the right, at its discretion, to institute and prosecute an action or proceeding to abate such infringement and to resolve such matter by settlement or otherwise. ZelleRx shall cooperate fully by joining as a party plaintiff if required to do so by law to maintain such action and by executing and making available such documents as UHN may reasonably request. If the amounts recovered by UHN exceed its reasonable third party out-of-pocket fees and expenses, UHN agrees to pay ZelleRx for its and its Sublicensees' reasonable out-of-pocket third party expenses incurred by it in cooperating in the action or proceeding. Except as specifically provided in this Paragraph, UHN shall have the right to retain all amounts recovered of every kind and nature.

9. **Termination**

A. **Term**. Unless terminated under the provisions of Paragraph 9.B, this Agreement shall expire as follows:

(1) The License to ZelleRx from UHN for the use of the Licensed Intellectual Property and the development, manufacture and sale of Licensed Product shall expire upon the earliest of:

a) termination of the Clinical Trial prior to its formal conclusion.

b) the fifth (5th) anniversary of the formal conclusion of the Clinical Trial should ZelleRx have failed to apply for regulatory approval of any Licensed Product as of this date; or

c) the third (3rd) anniversary of the receipt of regulatory approval of the first Licensed Product by ZelleRx should ZelleRx have failed to introduce the Licensed Product into commerce as of this date; or

d) the date upon which ZelleRx has withdrawn all previously introduced Licensed Products from commerce and has no applications for regulatory approvals of Licensed Products pending; or

e) twenty (20) years from the Effective Date of this Agreement upon which the License shall be deemed to be royalty-free, irrevocable, and paid-up.

B. **UHN's Right to Terminate**. UHN shall have the right to terminate this Agreement as follows, in addition to all other available remedies:

(1) If ZelleRx fails to observe any other material obligation of this Agreement, this Agreement shall terminate effective thirty (30) days after UHN's written notice to ZelleRx describing such failure, unless ZelleRx cures such failure within the thirty (30) days;

(2) If ZelleRx shall have filed by or against it a petition under any bankruptcy or insolvency law and such petition is not dismissed within sixty (60) days of its filing, or if ZelleRx makes an assignment of all or substantially all of its assets for the benefit of its creditors UHN may terminate this Agreement by written notice effective as of the (i) date of filing by ZelleRx of any such petition, (ii) date of any such assignment to creditors, or (iii) end of the sixty (60) days if a petition is filed against it and not dismissed by such time, whichever is applicable;

(3) If ZelleRx shall be dissolved, liquidated or otherwise ceases to exist, other than for reasons specified in Paragraph 9. B. (3) above, this Agreement shall automatically terminate as of (i) the date articles of dissolution or a similar document is filed on behalf of ZelleRx with the appropriate government authority or (ii) the date of establishment of a liquidating trust or other arrangement for the winding up of the affairs of ZelleRx; and

B. **ZelleRx's Right to Terminate**. ZelleRx may terminate this Agreement as follows:

(1) At any time by giving UHN ninety (90) days prior written notice.

(2) If the Principal Investigator of the Clinical Trial leaves UHN or otherwise ends involvement in the Clinical Trial, UHN and ZelleRx shall agree upon a successor Principal Investigator if ZelleRx and UHN cannot agree on a successor, ZelleRx shall have the right to terminate this Agreement.

C. **Survival**. Article 5 and all causes of action accruing to either party under this Agreement shall survive termination for any reason, as well as (1) ZelleRx's obligation to pay Patent Costs accrued prior to the date of termination and which were not paid or payable before termination; and (2) Articles 6 and 7.

10. **Miscellaneous**

A. **Marking**. Where a Licensed Product is covered by the scope of any valid claim contained in any patent or patent application included within the Licensed Intellectual Property, ZelleRx shall and agrees to cause its Sublicensees and Affiliates of either, to place in a conspicuous location on the Licensed Product (or its packaging where marking the Product is physically impossible) sold to third parties, a patent notice in accordance with the laws concerning the marking of patented articles in the country in which such articles are sold.

B. **Export Regulations**. To the extent that the United States Export Control Regulations are applicable, neither ZelleRx nor UHN shall, without having first fully complied with such regulations, (1) knowingly transfer, directly or indirectly, any unpublished technical data obtained or to be obtained from the other party hereto to a destination outside the United States, or (ii) knowingly ship, directly or indirectly, any product produced using such unpublished technical data to any destination outside the United States.

C. **Entire Agreement, Amendment, Waiver**. This Agreement, together with the Clinical Trial Agreement of even date herewith, constitute the entire agreement between the parties regarding the subject matter hereof, and supersede all prior written or oral agreements or understandings (express or implied) between them concerning the same subject matter. In the case of any conflict between this License and the Clinical Trial Agreement, the Clinical Trial Agreement shall prevail. This Agreement may not be amended or modified except in a document signed by duly authorized representatives of each party. No waiver of any default hereunder by either party or any failure to enforce any rights hereunder shall be deemed to constitute a waiver of any subsequent default with respect to the same or any other provision hereof.

D. **Notice**. Any notice required or otherwise made pursuant to this Agreement shall be in writing, sent by registered or certified mail properly addressed, or by facsimile with confirmed answer-back, to the other party at the address set forth below or at such other address as may be designated by written notice to the other party. Notice shall be deemed effective three (3) business days following the date of sending such notice if by mail, on the day following deposit with an overnight courier, if sent *by* overnight courier, or upon confirmed answer-back if by facsimile.

If to UHN: UHN. University Health Network
610 University Avenue, 7-504,
Toronto, ON M5G 2M9
Canada
Facsimile Number (416) 946-2287
Attention: C.J. Paige, Ph.D., Vice President, Research

If to ZelleRx: ZelleRx Corporation
400 North Noble, Suite 100
Chicago, IL 60622
USA
Facsimile Number: (312) 577-0912
Attention: CEO

E. **Assignment**. This Agreement shall be binding on the parties hereto and upon their respective successors and assigns. Either party may at any time, upon written notice to the other party, assign or delegate to a successor to all or substantially all of its business any of its rights and obligations hereunder, provided that, any such assignment or delegation shall in no event relieve either party of its primary responsibility for the same. Except as provided in the preceding sentence, Neither Party may assign or delegate any right or obligation hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld, and any attempted assignment or delegation in violation thereof shall be void.

F. **Governing Law**. The interpretation of this Agreement shall be governed by the laws of the State of New York applicable to contracts made.

G. **Advertising**. ZelleRx agrees not to use, and shall prohibit its Sublicensees and the Affiliates of either from using, the name of the UHN or any of its personnel in any commercial activity, marketing, advertising or sales brochures.

H. **Force Majeure**. In the event either party hereto is prevented from or delayed in the performance of any of its obligations hereunder by reason of acts of God, war, strikes, riots, storms, fires, or any other cause whatsoever beyond *the* reasonable control of the party, the party so prevented or delayed shall be excused from the performance of any such obligation to the extent and during the period of such prevention or delay.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their respective duly authorized officers or representatives on the date first above written.

University Health Network		**ZelleRx**	
By:	/s/ C.H. Paige	By:	/s/ Gary Keller
Name:	C.H. Paige, Ph.D.	Name:	Gary Keller
Title:	Vice President Research	Title:	Chief Executive Officer
Date:	5/16/05	Date:	5/10/05

Exhibit 10.12

LICENSE AGREEMENT
BETWEEN
ZELLERX CORPORATION AND FOX CHASE CANCER CENTER

This License Agreement ("Agreement"), dated as of July 10, 2004, between Fox Chase Cancer Center, a not for profit institution ("Fox Chase"), and ZelleRx Corporation, an Illinois corporation ("ZelleRx").

Purpose and Intent

WHEREAS, Fox Chase has the right to license the Licensed Patents and ZelleRx desires exclusive license rights to the Licensed Patents for commercialization in all fields and Fox Chase is willing to grant such exclusive license in accordance with the terms and conditions hereinafter set forth;

Therefore, in consideration of the foregoing and the mutual covenants herein contained, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Agreement

1. Definitions. The following capitalized terms used in this Agreement shall mean:

A. "Affiliate" means, as to any person or entity, any other person or entity which directly or indirectly controls, is controlled by or is under common control with such person or entity. "Control" (and with correlative meanings, the terms "controlled by" and "under common control with") shall mean beneficial ownership of fifty one percent (51%) or more of the outstanding securities or the ability to otherwise elect a majority of the board of directors or other managing authority.

B. "Effective Date" means the date set forth on page 1, line 1, of this Agreement.

C. "Field" means all fields of use.

D. "Inventor(s)" means the inventor(s) named in the Licensed Patents.

E. "Licensed Patents" means the patent applications listed on Schedule A attached hereto, and all patents applications claiming priority therefrom, and including all divisions, continuations, continuations in part, foreign counterparts, and any valid patents which may issue therefrom and any reissues, renewals, substitutions, or extensions of or to any such patents or patent applications, provided that Licensed Patents shall not include any patent applications and any patents issuing from patent applications filed in countries (i) that ZelleRx elects not to file in pursuant to Paragraph 4. A. and (ii) where ZelleRx's rights are terminated under Paragraph 4. C.

F. "Licensed Product" means any product covered by the scope of any Valid Claim contained in any Licensed Patent or a product made by a process, method or technique covered by the scope of any Valid Claim in any Licensed Patent or methods of using any product covered by the scope of any Valid Claim contained in any Licensed Patent.

G. “Improvement” means any modification of a Licensed Product provided practicing such modification, if unlicensed, would infringe one or more Valid Claims of the Licensed Patents. “Improvement” does not mean or include developments in respect to components, materials, or processes that are useful in practicing the inventions of the Licensed Patents, but that do not themselves infringe at least one of the licensed Valid Claims of the Licensed Patents.

H. “Royalties” means all amounts payable under Paragraph 3 of this Agreement.

I. “Net Sales” means the aggregate amount invoiced for Sales of Licensed Products hereunder, less the following deductions:

(1) Discounts (including price adjustments related to commercial programs), returns, allowances, and wholesaler charge-backs allowed and taken, but in any case only in amounts consistent with reasonable and customary industry standards;

(2) Commissions to persons other than Affiliates;

(3) Import, export, excise, sales or use taxes, value added taxes, and other taxes, tariffs or duties, but not state, federal or foreign income taxes;

(4) Freight, handling, transportation and insurance prepaid or allowed; and

(5) Amounts allowed or credited on retroactive price reductions or rebates.

Any refund of any of the foregoing amounts (including any reversal of a bad debt allowances, whether arising from amounts received in settlement of bad debts or otherwise) previously deducted from Net Sales shall be appropriately credit upon receipt thereof.

Licensee may, at its option, allocate the above deductions from Sales of Licensed Products based upon accruals estimated reasonably and consistent with Licensee’s standard business practices. If Licensee elects to utilize such accruals, actual deductions will be calculated and, if applicable, adjustments will be made on an annual basis.

If a Licensed Product is sold in combination with another product or products, Net Sales under such circumstances shall be calculated by multiplying Net Sales of the combination by the fraction A/(A+B), in which A is the invoice price of the Licensed Product when sold separately, and B is the total invoice price of any other product or products in combination when sold separately.

If, on a country-by-country basis, the other product or products in the combination are not sold separately, Net Sales, for purposes of determining royalties on the combination Licensed Product shall be calculated by multiplying actual Net Sales of such combination Licensed Product by the fraction A/C where A is the invoice price for the Licensed Product if sold separately and C is the invoice price of the combination Licensed Product.

If on a country-by-country basis, neither the Licensed Product nor the other product or products is sold separately in said country, Net Sales, for the purpose of determining royalties on the combination Licensed Products shall be calculated as above except that A shall be the total cost of manufacture of the Licensed Produce and C shall be the total cost of manufacture of the combination Licensed Product, as determined in accordance with a Party's customary accounting practices, consistently applied.

J. "Sublicensee" means any person, company or other entity granted a sublicense by ZelleRx under Paragraph 2. D. below, including Affiliates of the Sublicensee.

K. "Sublicense" means any agreement entered into by ZelleRx with any third party which grants such third party license rights to the Licensed Patents and/or Licensed Products.

L. "Technical Information" means Fox Chase's rights in all data, trial results, drawings, cell lines, biological materials, designs, operating techniques, trade secrets, know-how, show-how, documents, models, inventions and equipment, or other information in any form (including oral disclosures) that have not become the subject of a Licensed Patent, in Fox Chase's possession relating to Licensed Patents.

M. "Territory" shall mean worldwide.

N. "Valid Claim" means an issued claim of any unexpired patent or a claim of any pending patent application which has not been held unenforceable, unpatentable or invalid by a decision of a court of governmental body of competent jurisdiction, in a ruling that is unappealable or unappealed within the time allowed for appeal; which has not been rendered unenforceable through disclaimer or otherwise; and which has not been lost through an interference proceeding.

2. Grant of License and Reservation of Research Rights.

A. Grant. Fox Chase hereby grants to ZelleRx and its Affiliates an exclusive license to make, have made, use, import, export, offer to sell, and sell Licensed Products within the Field and within the Territory provided that Fox Chase retains the right to make and use the Licensed Product for non-commercial research purposes only.

B. Grant. Fox Chase hereby grants to ZelleRx and its Affiliates an exclusive (except as otherwise specified in 2.E.) license to use the Technical Information within the Field and within the Territory, provided that Fox Chase retains the right to make and use the Technical Information for non-commercial research purposes only.

C. Grant. Fox Chase further grants to ZelleRx and its Affiliates licenses of the scope specified in 2.A. of this Agreement in respect to patent applications and patents on any Improvements that are first conceived and actually or constructively reduced to practice prior to the expiration of this Agreement, and as to which Fox Chase has or shall have the right to grant such licenses (i) without payment or other obligation to a third party or (ii) if the third party agrees that ZelleRx may assume any such payment or other obligation to a third party and ZelleRx does so assume such obligation.

D. U.S. Government Rights. ZelleRx or its Affiliates acknowledge that pursuant to Public Laws 96-517, 97-256 and 98-620, codified at 35 U.S.C. 200-212, the United States government retains certain rights in intellectual property funded in whole or part under any contract, grant or similar agreement with a Federal agency. Pursuant to these laws, the government may impose certain requirements regarding such intellectual property, including but not limited to the requirement that products resulting from such intellectual property sold in the United States must be substantially manufactured in the United States. The License is expressly subject to all applicable United States government rights as provided in the above-mentioned laws and any regulations issued under those laws, as those laws or regulations may be amended from time to time.

E. Sublicense. ZelleRx shall have the exclusive right to grant to third parties sublicenses to the rights granted ZelleRx under Paragraph 2.A., 2.B., and 2.C., on terms consistent with terms of this Agreement. All Sublicenses shall provide that the Sublicensee may not grant further Sublicenses to third parties, except for Affiliates of a Sublicensee or except for the purpose of having Licensed Products made for the Sublicensee. ZelleRx shall provide Fox Chase with a copy of each executed Sublicense within thirty (30) days of the execution thereof.

ZelleRx shall be responsible for the payment to Fox Chase of all royalties payable pursuant to the provisions of Section 3 hereof by Affiliates and Sublicensees under all third party sublicenses granted by ZelleRx.

Each Sublicense shall state that if this Agreement terminates for any reason, except expiration pursuant to Paragraph 9. A., the Sublicense shall automatically terminate effective ninety (90) days following the termination of this Agreement without the necessity of any notice from Fox Chase to the Sublicensee. In each case, Fox Chase agrees to negotiate in good faith for a period of ninety (90) days following the termination of this Agreement with each Sublicensee for a license directly from Fox Chase granting the Sublicensee substantially the same rights under substantially the same terms as those contained in the Sublicense with ZelleRx. If no agreement is reached within the ninety (90) days, Fox Chase shall have no further obligation to the Sublicensee.

F. Warranties. Fox Chase warrants that it has the power and authority to enter into this Agreement and to make the grants of licenses set forth in Section 2 herein. Fox Chase also warrants that the inventions claimed in the Licensed Patents were not developed with the use of United States government or other funds that limit, in any manner, any right granted in this Agreement, with respect to such inventions. Fox Chase also warrants that, except for owned or licensed patents, it is unaware of any third party patent or patents which would be infringed by the use of the Licensed Product.

3. Royalties and Other Payments.

A. 1. Royalties. As consideration for the license granted in Paragraph 2 of this Agreement, ZelleRx shall pay Fox Chase, or its designee, a Royalty of [***]% of Net Sales of Licensed Products for therapeutic use by ZelleRx and its Affiliates, and a Royalty of [***]% of Net Sales of Licensed Products for diagnostic or other uses by ZelleRx and its Affiliates. With respect to Sublicensees, ZelleRx shall pay Fox Chase [***]% of any royalties received by ZelleRx or its Affiliates from Sublicensees for Net Sales of Licensed Products by said Sublicensees.

2. Milestone Payment. As further consideration of the investment by Fox Chase in the licensed technology, ZelleRx agrees to pay Fox Chase $[***] upon a successful "A" Round of funding.

3. Royalties on Sales to the U.S. Government. No royalties shall be owing on any Licensed Products produced for or under any Federal government agency contract pursuant to the reservation of rights referenced in Section 2.D of this Agreement, but only to the extent that ZelleRx can show that the Federal government received a discount on Licensed Product sales, which discount is equivalent to or greater than the amount of any such royalty that would otherwise be due. Any sales for Federal government purposes shall be reported under Section 3.D of this Agreement by providing (i) a Federal government contract number; (ii) identification of the Federal government agency; and (iii) a description as to how the benefit of the royalty-free sale was passed on to the Federal government.

B. Calculation of Royalties. Royalties shall be payable to Fox Chase by check and in U.S. currency within forty-five (45) days after the end of each calendar quarter during the term of this Agreement, beginning with the calendar quarter in which the first sale of Licensed Products is made by ZelleRx, its Affiliates, or its Sublicensees. Each payment shall be accompanied by a statement showing the calculation of the Royalties due. There shall be deducted from all such payments taxes required to be withheld by any governmental authority and ZelleRx shall provide copies of receipts for such taxes to Fox Chase along with each Royalty payment. Any necessary conversion of currency into United States dollars shall be at the applicable rate of exchange of Citibank, N.A., in New York, New York, (or any other objective source of exchange rate information as may be mutually agreed upon by Fox Chase and ZelleRx) on the last day of the calendar quarter in which such transaction occurred.

C. Reduction of Royalties. (1) If ZelleRx, its Affiliate or Sublicensee, in exercising its rights under this Agreement is sued for infringement of a patent by a third party for an act which, but for the practice or use of the Licensed Products, would not infringe the rights of the third party, ZelleRx may credit its expenses in defense or settlement of such infringement against [***] of royalties accruing under this Agreement. (2) If additional technology is necessary to commercialize the Licensed Products, then ZelleRx may credit any royalty paid a third party on sales of Licensed Products against royalties accruing under this Agreement in an amount not to exceed [***], such credits being limited to royalties accruing upon the affected Licensed Products. (3) In the event that, with respect to Net Sales of all Licensed Products, ZelleRx is paying royalties to unaffiliated third parties and the total royalties, including those payable to Fox Chase hereunder, exceed [***] of Net Sales, the amount due and payable to Fox Chase and the unaffiliated third parties hereunder may be reduced proportionally such that total royalties equal [***] of Net Sales, but in no event shall the royalty payable to Fox Chase with respect to such Licensed Products be less than [***] of Net Sales of therapeutics and [***] for all other uses.

D. Taxes. Fox Chase shall pay any and all taxes levied on account of royalties or other payments receives, directly or indirectly under this Agreement. If applicable laws require that taxes be withheld, ZelleRx shall (a) deduct these taxes from the remittal amount, (b) pay the taxes to the proper taxing authority, and (c) send proof of payment to Fox Chase within forty-five (45) days following that payment.

E. Blocked Currency/Royalty Rates. If by reason of any restrictive exchange laws or regulations, ZelleRx or its Affiliates or Sublicensees shall be unable to convert to U.S. dollars amounts equivalent to the royalties payable hereunder in respect of Licensed Products sold for funds other than U.S. dollars, such royalty payments shall be deferred until such restrictive practices are lifted so as to permit such conversion, or until Fox Chase, at his option, designates a bank of Fox Chase's choice in the country in question, where such royalties may be legally remitted in trust for Fox Chase, in local currency.

If in any country where Licensed Products are manufactured or sold, rates of royalties provided for herein are prohibited by law or regulation, ZelleRx shall pay such royalties at the highest rate permitted in that country for licenses of the type herein granted, and shall be deemed in compliance with its royalty payment obligations hereunder in so doing.

F. Records. ZelleRx shall, and shall require its Sublicensees and Affiliates of either, to keep full and accurate books and records in sufficient detail so that sums due Fox Chase hereunder can be properly calculated. Such books and records shall be maintained for at least five (5) years after the Royalty reporting period(s) to which they relate. During the term hereof and for three (3) calendar years thereafter, ZelleRx shall permit, and shall require its Sublicensees and Affiliates of either to permit, accountants designated by Fox Chase, to whom ZelleRx has no reasonable objection, to examine its books and records at a time convenient for Fox Chase and ZelleRx for the purpose of verifying the accuracy of the written statements submitted by ZelleRx and sums paid or payable. Fox Chase may conduct such examination no more than once in any calendar year. After completion of any such examination, Fox Chase shall promptly notify ZelleRx in writing of any proposed modification to ZelleRx's statement of sums due and payable. If ZelleRx accepts such modification, or if the parties agree on other modifications, one party shall promptly pay or credit the other in accordance with such resolution. Such examination shall be made at the expense of Fox Chase, except that if such examination discloses a discrepancy of ten percent (10%) or more in the amount of Royalties and other payments due Fox Chase, then ZelleRx shall reimburse Fox Chase for the cost of such examination.

G. Overdue Payments. Payments due to Fox Chase under this Agreement shall, if not paid when due under the terms of this Agreement, bear simple interest at the lower of the prime rate of interest (as published by Citibank, N.A. on the date such payment is due) plus five percent (5%) or the highest rate permitted by law, calculated on the basis of a 360-day year for the number of days actually elapsed, beginning on the due date and ending on the day prior to the day on which payment is made in full. Interest accruing under this Paragraph shall be due Fox Chase on demand or upon payment of past due amounts, whichever is sooner. The accrual or receipt by Fox Chase of interest under this Paragraph shall not constitute a waiver by Fox Chase of any right it may otherwise have to declare a default under this Agreement or to terminate this Agreement.

4. Prosecution and Maintenance of Patents; Patent Costs.

A. Prosecution and Maintenance. On and after the Effective Dave, ZelleRx shall be solely responsible for the preparation, filing, prosecution and maintenance of the Licensed Patents and Improvements. ZelleRx shall cause its patent counsel to provide Fox Chase with a list of the countries in which it has filed and/or intends to file applications. Such list shall be provided to Fox Chase at least sixty (60) days prior to the expiration of the corresponding Paris Convention priority date to allow Fox Chase to suggest that additional countries be added to the list or that one or more countries be deleted from the list. ZelleRx agrees to file applications in the additional countries requested by Fox Chase unless it otherwise notifies Fox Chase under Paragraph 4.B. Fox Chase agrees to cooperate, and agrees to use his best efforts to require his Affiliates to cooperate, with ZelleRx in the preparation, filing, prosecution and maintenance of the Licensed Patents by disclosing such information as may be necessary for the same and by promptly executing such documents as ZelleRx may reasonably request in connection therewith. Fox Chase and its Sublicensees and Affiliates of either shall bear their own costs in connection with their cooperation with ZelleRx under this Paragraph. ZelleRx will provide Fox Chase drafts of all documents received or prepared by ZelleRx, and with copies of all documents received by ZelleRx, in the prosecution and maintenance of the Licensed Patents. ZelleRx shall provide drafts and copies in a timely manner to allow Fox Chase an opportunity to comment and request changes in ZelleRx's documents. ZelleRx agrees to consider including all reasonable comments of Fox Chase.

B. Fox Chase's Rights to Prosecute and Maintain Patents. ZelleRx shall notify Fox Chase in writing of any country(ies) where it either previously declared its intention to file under Paragraph 4.A. and subsequently decided not to file in such country (ies) or previously filed and decided to abandon the patent application or issued patent. Such notice shall be given so as to allow Fox Chase a reasonable time within which to file, or continue prosecution, or maintenance of the application or patent, whichever is relevant. In all cases where Fox Chase elects to file, or continue prosecution, or otherwise avoid abandonment in countries where ZelleRx either does not now intend to file or is not going to continue the prosecution or otherwise avoid abandonment, Fox Chase shall file, prosecute and maintain the applications and patents in Fox Chase's name and at Fox Chase's expense. Such patents shall not be included in the definition of Licensed Patents for all purposes of this Agreement.

Upon written request of either party, ZelleRx and its patent counsel shall meet with Fox Chase regarding any material issues related to prosecution and maintenance of Licensed Patents, provided that neither party shall have any obligation to have more than one such meeting in any 30 day period. Such meeting shall be held at any time and place as shall be reasonably agreed by parties, as promptly as practicable after receipt of such notice.

5. Due Diligence.

A. Upon written request of Fox Chase, ZelleRx shall meet with Fox Chase regarding any material issues related to progress in the commercialization of Licensed Products, provided that ZelleRx shall not have any obligation to have more than one such meeting in any 180 day period. Such meeting shall be held at any time and place as shall be reasonably agreed by parties, as promptly as practicable after receipt of such notice.

B. ZelleRx shall use its best efforts to develop for commercial use and to market Licensed Products as soon as practical, consistent with the Development Plan, which Development Plan will be delivered to Fox Chase within 12 months after the date of this Agreement.

C. ZelleRx shall provide to Fox Chase, on the Effective Date and on each anniversary thereafter, written progress reports, setting forth in such detail as Fox Chase may reasonably request: (a) the progress of the development, evaluation, testing and commercialization of each Licensed Product; and (b) the Licensee's strategic alliances with industry counterparts that, in the best judgment of ZelleRx, represent effective and beneficial business relationships for a Licensed Product, it being understood however, that to the extent any such information shall be covered by a confidentiality agreement between ZelleRx and an industry counterpart, Fox Cahse shall be deemed to have acknowledge that information covered by the terms of such confidentiality agreement need not be disclosed. ZelleRx shall also notify Fox Chase in writing within thirty (30) days after the first commercial sale of each Licensed Product.

D. ZelleRx shall provide to Fox Chase (1) a current Business Plan concurrently with delivery of this Agreement; (2) copies of all quarterly and annual financial statements concurrently with distribution of the Board of Directors of ZelleRx and (2) at least semi-annually, an update with respect to the Licensed Products and Licensed Patents.

6. Disclaimer of Warranties; Indemnification, Insurance.

A. Disclaimer of Warranties. Except with respect to a material misrepresentation or fraud by Fox Chase in this agreement, and except for Fox Chase's specific representations in Paragraph 2.E, Fox Chase makes no representations or warranties of any kind, express or implied, with respect to the invention(s) claimed in the Licensed Patents or with respect to the Licensed Patents themselves, including but not limited to, any representations or warranties about (i) the validity, scope or enforceability of any of the Licensed Patents; (ii) the accuracy, safety or usefulness for any purpose of any information provided by Fox Chase to ZelleRx, its Sublicensees or Affiliates of either, with respect to the invention(s) claimed in the Licensed Patents or with respect to the Licensed Patents themselves and any products developed from or covered by them; (iii) whether the practice of any claim contained in any of the Licensed Patents will or might infringe a patent or other intellectual property right owned or licensed by a third party; (iv) the patentability of any invention claimed in the Licensed Patents; or (v) the accuracy, safety, or usefulness for any purpose of any product or process made or carried out in accordance with or through the use of the Licensed Patents.

B. Indemnification. ZelleRx agrees, and agrees to require its Sublicensees and Affiliates of either, to indemnify, defend and hold harmless Fox Chase from and against any and all claims, demands, loss, damage, penalty, cost or expense (including attorneys' and witnesses' fees and costs) of any kind or nature, arising from the development, production, use, sale or other disposition of Licensed Products and all activities

associated therewith by ZelleRx, its Sublicensees or Affiliates of either, or any use, by one or more of them, of information provided by Fox Chase to ZelleRx, its Sublicensees or Affiliates of either. ZelleRx agrees and agrees to require each of its Sublicensees and Affiliates of either to agree not to sue Fox Chase in connection with the development, production, use, sale or other disposition of Licensed Products and all activities associated therewith, by one or more of them. Fox Chase shall be entitled to participate at his option and expense through counsel of his own selection, and may join in any legal actions related to any such claims, demands, losses, damages, costs, expenses and penalties. ZelleRx shall not, and shall require in any sublicense that its Sublicensees and Affiliates of sublicensees shall not enter into any settlement affecting any rights or obligations of Fox Chase or which includes an express or implied admission of liability, negligence or wrongdoing by Fox Chase, without the prior written consent of Fox Chase.

C. Assumption of Risk. The entire risk as to the performance, safety and efficacy of any invention claimed in the Licensed Patents or of any Licensed Products is assumed by ZelleRx, its Sublicensees and Affiliates of either, provided that such assumption of the risk shall not apply to the intentional misconduct or gross negligence by Fox Chase. Fox Chase shall not, except for his intentional misconduct or gross negligence or use other than as permitted by the grants in Sections 2.A and 2.B hereof, be responsible or liable for any injury, loss, or damage of any kind, including but not limited to direct, indirect, special, incidental or consequential damages or lost profits to ZelleRx, any Sublicensee, Affiliates of either or customers or any of the foregoing, or for any such injury, loss or damage to any other individual or entity, regardless of legal theory based on the development, manufacture, use, sale or other disposition of Licensed Products and all activities associated therewith. The above limitations on liability apply even though Fox Chase may have been advised of the possibility of such injury, loss or damage. ZelleRx shall not, and shall require in its sublicenses that all Sublicensees and Affiliates of either not make any agreements, statements, representations or warranties or accept any liabilities or responsibilities whatsoever with regard to any person or entity which are inconsistent with this Paragraph.

7. Confidentiality.

A. Confidentiality, Publications and Data Access. All information submitted by one party to the other concerning the invention(s) claimed in the Licensed Patents and Licensed Products and Improvements shall be considered as confidential (“Confidential Information”) and shall be utilized only pursuant to the licenses granted hereunder. During the term of this Agreement and for a period of five (5) years thereafter, neither party shall disclose to any third party any Confidential Information received from the other party without the specific written consent of such party. However, ZelleRx may disclose Confidential Information belonging to Fox Chase to potential Sublicensees and for the purpose of evaluating their interest in entering into a Sublicense but only after entering into a confidentiality and non-use agreement on the same terms as those contained in this Paragraph. The foregoing shall not apply where such Confidential Information a) was or becomes public through no fault of the receiving party, b) was, at the time of receipt, already in the possession of the receiving party as evidenced by its written records, c) was obtained from a third party legally entitled to use and disclose the same, d) is on advice of counsel, required by law to be disclosed to a governmental

agency, or e) the disclosure of such information that is reasonably considered necessary for the commercial exploitation of the license granted herein. Notwithstanding the forgoing, ZelleRx may disclose Confidential Information to its Affiliates and Sublicensees, provided such Affiliates and Sublicensees agree to be bound by the same confidentiality provisions as set forth herein.

B. Publications. Fox Chase shall provide to ZelleRx copies of any proposed written publication by Fox Chase containing any Confidential Information of ZelleRx and, to the extent Fox Chase is aware of them, proposed publications containing any Confidential Information of ZelleRx by persons working with or for Fox Chase. ZelleRx agrees to provide copies of any proposed written publication of ZelleRx, its Sublicensees and Affiliates of either of them, containing any Confidential Information of Fox Chase, to Fox Chase. The parties shall provide copies of such proposed written publications at least ninety (90) days in advance of publication. The receiving party may within thirty (30) days of receipt of such proposed publication object to such proposed publication or disclosure on the grounds that (i) it contains patentable subject matter that needs patent protection or (ii) that the publication contains Confidential Information of the objecting party. At the request of the objecting party, Confidential Information of such party shall be deleted from the publication or the proposed publications shall be delayed for a period of up to thirty (30) days to permit the preparation and filing of appropriate patent applications.

8. Infringement. In the event of an infringement of a Licensed Patent or an action filed by a third party asserting infringement by a Licensed Product the following shall apply;

A. Notice. Each party shall give the other written notice if one of them becomes aware of any infringement by a third party of any Licensed Patent or the filing of an action by a third party asserting infringement by a Licensed Product. Upon notice of any such infringement or the filing of such action by a third party, the parties shall promptly consult with one another with a view toward reaching agreement on a course of action to be pursued.

B. ZelleRx's Right to Bring Infringement Action.

(1) If a third party infringes any patent included in the Licensed Patents within the Field, ZelleRx shall have the right to institute and prosecute an action or proceeding to abate such infringement and to resolve such matter by settlement or otherwise. ZelleRx agrees to notify Fox Chase of its intention to bring an action or proceeding prior to filing the same and in sufficient time to allow Fox Chase the opportunity to discuss with ZelleRx the choice of counsel for such matter. ZelleRx agrees to hire counsel reasonably acceptable to Fox Chase. ZelleRx shall keep Fox Chase timely informed of material developments in the prosecution or settlement of such action or proceeding. ZelleRx shall be responsible for all costs and expenses of any action or proceeding against infringes which ZelleRx initiates. Fox Chase shall cooperate fully by joining as a party plaintiff if required to do so by law to maintain such action or proceeding and by executing and making available such documents as ZelleRx may reasonably request. ZelleRx agrees to promptly reimburse Fox Chase for his reasonable third party out-of-

pocket fees and expenses incurred in joining an action or proceeding or cooperating with ZelleRx. Fox Chase may be represented by counsel in any such legal proceedings, at Fox Chase's own expense, subject to reimbursement under Paragraph 8. B. (2), acting in an advisory but not controlling capacity.

(2) The prosecution, settlement, or abandonment of any action or proceeding under Paragraph 8. B. (1) shall be at ZelleRx's reasonable discretion provided that ZelleRx shall not have any right to surrender any of Fox Chase's rights to the Licensed Patents or to grant any infringer any rights to the Licensed Patents without Fox Chase's written consent.

(3) Except as provided herein, all amounts of every kind and nature recovered from an action or proceeding of infringement by ZelleRx shall belong to ZelleRx. If the amounts recovered by ZelleRx exceed ZelleRx's reasonable third party out-of-pocket fees and expenses, ZelleRx shall reimburse Fox Chase for Fox Chase's reasonable out-of-pocket fees and expenses incurred in hiring its own counsel. After deduction of the fees and expenses of both parties to this Agreement, any remaining amounts recovered shall be subject to Royalty payments in accordance with Paragraph 3.

C. Fox Chase's Right to Bring Infringement Action.

(1) If a third party infringes any patent included in the Licensed Patents within the Field which Fox Chase wishes to prosecute, Fox Chase shall first notify ZelleRx in writing and request that ZelleRx bring an action or proceeding against the infringing third party. If ZelleRx declines or fails to bring such an action or proceeding within thirty (30) days of receipt of the notice, Fox Chase shall have the right, at its discretion, to institute and prosecute an action or proceeding to abate such infringement and to resolve such matter by settlement or otherwise. ZelleRx shall cooperate fully by joining as a party plaintiff if required to do so by law to maintain such action and by executing and making available such documents as Fox Chase may reasonably request. If the amounts recovered by Fox Chase exceed his reasonable third party out-of-pocket fees and expenses, Fox Chase agrees to pay ZelleRx for its and its Sublicensees' reasonable out-of-pocket third party expenses incurred by it in cooperating in the action or proceeding. Except as specifically provided in this Paragraph, Fox Chase shall share with ZelleRx [***]% of all amounts recovered of every kind and nature. Amounts recovered by Fox Chase shall not give rise to Royalty payments under Paragraph 3.

(2) Before abandonment with prejudice of any proceeding under Paragraph 8.C.(1), Fox Chase shall consult with ZelleRx and, at ZelleRx's election and expense, shall allow ZelleRx to prosecute the action.

D. ZelleRx's Obligation to Defend Against Third Party Infringement Action.

(1) If a third party brings an infringement action against Fox Chase or ZelleRx, individually or jointly, asserting that the Licensed Products infringe one or more of the third party's patents, ZelleRx agrees to notify Fox Chase of its

intention to defend against such action and in sufficient time to allow Fox Chase the opportunity to discuss with ZelleRx the choice of counsel for such matter. ZelleRx agrees to hire counsel reasonably acceptable to Fox Chase. ZelleRx shall keep Fox Chase timely informed of material developments in the prosecution or settlement of such action or proceeding. ZelleRx shall be responsible for all costs and expenses of any action or proceeding. Fox Chase shall cooperate fully by joining as a party plaintiff if required to do so by law to maintain such action or proceeding and by executing and making available such documents as ZelleRx may reasonably request. ZelleRx agrees to promptly reimburse Fox Chase for its reasonable third party out-of-pocket fees and expenses incurred in joining an action or proceeding or cooperating with ZelleRx. Fox Chase may be represented by counsel in any such legal proceedings, at Fox Chase's own expense, subject to reimbursement under Paragraph 8. B. (2), acting in an advisory but not controlling capacity.

(2) The defense or settlement of any action or proceeding under Paragraph 8. D. (1) shall be at ZelleRx's reasonable discretion provided that ZelleRx shall not have any right to surrender any of Fox Chase's rights to the Licensed Patents without Fox Chase's written consent.

9. Termination.

A. Term. Unless terminated earlier, this Agreement shall expire on the expiration date of the last to expire of the Licensed Patents unless the Licensed Patents have been assigned to ZelleRx in accordance with Section 10 hereof.

B. Fox Chase's Right to Terminate. Unless the Licensed Patents have been assigned to ZelleRx in accordance with Section 10 hereof, Fox Chase shall have the right to terminate this Agreement as follows, in addition to all other available remedies:

(1) If ZelleRx fails to make any Royalty or other payment when due, this Agreement shall terminate effective sixty (60) days after Fox Chase's written notice to ZelleRx to such effect, unless ZelleRx makes such payment within the sixty (60) days.

(2) If ZelleRx fails to observe any other material obligation of this Agreement, this Agreement shall terminate effective sixty (60) days after Fox Chase's written notice to ZelleRx describing such failure, unless ZelleRx cures such failure within the sixty (60) days, or is diligently working to cure any such obligation that is not curable within sixty (60) days, as can be reasonably confirmed by an objective third party.

(3) If ZelleRx shall have filed by or against it a petition under any bankruptcy or insolvency law and such petition is not dismissed within sixty (60) days of its filing, or if ZelleRx makes an assignment of all or substantially all of its assets for the benefit of its creditors Fox Chase may terminate this Agreement by written notice effective as of the (i) date of filing by ZelleRx of any such petition, (ii) date of any such assignment to creditors, or (iii) end of the sixty (60) days if a petition is filed against it and not dismissed by such time, whichever is applicable.

(4) If ZelleRx shall be dissolved, liquidated or otherwise ceases to exist, other than for reasons specified in Paragraph 9. B. (3). above or upon completion of a merger or sale or transfer of assets or otherwise, with or to a successor, where the successor assumes the duties and obligations under this Agreement, this Agreement shall automatically terminate as of (i) the date articles of dissolution or a similar document is filed on behalf of ZelleRx with the appropriate government authority or (ii) the date of establishment of a liquidating trust or other arrangement for the winding up of the affairs of ZelleRx.

C. ZelleRx's Right to Terminate. Unless the Licensed Patents have been assigned to ZelleRx in accordance with Section 10 hereof, ZelleRx may terminate this Agreement at any time by giving Fox Chase ninety (90) days prior written notice.

D. Survival. All causes of action accruing to either party under this Agreement shall survive termination for any reason, as well as ZelleRx's obligation to pay Royalties and Patent Costs accrued prior to the date of termination and which were not paid or payable before termination, along with the record keeping required by Paragraphs 3. F. and J.

10. Miscellaneous.

A. Marking. ZelleRx shall and agrees to require its Sublicensees and Affiliates of either, to place in a conspicuous location on Licensed Products (or its packaging where marking the Product is physically impossible) sold to third parties, a patent notice in accordance with the laws concerning the marking of patented articles in the country in which such articles are sold.

B. Export Regulations. To the extent that the United States Export Control Regulations are applicable, neither ZelleRx nor Fox Chase shall, without having first fully complied with such regulations, (i) knowingly transfer, directly or indirectly, any unpublished technical data obtained or to be obtained from the other party hereto to a destination outside the United States, or (ii) knowingly ship, directly or indirectly, any product produced using such unpublished technical data to any destination outside the United States.

C. Entire Agreement, Amendment, Waiver. This Agreement together with the Schedules attached hereto, and that certain Material Transfer Agreement dated _____, constitute the entire agreement between the parties regarding the subject matter hereof, and supersede all prior written or oral agreements or understandings (express or implied) between them concerning the same subject matter. This Agreement may not be amended or modified except in a document signed by duly authorized representatives of each party. No waiver of any default hereunder by either party or any failure to enforce any rights hereunder shall be deemed to constitute a waiver of any subsequent default with respect to the same or any other provision hereof. The above mentioned Material Transfer Agreement, as amended, is hereby incorporated by reference to the extent that, in the case of any discrepancies between specific terms, the term of the present Agreement will prevail.

D. Notice. Any notice required or otherwise made pursuant to this Agreement shall be in writing, sent by registered or certified mail properly addressed, or by facsimile with

confirmed answer-back, to the other party at the address set forth below or at such other address as may be designated by written notice to the other party. Notice shall be deemed effective three (3) business days following the date of sending such notice if by mail, on the day following deposit with an overnight courier, if sent by overnight courier, or upon confirmed answer-back if by facsimile.

If to Fox Chase: Fox Chase Cancer Center
Office of Business Development
333 Cottman Avenue
Philadelphia, PA 19111-2497

If to ZelleRx: ZelleRx Corporation
600 S. Hoyne
Chicago, Illinois 60612
Attn: President

E. Assignment. This Agreement shall be binding on the parties hereto and upon their respective successors and assigns. Either party may at any time, upon written notice to the other party, assign or delegate to a successor to all or substantially all of its business any of its rights and obligations hereunder. Except as provided in the preceding sentence, and except for sublicensing permitted as to ZelleRx hereunder, neither Party may assign or delegate any right or obligation hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld, and any attempted assignment or delegation in violation thereof shall be void. Subject to the agreement of ZelleRx to continue paying royalties to Fox Chase in accordance with the terms and conditions of this Agreement until the expiration date of the last to expire of the Licensed Patents, Fox Chase shall, upon commencement by ZelleRx of a Phase III trial of a Licensed Product in the United States, assign all of its right, title and interest in and to the Licensed Patents to ZelleRx and shall promptly execute and any and all applications, assignments, and other instruments that ZelleRx shall deem necessary to complete such assignment, provided that Fox Chase shall retain the right to make and use the Licensed Product and Technical Information for research purposes only.

F. Governing Law. The interpretation and performance of this Agreement shall be governed by the laws of the State of Illinois applicable to contracts made and to be fully performed in that state.

G. Advertising. Each party agrees not to use the name of the other party in any commercial activity, marketing, advertising or sales brochures except with the prior written consent of the other party, which consent may be granted or withheld in such party’s sole discretion. ZelleRx agrees not to use, and shall prohibit its Sublicensees and the Affiliates of either from using the Fox Chase name in any commercial activity, marketing, advertising or sales brochures.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their respective duly authorized officers or representatives on the date first above written.

Fox Chase Cancer Center

By: /s/ Patricia Harsche
Its: Vice President Planning and
Business Development

ZelleRx Corporation

By: /s/ Gary Keller
Its: President

First Amendment
to the License Agreement between
ZelleRx Corporation.
and
Fox Chase Cancer Center

This First Amendment (this "Amendment 1") to the License Agreement between ZelleRx Corporation ("Company") and Fox Chase Cancer Center ("FCCC") is made effective by the parties on April 10, 2008 (the "Amendment 1 Effective Date").

RECITALS

WHEREAS, FCCC and Company entered into a License Agreement effective July 10, 2004 (the "License"). Pursuant to the terms and conditions of the License, FCCC granted to Company an exclusive, worldwide right and license, with the right to grant sublicenses, to make, have made, use and sell Licenses Product(s). In consideration of this exclusive license granted, Company agreed to pay to FCCC royalties based on the Net Sales of Licensed Products and a Milestone Payment upon a successful "A" round of funding.

WHEREAS, Company and FCCC wish to amend the License to include additional consideration to FCCC.

NOW, THEREFORE, the parties agree as follows:

1. Unless otherwise defined in this Amendment 1, all capitalized terms shall have the same meaning as set forth in the License, as amended.

2. Paragraph 3.A.1 is hereby replaced in its entirety with the following:

3. A. 1. Royalties. As consideration for the license granted in Paragraph 2 of this Agreement, ZelleRx shall pay Fox Chase, or its designee, a Royalty of [***]% of Net Sales of Licensed Products for therapeutic use by ZelleRx and its Affiliates, and a Royalty of [***]% of Net Sales of Licensed Products for diagnostic or other uses by ZelleRx and its Affiliates. With respect to Sublicensees, ZelleRx shall pay Fox Chase [***]% of any royalties or other compensation received by ZelleRx or its Affiliates from Sublicensees for Net Sales of Licensed Products by said Sublicensees. ZelleRx shall also pay Fox Chase [***]% of any compensation received by ZelleRx or its Affiliates from Sublicensees or from other third parties for any other use of Licensed Patents as described in Appendix A, Licensed Products, Improvements, or Technical Information.

3. Paragraph 3.A.2 is hereby replaced in its entirety with the following:

3.A.2 Milestone Payments. As further consideration of the investment by Fox Chase in the licensed technology, ZelleRx agrees to pay Fox Chase $[***] upon successful closing of an aggregate cash amount of $1MM in its "B" round of financing.

4. Paragraph 10.D will be updated as to ZelleRx Corp's address for notification as follows:

If to ZelleRx: ZelleRx Corporation
PO Box 3861
Rancho Santa Fe, CA 92067
Attn: President

5. Appendix A shall be updated as follows

[***]

6. Except as specifically modified by this Amendment 1, all of the provisions of the License remain in full force and effect. The License, as amended, and this Amendment 1 constitutes the entire agreement between FCCC and ZelleRx and supersedes all other agreements and understandings between the parties with respect to the subject matter of the License, as amended, and this Amendment 1. This Amendment 1 will be binding upon, and will inure to the benefit of, the parties and their respective successors and permitted assigns. This Amendment 1 may be executed in one or more counterparts, all of which will be considered one and the same agreement. This Amendment 1 will be governed by the laws of the Commonwealth of Pennsylvania, without giving effect to conflict of laws provisions.

4. IN WITNESS THEREOF, the parties have executed this Amendment 1 through their duly authorized representatives as set forth below, and this Amendment 1 shall be attached to, and shall become a part of, the License between the parties.

Fox Chase Cancer Center

By: /s/ Kurt A. Schwinghammer
Kurt A. Schwinghammer, Ph.D.
Director of Business Development
Office of Business Development

Date: April 15, 2008

ZelleRx Corporation

By: /s/ Barry Simon
Barry Simon, MD
President & CEO, ZelleRx Corp

Date: 5/1/08

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED AS TO CERTAIN PORTIONS OF THIS DOCUMENT. EACH SUCH PORTION, WHICH HAS BEEN OMITTED HEREIN AND REPLACED WITH AN ASTERISK [***], HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Exhibit 10.13

RUSH- ZELLERX LICENSE AGREEMENT

This License Agreement ("Agreement"), dated March 24, 2004, between Rush University Medical Center, an Illinois not-for-profit corporation ("RUSH"), and ZelleRx, an Illinois for profit corporation ("LICENSEE").

Purpose and Intent

RUSH has the right to license the Licensed Intellectual Property. LICENSEE desires to obtain exclusive rights to such Licensed Intellectual Property for commercialization in certain fields and RUSH is willing to grant a license to such. Therefore the parties agree as follows.

Agreement

1. Definitions. The following capitalized terms used in this Agreement shall mean:

A. "Affiliate" means, as to any person or entity, any other person or entity which directly or indirectly controls, is controlled by or is under common control with such person or entity. Control shall mean the right to control, or actual control of, management of such other entity, whether by ownership of voting securities, by agreement, or otherwise.

B. "Effective Date" means the date set forth on page 1, line 1, of this Agreement.

C. "Improvement(s)" means any Trial Data Intellectual Property and Other Intellectual Property that is not in existence as of the Effective Date.

D. "Licensed Intellectual Property" means Trial Data Intellectual Property and Licensed Other Intellectual Property. "Trial Data Intellectual Property" means information set forth in the IND filing(s) and all study data used in preparing, or referred to in, such IND filing(s) with respect to the NK-92 Trials listed on Appendix A attached hereto in existence as of the Effective Date. Trial Data Intellectual Property also will include information and data from current NK-92 Clinical Trials and those completed prior to the Effective Date, including but not limited to clinical outcomes and all case report forms. Access to source documents shall be provided as part of the license granted with respect to Trial Data Intellectual Property. "Other Intellectual Property" means all information, other than Trial Data Intellectual Property, disclosed to LICENSEE, relating to, without limitation, cell production including cell expansion technologies, cell culture media optimization, culture techniques, quality assurance and quality control as well as all data, trial results, drawings, cell lines, biological materials, designs, operating techniques, trade secrets, know-how, show-how, documents, models, inventions and equipment, or other information in any form (including oral disclosures) in RUSH's possession that have not become the subject of a patent application, that originate from the laboratory of [***] at RUSH or from the NK-92 Trials listed on Appendix A whether or not recorded in lab notebooks or reduced to practice and/or disclosed to RUSH's Office of Intellectual Property as of the Effective Date.

E. “Licensed Patents” means any patent applications and all patents claiming priority therefrom, and including all divisions, continuations, continuations in part (but only inasmuch as they are supported by the study data and know-how), foreign counterparts, and any valid patents which may issue therefrom and any reissues, renewals, substitutions, or extensions of or to any such patents or patent applications and incorporating any portion of previous Licensed Intellectual Property and/or Improvements. Licensed Patents shall not include any applications and any patents issuing from applications filed in countries (i) that LICENSEE elected not to file in pursuant to Paragraph 4.A and (ii) where LICENSEE’s rights are terminated under either Paragraph 4.B or Article 9.

F. “Licensed Product” means any product or process containing or using the Licensed Intellectual Property or Improvement in its development or any product or process covered by the scope of any Valid Claim contained in any Licensed Patent or a product made by a process, method or technique covered by the scope of any Valid Claim in any Licensed Patent or methods of using any product covered by the scope of any Valid Claim contained in any Licensed Patent.

G. “Net Sales” means the gross sales for Licensed Products, less the following amounts directly chargeable to such Licensed Products: (1) trade, quantity or cash discounts and retroactive price reductions or rebates actually allowed and taken (including price adjustments related to commercial programs), allowances (including reasonable bad debt allowances) and wholesaler charge-backs allowed and taken, but in any of the foregoing cases only in amounts consistent with reasonable and customary industry standards; (2) amounts repaid or credited to customers on account of rejections or returns; (3) freight, handling and other transportation costs, including insurance charges, (4) commissions to persons other than affiliates; (5) import, export, excise, sales or use taxes, value added taxes, and other taxes, tariffs or duties, and other governmental charges based directly on sales, turnover or delivery of such Licensed Products and actually paid or allowed by LICENSEE and its Affiliates or any Sublicensee, but not state, federal or foreign income taxes. For Licensed Products consumed by LICENSEE, its Affiliates or any Sublicensee, the price used to calculate Net Sales shall be equal to the average of the sales price of the same or a substantially similar Licensed Product, whichever is relevant, sold to the consumer’s three largest customers during the same time period. If LICENSEE or a Sublicensee or Affiliates of either of them include a Licensed Product as part of selling a service, licensing a method of use or other means of deriving commercial benefit from Licensed Products, the parties agree to negotiate in good faith to determine a method of calculating a running royalty equivalent to the running royalty set out in this Agreement on Net Sales. Net Sales shall be calculated on sales to end users and not on sales between LICENSEE and its Affiliates or Sublicenses, or on Licensed Products used for internal testing and research purposes by LICENSEE and/or its Affiliates.

If a Licensed Product is sold in combination with another product or products, Net Sales under such circumstances shall be calculated by multiplying Net Sales of the combination by the fraction A/(A+B), in which A is the invoice price of the Licensed Product when sold separately, and B is the total invoice price of any other product or products in combination when sold separately.

If, on a country-by-country basis, the other product or products in the combination are not sold separately, Net Sales, for purposes of determining royalties on the combination Licensed Product shall be calculated by multiplying actual Net Sales of such combination Licensed Product by the fraction A/C where A is the invoice price for the Licensed Product if sold separately and C is the invoice price of the combination Licensed Product.

If on a country-by-country basis, neither the Licensed Product nor the other product or products is sold separately in said country, Net Sales, for the purpose of determining royalties on the combination Licensed Products shall be calculated as above except that A shall be the total cost of manufacture of the Licensed Product and C shall be the total cost of manufacture of the combination Licensed Product, as determined in accordance with a Party's customary accounting practices, consistently applied.

H. "Non-renal Field" means the use of the NK-92 cells including all variants for the treatment and diagnosis of cancer, wherein the cancer is neither melanoma nor renal cancer.

I. "Renal Field" means use of the NK-92 cells including all variants for the treatment of melanoma or renal cancer in patients.

J. "Royalties" means all amounts payable under Paragraphs 3.B and 3.0 of this Agreement.

K. "Sublicense" means any agreement entered into by LICENSEE with any third party for which rights to the Licensed Patents and/or Licensed Products are granted.

L. "Sublicensee" means any person, company or other entity granted a sublicense by LICENSEE under Paragraph 2.B below, including Affiliates of the Sublicensee. Sublicensee excludes persons, companies or other entities owned in part or wholly, controlled by or under common control by LICENSEE.

M. "Territory" means worldwide.

N. "Valid Claim" means an issued claim of any unexpired patent or a claim of any pending patent application which has not been held unenforceable, unpatentable or invalid by a decision of a court or governmental body of competent jurisdiction, and has not been found admitted to be invalid or unenforceable through reissue, re-examination, disclaimer or otherwise; provided, however, that if the holding of such court or agency is later reversed by a court or agency with overriding authority, the claim shall be reinstated as a Valid Claim with respect to Product made after the date of such reversal.

O. "ZelleRx Patents" means only those patents and patent applications owned by LICENSEE which are selected by LICENSEE and RUSH by mutual agreement and set forth on Appendix C hereto, as amended from time-to-time, and including all divisions, continuations, continuations in part, foreign counterparts, and any patents which may issue therefrom and any reissues, renewals, substitutions, or extensions of or to any such patents or patent applications, and any improvements thereto. The parties may by agreement amend Appendix C hereto from time-to-time to add ZelleRx Patents as and when they either publish or are disclosed confidentially to RUSH pursuant to Paragraph 7.A hereto.

2. GRANTS OF LICENSE AND RESERVATION OF RESEARCH RIGHTS

A. Grants. RUSH hereby grants to LICENSEE and its Affiliates: (i) an exclusive license under the Trial Data Intellectual Property to make, have made, use, import, offer to sell and sell Licensed Products within the Renal Field and the Non-renal Field and within the Territory, (ii) an exclusive license under the Other Intellectual Property to make, have made, use, import, offer to sell and sell Licensed Products within the Renal Field and the Non-renal Field and within the Territory, and (iii) an exclusive license under the Licensed Patents to make, have made, use, import, offer to sell and sell Licensed Products within the Renal Field and the Non-renal Field and within the Territory.

B. Sublicense. LICENSEE shall have the exclusive right to grant sublicenses to third parties to all rights granted LICENSEE under Paragraph 2.A on terms consistent with terms of this Agreement. All Sublicenses shall provide that the Sublicensee may not grant further Sublicenses to third parties, except to Affiliates of the Sublicensee, or except for the purpose of having Licensed Products made for the Sublicensee or Affiliate. LICENSEE shall provide RUSH with a copy of each executed Sublicense within thirty (30) days of the execution thereof. Each Sublicense shall state that if this Agreement terminates for any reason, except expiration pursuant to Paragraph 9.A, the Sublicense shall automatically terminate effective the same date without the necessity of any notice from RUSH to the Sublicensee. In each case, RUSH agrees to negotiate in good faith for a period of ninety (90) days following the termination of this Agreement with each Sublicensee for a license directly from RUSH granting the Sublicensee substantially the same rights under substantially the same terms as those contained in the license with LICENSEE. If no agreement is reached within the ninety (90) days, RUSH shall have no further obligation to the Sublicensee.

C. Reservation of Rights. Subject to the termination of the LICENSEE’s grant of a license to RUSH pursuant to Paragraph 2.F hereof, RUSH reserves for itself the worldwide right to practice the inventions contained within the Licensed Intellectual Property, Licensed Patents and/or Improvements to make, have made and use, Licensed Products within the Renal and Non-Renal Fields for all educational and non-commercial, non-competitive research purposes it may choose in its own discretion and without any payment therefor. Further, RUSH reserves for its personnel the worldwide right to practice the inventions in the Licensed Intellectual Property, Licensed Patents and/or Improvements to make, have made and use Licensed Products within the Renal Field and Non-renal Field for all non-commercial educational and research purposes it may choose in its own discretion and without any payment therefor. In addition, if the inventions claimed in any Licensed Patents were made with the use of funds, by RUSH, from the United States government, there is reserved from the rights granted hereunder the worldwide right of the United States government to use and to practice or have practiced the inventions claimed in the Licensed Patents to make, have made, and use Licensed Products in any field of use for its own purposes in such manner as it deems fit without any payment therefore, provided however, that no grant pursuant to this

sentence shall be deemed to be greater than expressly required under Public Law 96517 or 98-620. For proposed clinical research after the Effective Date using the Licensed Intellectual Property and/or any Licensed Products that is performed at RUSH by its personnel and not under a Sponsored Research Agreement by LICENSEE, LICENSEE shall have the right of review of such proposed clinical research and RUSH shall not initiate such proposed clinical research unless LICENSEE has provided RUSH with written approval.

D. Improvements not sponsored by LICENSEE. For Improvements developed by RUSH after the Effective Date and not under any sponsored research program by LICENSEE or under a sponsored research program of an unaffiliated third party, LICENSEE shall have an exclusive, 6 month option (the “6 Month Option Period”) to negotiate a good faith license for rights to such Improvements. This License can include an amendment to this Agreement if deemed appropriate by RUSH. During the 6 Month Option Period, LICENSEE shall be responsible for the payment of patent costs, if any, incurred by RUSH in the filing of patent applications to protect the Improvement(s). If at the end of the 6 Month Option Period, a license or amendment has not been executed by the Parties, RUSH will have the right to offer licenses to third parties with no further obligation to LICENSEE. This provision is subject to any restrictions placed on the Improvements by nature of any United States government funding source being used to conceive or reduce to practice said Improvements.

E. Improvements sponsored by LICENSEE. For Improvements developed by RUSH after the Effective Date and under a sponsored research program between LICENSEE and RUSH, LICENSEE shall have an exclusive, 12 month option (the “12 Month Option Period”) to negotiate a good faith license for rights to such Improvements. This License can include an amendment to this Agreement if deemed appropriate by RUSH. During the 12 Month Option Period, LICENSEE shall be responsible for the payment of patent costs, if any, incurred by RUSH in the filing of patent applications to protect the Improvement(s). If at the end of the 12 Month Option Period, a license or amendment has not been executed by the Parties, RUSH will have the right to offer licenses to third parties with no further obligation to LICENSEE. This provision is subject to any restrictions placed on the Improvements by nature of any United States government funding source being used to conceive or reduce to practice said Improvements.

F. Grant to RUSH. To the extent permitted by applicable law, LICENSEE hereby grants to RUSH a nonexclusive, royalty-free, revocable, paid-up sublicense under the ZelleRx Licensed Patents within the Renal Field and the Non-renal Field for non-competing, non-commercial research done in accordance with a plan agreed upon by the Parties, said sublicense to be valid until this Agreement is terminated pursuant to Section 9 hereof. LICENSEE further agrees to waive any claim of infringement for research done at RUSH prior to the Effective Date.

3. Royalties and Other Payments

A. License Payments. As consideration for the license granted in Paragraph 2.A (ii) of this Agreement, LICENSEE shall: [***].

B. Royalties. As consideration for the licenses granted in Paragraphs 2.A (i) of this Agreement, LICENSEE shall [***].

In the event that, with respect to Net Sales of Licensed Products in the Renal Field, LICENSEE is paying royalties to unaffiliated third parties and the total royalties, including those payable to RUSH hereunder, exceed 5 percent (5%) of Net Sales, the amount due and payable to RUSH hereunder shall be proportionally reduced, but in no event shall the royalty payable to RUSH be less than [***] of Net Sales. (For example, if [***].

As partial consideration for the licenses granted in Paragraph 2.A.(i) and 2.A.(iii) of this Agreement, LICENSEE shall pay RUSH a Royalty equal to [***] of Net Sales of Licensed Products in the Non-renal Field and for diagnosis in the field of cancer by LICENSEE.

In the event that, with respect to Net Sales of Licensed Products in the Non-renal Field and for diagnosis in the field of cancer, LICENSEE is paying royalties to unaffiliated third parties and the total royalties, including those payable to RUSH hereunder, [***] of Net Sales, the amount due and payable to RUSH hereunder shall be proportionally reduced, but in no event shall the royalty payable to RUSH be less than [***] of Net Sales.

As partial consideration for the licenses granted in Paragraph 2.A(i) and 2.A(iii) of this Agreement, LICENSEE shall pay to RUSH the following milestone payments: [***].

No royalties shall be owing on any Licensed Products produced for or under any United States government agency contract pursuant to the reservation of rights referenced in Section 2.C. of this Agreement, but only to the extent that LICENSEE can show that the United States government received a discount on Licensed Product sales, which discount is equivalent to or greater than the amount of any such royalty that would otherwise be due. Any safes for United States government purposes shall be reported under this Agreement by providing: (1) a United States government contract number; (2) identification of the United States government agency; and (3) a description as to how the benefit of the royalty-free sale was passed on to the United States government.

C. Minimum Royalties. If the total Royalties payable under Paragraph 3.B and amounts payable under Paragraph 3.D for any calendar year beginning with the year of first anniversary of the Effective Date and ending with the fifth anniversary of the Effective Date are less than [***], LICENSEE shall pay RUSH the difference between such amount and the actual Royalties due. If the total Royalties for any calendar year after the fifth anniversary of the Effective Date until termination of the Agreement are less than [***], LICENSEE shall pay RUSH the difference between such amount and the actual Royalties due. Such payment shall be made at the same time the payment for Royalties for the fourth quarter for such year is due.

D. Sublicense Royalties. The following sublicense royalties apply:

(1) For all Sublicenses under this Agreement within the Renal Field, LICENSEE shall make payments according to the terms contained in Paragraphs 3.B, 3.D(2), 3.D(3) or [***] of all compensation, whichever is greater as and when received by LICENSEE from the Sublicensee;

(2) For each Sublicense granted by LICENSEE that is within the Non-renal Field and is granted in the field of cancer therapy, LICENSEE shall pay to RUSH [***] of all compensation as and when received by LICENSEE from the Sublicensee; and

(3) For each Sublicense granted by LICENSEE that is in the Non-Renal Field and is granted in the field of diagnosis of cancer, LICENSEE shall pay to RUSH [***] of all compensation as and when received by LICENSEE from the Sublicensee.

Payments shall be made (or assigned as relevant) to RUSH within thirty (30) days of receipt by LICENSEE. For this purpose compensation includes all fees, minimum royalties, milestone payments and other cash payments of any kind and any in kind payments or equity amounts taken in lieu of cash, but does not include research and development fees paid for services rendered by LICENSEE to a Sublicensee or cash delivered to LICENSEE in exchange for securities of LICENSEE under a co-development agreement or for assets other than the sublicense shall not constitute compensation for purposes of this Section. Provided further that if LICENSEE or an Affiliate provides a sublicense to any third party in exchange for any license or sublicense or covenant not to sue granted back to LICENSEE so as to permit it to make Licensed Products, the value of said license, sublicense or covenant shall be offset against compensation, provided further that if LICENSEE contributes a sublicense to a joint venture that intends to develop Licensed Products or combination Licensed Products, then the contribution by any third party to the joint venture of cash, securities or other assets also shall not constitute compensation. Subject to the foregoing limitations, it is the intent and agreement of the parties that RUSH will be paid [***] of any kind of compensation paid by a Sublicensee for rights granted to such Sublicensee under Paragraph 3.D(2) of this Agreement without regard to how the compensation is structured, denominated or paid. Furthermore, subject to the foregoing limitations, it is the intent and agreement of the parties that RUSH will be paid [***] of any kind of compensation paid by a Sublicensee for rights granted to such Sublicensee under Paragraph 3.D(3) of this Agreement without regard to how the compensation is structured, denominated or paid.

E. Calculation of Royalties. Royalties shall be payable in U.S. currency within forty-five (45) days after the end of each calendar quarter during the term of this Agreement, beginning with the calendar quarter in which the first commercial sale of a Licensed Product occurs. Each payment shall be accompanied by a statement showing Net Sales for each country in the Territory and calculation of the Royalties due. There shall be deducted from all such payments taxes required to be withheld by any governmental authority and LICENSEE shall provide copies of receipts for such taxes to RUSH along with each Royalty payment. Any necessary conversion of currency into United States

dollars shall be at the applicable rate of exchange of Citibank, N.A., in New York, New York, on the last day of the calendar quarter in which such transaction occurred and the conversion rate and payment in foreign currency and US$ shall be included in the statement.

F. Records. LICENSEE shall, and shall cause its Sublicensees and Affiliates of either, to keep full and accurate books and records in sufficient detail so that sums due RUSH hereunder can be properly calculated. Such books and records shall be maintained for at least five (5) years after the Royalty reporting period(s) to which they relate. During the term hereof and for three (3) calendar years thereafter, LICENSEE shall permit, and shall cause its Sublicensees and Affiliates of either to permit, accountants designated by RUSH, to whom LICENSEE has no reasonable objection, to examine its books and records for the purpose of verifying the accuracy of the written statements submitted by LICENSEE and sums paid or payable. RUSH may conduct such examination no more than once in any calendar year. After completion of any such examination, RUSH shall promptly notify LICENSEE in writing of any proposed modification to LICENSEE's statement of sums due and payable. If LICENSEE accepts such modification, or if the parties agree on other modifications, one party shall promptly pay or credit the other in accordance with such resolution. Such examination shall be made at the expense of RUSH, except that if such examination discloses a discrepancy of seven and one-half percent (7.5%) or more in the amount of Royalties and other payments due RUSH, then LICENSEE shall reimburse RUSH for the cost of such examination.

G. Overdue Payments. Payments due to RUSH under this Agreement shall, if not paid when due under the terms of this Agreement, bear simple interest at the lower of the prime rate of interest (as published by Citibank, N.A. on the date such payment is due) plus five percent (5%) or the highest rate permitted by law, calculated on the basis of a 360-day year for the number of days actually elapsed, beginning on the due date and ending on the day prior to the day on which payment is made in full. Interest accruing under this Paragraph shall be due to RUSH on demand or upon payment of past due amounts, whichever is sooner. The accrual or receipt by RUSH of interest under this Paragraph shall not constitute a waiver by RUSH of any right it may otherwise have to declare a default under this Agreement or to terminate this Agreement.

4. Prosecution and Maintenance of Patents; Patent Costs

A. Prosecution and Maintenance. RUSH shall be solely responsible for the preparation, filing, prosecution and maintenance of any patent applications and patents under the Licensed Intellectual Property. RUSH shall cause its patent counsel to provide LICENSEE with a list of the countries in which it has filed and/or intends to file applications. Such list shall be provided to LICENSEE at least sixty (60) days prior to the expiration of the corresponding United States priority date to allow LICENSEE to suggest that additional countries be added to the list or that one or more countries be deleted from the list. RUSH agrees to file applications in the additional countries requested by LICENSEE. LICENSEE agrees to cooperate, and agrees to cause its Sublicensees and Affiliates of either to cooperate, with RUSH in the preparation, filing, prosecution and maintenance of the Licensed Patents by disclosing such information as

may be necessary for the same and by promptly executing such documents as RUSH may reasonably request in connection therewith. LICENSEE and its Sublicensees and Affiliates of either shall bear their own costs in connection with their cooperation with RUSH under this Paragraph. RUSH will provide LICENSEE copies of all material documents received or prepared by RUSH in the prosecution and maintenance of the Licensed Patents. RUSH shall provide copies in a timely manner to allow LICENSEE an opportunity to comment and request changes in RUSH's documents. RUSH agrees to include all reasonable comments of LICENSEE.

B. Discontinuance of Patent Rights. In the event that LICENSEE elects not to file, prosecute or maintain any patent application or patent under the Licensed Patents or pay any fee related thereto, in any country, LICENSEE shall promptly notify RUSH of such election, but in no case later than sixty (60) days prior to any required action relating to the filing, prosecution or maintenance of such patent or patent application. From and after the effective date of such notice, such patent application or patent shall cease to be within the Licensed Patents for all purposes of this Agreement, and all rights and obligations of LICENSEE with respect thereto shall terminate and revert to RUSH.

C. Patent Costs. LICENSEE agrees to pay all necessary and reasonable third party fees and expenses incurred by RUSH in obtaining and maintaining patents under the Licensed Intellectual Property, including those incurred by RUSH prior to the date of this Agreement within thirty (30) days after receipt of an invoice for such prior fees and expenses. Payment for fees and expenses incurred after the Effective Date shall be invoiced to LICENSEE on a monthly basis and LICENSEE agrees to pay such invoices within thirty (30) days of receipt. LICENSEE also agrees upon request by RUSH to make timely estimated advanced payments for the filing of national applications. Documentation received from third party vendors to support the amounts invoiced shall be included with each invoice. LICENSEE shall raise any objections to such amounts invoiced within the thirty (30) day time period for payment. Invoices for advanced payments shall be reconciled with the advance payments made by LICENSEE every six (6) months. Any excess payment by LICENSEE shall be credited to future patent costs specified in this Paragraph.

5. Due Diligence and Milestones.

A. Development Plan. Simultaneously with the execution of this Agreement, LICENSEE shall provide RUSH with a confidential and reasonably detailed development plan for the commercialization of one or more Licensed Products. Such plan shall include research and development plans, timetables for achieving milestones and necessary government or regulatory approvals, market research information on competitors and market size, sales and marketing plans, financial data and manufacturing plans for the twelve months following Effective Date as well as a timetable for achieving milestones and LICENSEE's general strategic development plans for the following two years. LICENSEE agrees to revise the development plan on an annual basis and provide RUSH with such revised plan on the anniversary date of this Agreement for a minimum of three years after the effective date.

B. Progress Reports. Within ninety (90) days of the end of each December 31 during the term of this Agreement, LICENSEE shall make a written confidential report to

RUSH, in such detail as RUSH may reasonably request, covering the preceding twelve months and describing the progress of LICENSEE toward achieving the goals of the development plan (and any proposed revisions to the plan developed during the preceding twelve months) for Licensed Products. LICENSEE agrees to immediately notify RUSH in writing when commercial products are first sold and when LICENSEE's obligation to begin making Royalty payments begins.

6. No Warranties; Indemnification, Insurance.

A. Disclaimer of Warranties. RUSH makes no representations or warranties of any kind, express or implied, with respect to the information or invention(s) claimed in the Licensed Intellectual Property or with respect to the Licensed Patents themselves, including but not limited to, any representations or warranties about (i) the validity, scope or enforceability of any of the Licensed Patents; (ii) the accuracy, safety or usefulness for any purpose of any information provided by RUSH to LICENSEE, its Sublicensees or Affiliates of either, with respect to the Licensed Intellectual Property or any invention(s) claimed in the Licensed Patents or with respect to the Licensed Patents themselves and any products developed from or covered by them; (iii) whether the practice of the Licensed Intellectual Property or any claim contained in any of the Licensed Patents will or might infringe a patent or other intellectual property right owned or licensed by a third party; (iv) the patentability of any invention claimed in the Licensed Patents; or (v) the accuracy, safety, or usefulness for any purpose of any product or process made or carried out in accordance with or through the use of the Licensed Intellectual Property or the Licensed Patents.

B. Indemnification. LICENSEE agrees, and agrees to cause its Sublicensees and Affiliates of either, to indemnify, defend and hold harmless RUSH, its Affiliates and all trustees, directors, officers, employees, fellows and agents of any of the foregoing (including RUSH and its Affiliates, each an "Indemnified Person") from and against any and all claims, demands, loss, damage, penalty, cost or expense (including attorneys' and witnesses' fees and costs) of any kind or nature, arising from the development, production, use, sale or other disposition of Licensed Products and all activities associated therewith by LICENSEE, its Sublicensees or Affiliates of either, or any use of information provided by RUSH to LICENSEE, its Sublicensees or Affiliates of either. LICENSEE agrees and agrees to cause each of its Sublicensees and Affiliates of either to agree not to sue any Indemnified Person in connection with the development, production, use, sale or other disposition of Licensed Products and all activities associated therewith. RUSH shall be entitled to participate at its option and expense through counsel of its own selection, and may join in any legal actions related to any such claims, demands, losses, damages, costs, expenses and penalties. LICENSEE, its Sublicensees and Affiliates of either, shall not enter into any settlement affecting any rights or obligations of any indemnified Person or which includes an express or implied admission of liability, negligence or wrongdoing by any Indemnified Person, without the prior written consent of such Indemnified Person.

C. Assumption of Risk. The entire risk as to the performance, safety and efficacy of any invention claimed in the Licensed Patents or of any Licensed Products is assumed by LICENSEE, its Sublicensees and Affiliates of either, provided that such assumption of the risk shall not apply to the intentional misconduct or gross negligence by

Indemnified Persons. Indemnified Persons shall not, except for their intentional misconduct or gross negligence, be responsible or liable for any injury, loss, or damage of any kind, including but not limited to direct, indirect, special, incidental or consequential damages or lost profits to LICENSEE, any Sublicensee, Affiliates of either or customers or any of the foregoing, or for any such injury, loss or damage to any other individual or entity, regardless of legal theory based on the development, manufacture, use, sale or other disposition of Licensed Products and all activities associated therewith. The above limitations on liability apply even though the Indemnified Person may have been advised of the possibility of such injury, loss or damage. LICENSEE shall not, and shall require all Sublicensees and Affiliates of either to not, make any agreements, statements, representations or warranties or accept any liabilities or responsibilities whatsoever with regard to any person or entity which are inconsistent with this Paragraph.

D. Insurance. LICENSEE agrees and agrees to cause its Sublicensees and Affiliates of either to maintain liability insurance that shall cover any claims for bodily injury, property, or other damage alleged to relate to Licensed Products. LICENSEE, Sublicensees, and Affiliates shall list RUSH and its Affiliates, at LICENSEE's, its Sublicensees' or Affiliates' of either of them, expense, whichever is relevant, as additional named insureds under each liability insurance policy (including excess or umbrella liability policies) that LICENSEE, its Sublicensees and Affiliates of either have or shall obtain, that includes any coverage of claims relating to Licensed Products. Such insurance shall be primary and noncontributory to any insurance RUSH and its Affiliates may have. At RUSH's request, LICENSEE will supply RUSH from time to time with copies of each such policy, and will notify RUSH in writing at least 30 days prior to any termination of or change in coverage under any such policies.

7. Confidentiality.

A. Confidentiality, Publications and Data Access. All information submitted by one party to the other concerning the invention(s) claimed in the Licensed Patents and Licensed Products shall be considered as confidential ("Confidential Information") and shall be utilized only pursuant to the licenses granted hereunder. During the term of this Agreement and for a period of ten (10) years thereafter, neither party shall disclose to any third party any Confidential Information received from the other party without the specific written consent of such party. However, LICENSEE may disclose Confidential Information belonging to RUSH to potential Sublicensees for the purpose of evaluating their interest in entering into a Sublicense but only after entering into a confidentiality and non-use agreement on the same terms as those contained in this Paragraph. The foregoing shall not apply where such Information a) was or becomes public through no fault of the receiving party, b) was, at the time of receipt, already in the possession of the receiving party as evidenced by its written records, c) was obtained from a third party legally entitled to use and disclose the same, or d) is required by law to be disclosed to a governmental agency.

B. Publications. RUSH shall provide to LICENSEE copies of any proposed written publication by RUSH containing any Confidential Information and, to the extent RUSH is aware of them, proposed publications containing any Confidential Information by the Inventor(s). LICENSEE agrees to provide copies of any proposed written publication of

LICENSEE, its Sublicensees and Affiliates of either of them to RUSH. The parties shall provide copies of such proposed written publications at least ninety (90) days in advance of publication. The receiving party may within thirty (30) days of receipt of such proposed publication object to such proposed publication or disclosure on the grounds that (i) it contains patentable subject matter that needs patent protection or (ii) that the publication contains Confidential Information of the objecting party. At the request of the objecting party, Confidential Information of such party shall be deleted from the publication and the proposed publications shall be delayed for a period of up to thirty (30) days to permit the preparation and filing of appropriate patent applications.

8. Infringement. In the event of an infringement of a patent or patents under the Licensed Intellectual Property the following shall apply:

A. Notice. Each party shall give the other written notice if one of them becomes aware of any infringement by a third party of any such patent(s) under the Licensed Intellectual Property. Upon notice of any such infringement, the parties shall promptly consult with one another with a view toward reaching agreement on a course of action to be pursued.

B. LICENSEE's Right to Bring Infringement Action.

(1) If a third party infringes any patent included in the Licensed Intellectual Property within the Renal Field or Non-Renal Field, LICENSEE shall have the right to institute and prosecute an action or proceeding to abate such infringement and to resolve such matter by settlement or otherwise. LICENSEE agrees to notify RUSH of its intention to bring an action or proceeding prior to filing the same and in sufficient time to allow RUSH the opportunity to discuss with LICENSEE the choice of counsel for such matter. LICENSEE agrees to hire counsel reasonably acceptable to RUSH. LICENSEE shall keep RUSH timely informed of material developments in the prosecution or settlement of such action or proceeding. LICENSEE shall be responsible for all costs and expenses of any action or proceeding against infringers which LICENSEE initiates. RUSH shall cooperate fully by joining as a party plaintiff if required to do so by law to maintain such action or proceeding and by executing and making available such documents as LICENSEE may reasonably request. LICENSEE agrees to promptly reimburse RUSH for its reasonable third party out-of-pocket fees and expenses incurred in joining an action or proceeding or cooperating with LICENSEE. RUSH may be represented by counsel in any such legal proceedings, at RUSH's own expense, subject to reimbursement under Paragraph 8.B(2), acting in an advisory but not controlling capacity.

(2) The prosecution, settlement, or abandonment of any action or proceeding under Paragraph 8.B(1) shall be at LICENSEE's reasonable discretion provided that LICENSEE shall not have any right to surrender any of RUSH's rights to the Licensed Intellectual Property or to grant any infringer any rights to the Licensed Intellectual Property without RUSH's written consent.

(3) Except as provided herein, all amounts of every kind and nature recovered from an action or proceeding of infringement by LICENSEE shall

belong to LICENSEE. If the amounts recovered by LICENSEE exceed LICENSEE's reasonable third party out-of-pocket fees and expenses, LICENSEE shall reimburse RUSH for RUSH's reasonable out-of-pocket fees and expenses incurred in hiring its own counsel. After deduction of the fees and expenses of both parties to this Agreement, any remaining amounts recovered shall be considered Net Sales under this Agreement and subject to Royalty payments in accordance with Article 3.

C. RUSH's Right to Bring Infringement Action. If a third party infringes any patent included under the Licensed Intellectual Property which RUSH wishes to prosecute, RUSH shall first notify LICENSEE in writing and request that LICENSEE bring an action or proceeding against the infringing third party. If LICENSEE declines or fails to bring such an action or proceeding within thirty (30) days of receipt of the notice. RUSH shall have the right, at its discretion, to institute and prosecute an action or proceeding to abate such infringement and to resolve such matter by settlement or otherwise. LICENSEE shall cooperate fully by joining as a party plaintiff if required to do so by law to maintain such action and by executing and making available such documents as RUSH may reasonably request. If the amounts recovered by RUSH exceed its reasonable third party out-of-pocket fees and expenses, RUSH agrees to pay LICENSEE for its and its Sublicensees' reasonable out-of-pocket third party expenses incurred by it in cooperating in the action or proceeding. Except as specifically provided in this Paragraph, RUSH shall have the right to retain all amounts recovered of every kind and nature.

9. Termination

A. Term. Unless terminated under the provisions of Paragraph 9.B, this Agreement shall expire for the Licensed Intellectual Property in existence as of the Effective Date on the twelfth (12th) anniversary of the year in which Royalty payments are first made pursuant to this Agreement and upon such expiration of this Agreement, the licenses granted to LICENSEE for the Licensed Intellectual Property hereunder shall thereupon be deemed to be royalty-free, irrevocable, and paid-up. If the only intellectual property covered by this Agreement on such date is the Licensed Intellectual Property, this Agreement shall terminate in full.

B. RUSH's Right to Terminate. RUSH shall have the right to terminate this Agreement as follows, in addition to all other available remedies:

(1) If LICENSEE fails to make any Royalty or other payment when due, this Agreement shall terminate effective thirty (30) days after RUSH's written notice to LICENSEE to such effect, unless LICENSEE makes such payment within the thirty (30) days;

(2) If LICENSEE fails to observe any other material obligation of this Agreement, this Agreement shall terminate effective thirty (30) days after RUSH's written notice to LICENSEE describing such failure, unless LICENSEE cures such failure within the thirty (30) days;

(3) If LICENSEE shall have filed by or against it a petition under any bankruptcy or insolvency law and such petition is not dismissed within sixty (60) days of its filing, or if LICENSEE makes an assignment of all or substantially all of its assets for the benefit of its creditors RUSH may terminate this Agreement by written notice effective as of the (i) date of filing by LICENSEE of any such petition, (ii) date of any such assignment to creditors, or (iii) end of the sixty (60) days if a petition is filed against it and not dismissed by such time, whichever is applicable;

(4) If LICENSEE shall be dissolved, liquidated or otherwise ceases to exist, other than for reasons specified in Paragraph 9.B.(3). above, this Agreement shall automatically terminate as of (i) the date articles of dissolution or a similar document is filed on behalf of LICENSEE with the appropriate government authority or (ii) the date of establishment of a liquidating trust or other arrangement for the winding up of the affairs of LICENSEE; and

(5) If LICENSEE's Chief Executive Officer resigns and is not replaced within 6 months of the Effective Date, this Agreement shall automatically terminate at the end of the 6 month period.

C. LICENSEE's Right to Terminate. LICENSEE may terminate this Agreement at any time by giving RUSH ninety (90) days prior written notice.

D. Survival. All causes of action accruing to either party under this Agreement shall survive termination for any reason, as well as (1) LICENSEE's obligation to pay Royalties, milestones and Patent Costs accrued prior to the date of termination and which were not paid or payable before termination, along with the report of Net Sales and record keeping required by Paragraphs 3.E. and 3.F. and (2) Articles 6 and 7.

10. Miscellaneous

A. Marking. With respect to a Licensed Product covered by the scope of any Valid Claim contained in any Licensed Patent or a Licensed product made by a process, method or technique covered by the scope of any Valid Claim in any Licensed Patent or methods of using any product covered by the scope of any Valid Claim contained in any Licensed Patent, LICENSEE shall and agrees to cause its Sublicensees and Affiliates of either, to place in a conspicuous location on Licensed Products (or its packaging where marking the Product is physically impossible) sold to third parties, a patent notice in accordance with the laws concerning the marking of patented articles in the country in which such articles are sold.

B. United States Manufacture. Where Licensed Intellectual Property rights are derived through contribution to their conception or reduction to practice using federal funding, LICENSEE agrees that any Licensed Products will be manufactured substantially in the United States of America as required by 35 United States Code Section 204.

C. Export Regulations. To the extent that the United States Export Control Regulations are applicable, neither LICENSEE nor RUSH shall, without having first fully

complied with such regulations, (i) knowingly transfer, directly or indirectly, any unpublished technical data obtained or to be obtained from the other party hereto to a destination outside the United States, or (ii) knowingly ship, directly or indirectly, any product produced using such unpublished technical data to any destination outside the United States.

D. Entire Agreement, Amendment, Waiver. This Agreement, together with the Schedules attached hereto and the Subscription Agreement of even date herewith, constitute the entire agreement between the parties regarding the subject matter hereof, and supersede all prior written or oral agreements or understandings (express or implied) between them concerning the same subject matter. This Agreement may not be amended or modified except in a document signed by duly authorized representatives of each party. No waiver of any default hereunder by either party or any failure to enforce any rights hereunder shall be deemed to constitute a waiver of any subsequent default with respect to the same or any other provision hereof.

E. Notice. Any notice required or otherwise made pursuant to this Agreement shall be in writing, sent by registered or certified mail properly addressed, or by facsimile with confirmed answer-back, to the other party at the address set forth below or at such other address as may be designated by written notice to the other party. Notice shall be deemed effective three (3) business days following the date of sending such notice if by mail, on the day following deposit with an overnight courier, if sent by overnight courier, or upon confirmed answer-back if by facsimile.

If to RUSH: Rush University Medical Center
Intellectual Property Office

With a copy to: Rush University Medical Center
Office of Legal Counsel

If to LICENSEE: ZelleRx Corporation
600 South Hoyne
Chicago, IL 60612
Facsimile Number: 312-577-0912
Attention: CEO

F. Assignment. This Agreement shall be binding on the parties hereto and upon their respective successors and assigns. Either party may at any time, upon written notice to the other party, assign or delegate to a successor to all or substantially all of its business any of its rights and obligations hereunder, provided that, any such assignment or delegation shall in no event relieve either party of its primary responsibility for the same. Except as provided in the preceding sentence, LICENSEE may not assign or delegate any right or obligation hereunder without the prior written consent of RUSH, which consent shall not be unreasonably withheld, and any attempted assignment or delegation in violation thereof shall be void. RUSH may assign this Agreement at any time to any third party on written notice to LICENSEE. In such event, the assignee shall be substituted for RUSH as a party hereto, and RUSH shall no longer be bound hereby.

G. Governing Law. The interpretation and performance of this Agreement shall be governed by the laws of the State of Illinois applicable to contracts made and to be fully performed in that state. All disputes arising out of or related to this Agreement will be subject to the exclusive jurisdiction of the Illinois State Courts of Cook County, Illinois (or, if there is federal jurisdiction, the United States District Court for the Northern District of Illinois) and the parties consent to the personal and exclusive jurisdiction of these courts.

H. Advertising. Each party agrees not to use the name of the other party in any commercial activity, marketing, advertising or sales brochures except with the prior written consent of the other party, which consent may be granted or withheld in such party's sole discretion. LICENSEE agrees not to use, and shall prohibit its Sublicensees and the Affiliates of either from using, the name of the RUSH or any of its personnel in any commercial activity, marketing, advertising or sales brochures.

I. Force Majeure. In the event either party hereto is prevented from or delayed in the performance of any of its obligations hereunder by reason of acts of God, war, strikes, riots, storms, fires, or any other cause whatsoever beyond the reasonable control of the party, the party so prevented or delayed shall be excused from the performance of any such obligation to the extent and during the period of such prevention or delay.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their respective duly authorized officers or representatives on the date first above written.

RUSH UNIVERSITY MEDICAL CENTER		**ZELLERX**	
By:	/s/ Henry R. Black	By:	/s/ Gary Keller
Name:	Henry R. Black, M.D.	Name:	Gary Keller
Title:	Assoc. VP for Res. Admin.	Title:	CEO
Date:	3/24/2004	Date:	3/24/04

APPENDIX A
LICENSED INTELLECTUAL PROPERTY

[***]

APPENDIX B
REQUIREMENTS FOR STORAGE AND MAINTENANCE OF CELL BANK

[***]

APPENDIX C
“ZELLERX PATENTS”

[***]

Exhibit 10.14

LICENSE AGREEMENT
BETWEEN
ZELLERX CORPORATION AND HANS G. KLINGEMANN

This License Agreement ("Agreement"), dated as of February 10, 2003, between Hans G. Klingemann, an individual ("Klingemann"), and ZelleRx Corporation, an Illinois corporation ("ZelleRx").

Purpose and Intent

Klingemann is the sole owner of the Licensed Patents defined below, and has the right to enter into this Agreement;

Klingemann believes a start-up company, like ZelleRx, founded around the Licensed Patents is the most effective commercialization vehicle for this technology;

Klingemann is a founder of, and holds founders' stock in, ZelleRx; and

ZelleRx desires exclusive license rights to the Licensed Patents for commercialization in all fields and Klingemann is willing to grant such exclusive license in accordance with the terms and conditions hereinafter set forth;

Therefore, in consideration of the foregoing and the mutual covenants herein contained, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Agreement

1. Definitions. The following capitalized terms used in this Agreement shall mean:

(a) "Affiliate" means, as to any person or entity, any other person or entity which directly or indirectly controls, is controlled by or is under common control with such person or entity. "Control" (and with correlative meanings, the terms "controlled by" and "under common control with") shall mean beneficial ownership of fifty one percent (51%) (A-more of the outstanding securities or the ability to otherwise elect a majority of the board of directors or other managing authority.

(b) "Effective Date" means the date set forth on page 1, line 1, of this Agreement.

(c) "Field" means all fields of use.

(d) "Inventor(s)" means the inventor(s) named in the Licensed Patents.

(e) "Licensed Patents" means the patent applications listed on Schedule A attached hereto, and all patents applications claiming priority therefrom, and including all divisions, continuations, continuations in part, foreign counterparts, and any valid patents which may issue therefrom and any reissues, renewals, substitutions, or extensions of or to any such patents or patent

applications, provided that Licensed Patents shall not include any patent applications and any patents issuing from patent applications filed in countries (i) that ZelleRx elects not to file in pursuant to Paragraph 4. A. and (ii) where ZelleRx's rights are terminated under Paragraph 4. C. and provided that Licensed Patents shall not include any continuation in part applications claiming inventions made after Klingemann's termination of employment at BC Cancer Agency.

(f) "Licensed Product" means any product covered by the scope of any Valid Claim contained in any Licensed Patent or a product made by a process, method or technique covered by the scope of any Valid Claim in any Licensed Patent or methods of using any product covered by the scope of any Valid Claim contained in any Licensed Patent.

(g) "Improvement" means any modification of a Licensed Product provided practicing such modification, if unlicensed, would infringe one or more Valid Claims of the Licensed Patents. "Improvement" does not mean or include developments in respect to components, materials, or processes that are useful in practicing the inventions of the Licensed Patents, but that do not themselves infringe at least one of the licensed Valid Claims of the Licensed Patents.

(h) "Royalties" means all amounts payable under Paragraph 3 of this Agreement.

(i) "Net Sales" means the aggregate amount received for Sales of Licensed Products hereunder, less the following deductions:

(i) Discounts (including price adjustments related to commercial programs), returns, allowances, and wholesaler charge-backs allowed and taken, but in any case only in amounts consistent with reasonable and customary industry standards;

(ii) Commissions to persons other than Affiliates;

(iii) Import, export, excise, sales or use taxes, value added taxes, and other taxes, tariffs or duties, but not state, federal or foreign income taxes;

(iv) Freight, handling, transportation and insurance prepaid or allowed; and

(v) Amounts allowed or credited on retroactive price reductions or rebates.

Any refund of any of the foregoing amounts (including any reversal of a bad debt allowances, whether arising from amounts received in settlement of bad debts or otherwise) previously deducted from Net Sales shall be appropriately credit upon receipt thereof

Licensee may, at its option, allocate the above deductions from Sales of Licensed Products based upon accruals estimated reasonably and consistent with Licensee's standard business practices. If Licensee elects to utilize such accruals, actual deductions will be calculated and, if applicable, adjustments will be made on an annual basis.

If a Licensed Product is sold in combination with another product or products, Net Sales under such circumstances shall be calculated by multiplying Net Sales of the combination by the fraction A/(A+B), in which A is the invoice price of the Licensed Product when sold separately, and B is the total invoice price of any other product or products in combination when sold separately.

If, on a country-by-country basis, the other product or products in the combination are not sold separately, Net Sales, for purposes of determining royalties on the combination Licensed Product shall be calculated by multiplying actual Net Sales of such combination Licensed Product by the fraction A/C where A is the invoice price for the Licensed Product if sold separately and C is the invoice price of the combination Licensed Product.

If on a country-by-country basis, neither the Licensed Product nor the other product or products is sold separately in said country, Net Sales, for the purpose of determining royalties on the combination Licensed Products shall be calculated as above except that A shall be the total cost of manufacture of the Licensed Produce and C shall be the total cost of manufacture of the combination Licensed Product, as determined in accordance with a Party's customary accounting practices, consistently applied.

(j) "Sublicensee" means any person, company or other entity granted a sublicense by ZelleRx under Paragraph 2. D. below, including Affiliates of the Sublicensee.

(k) "Sublicense" means any agreement entered into by ZelleRx with any third party which grants such third party license rights to the Licensed Patents and/or Licensed Products.

(l) "Technical Information" means Klingemann's rights in all data, trial results, drawings, cell lines, biological materials, designs, operating techniques, trade secrets, know-how, show-how, documents, models, inventions and equipment, or other information in any form (including oral disclosures) that have not become the subject of a Licensed Patent, in Klingemann's possession relating to Licensed Patents.

(m) "Territory" shall mean worldwide.

(n) "Valid Claim" means an issued claim of any unexpired patent or a claim of any pending patent application which has not been held unenforceable, unpatentable or invalid by a decision of a court of governmental body of competent jurisdiction, in a ruling that is unappealable or unappealed within the time allowed for appeal; which has not been rendered unenforceable through disclaimer or otherwise; and which has not been lost through an interference proceeding.

2. Grant of License and Reservation of Research Rights.

(a) Grant. Klingemann hereby grants to ZelleRx and its Affiliates an exclusive license to make, have made, use, import, export, offer to sell, and sell Licensed Products within the Field and within the Territory provided that Klingemann retains the right to make and use the Licensed Product for non-commercial research purposes only.

(b) Grant. Klingemann hereby grants to ZelleRx and its Affiliates an exclusive (except as otherwise specified in 2.E.) license to use the Technical Information within the Field and within the Territory, provided that Klingemann retains the right to make and use the Technical Information for non-commercial research purposes only.

(c) Grant. Klingemann further grants to ZelleRx and its Affiliates licenses of the scope specified in 2.A. of this Agreement in respect to patent applications and patents on any Improvements that are first conceived and actually or constructively reduced to practice prior to the expiration of this grant, and as to which Klingemann has or shall have the right to grant such licenses (i) without payment or other obligation to a third party or (ii) if the third party agrees that ZelleRx may assume any such payment or other obligation to a third party and ZelleRx does so assume such obligation.

(d) Sublicense. ZelleRx shall have the exclusive right to grant to third parties sublicenses to the rights granted ZelleRx under Paragraph 2.A., 2.B., and 2.C., on terms consistent with terms of this Agreement. All Sublicenses shall provide that the Sublicensee may not grant further Sublicenses to third parties, except for Affiliates of a Sublicensee or except for the purpose of having Licensed Products made for the Sublicensee. ZelleRx shall provide Klingemann with a copy of each executed Sublicense within thirty (30) days of the execution thereof

ZelleRx shall be responsible for the payment to Klingemann of all royalties payable pursuant to the provisions of Section 3 hereof by Affiliates and Sublicensees under all third party sublicenses granted by ZelleRx.

Each Sublicense shall state that if this Agreement terminates for any reason, except expiration pursuant to Paragraph 9. A., the Sublicense shall automatically terminate effective ninety (90) days following the termination of this Agreement without the necessity of any notice from Klingemann to the Sublicensee. In each case, Klingemann agrees to negotiate in good faith for a period of ninety (90) days following the termination of this Agreement with each Sublicensee for a license directly from Klingemann granting the Sublicensee substantially the same rights under substantially the same terms as those contained in the Sublicense with ZelleRx. If no agreement is reached within the ninety (90) days. Klingemann shall have no further obligation to the Sublicensee.

(e) Warranties. Klingemann warrants that he has the power and authority to enter into this Agreement and to make the grants of licenses set forth in Section 2 herein. Klingemann also warrants that the inventions claimed in the Licensed Patents were not developed with the use of United States government or other funds that limit, in any manner, any right granted in this Agreement, with respect to such inventions. Klingemann also warrants that he is unaware of any third party patent or patents which would be infringed by the use of the Licensed Product.

3. Royalties and Other Payments.

(a) Royalties. As partial consideration for the license granted in Paragraph 2 of this Agreement, ZelleRx shall pay directly to BC Cancer Agency, a Royalty equal to the royalty payable by Klingemann to BC Cancer Agency (the “BC Royalty”) pursuant to that certain agreement between Klingemann, as inventor, and BC Cancer Agency dated May 22, 1997 (the “BC Agreement”). As partial consideration for the license granted in Paragraph 2 of this Agreement, ZelleRx shall pay Klingemann, or his designee, a Royalty of [***]% of Net Sales of Licensed Products for therapeutic use by ZelleRx and its Affiliates, and a Royalty of [***]% of Net Sales of Licensed Products for diagnostic or other uses by ZelleRx, its Affiliates, in each case including the

amount, if any, of the BC Royalty. With respect to Sublicensees, ZelleRx shall pay Klingemann [***]% of any royalties received by ZelleRx or its Affiliates from Sublicensees for Net Sales of Licensed Products by said Sublicensees, provided further that with respect to such payments by Sublicensees, the amount payable to Klingemann shall include [***]% of the amount, if any, of the BC Royalty, with the other [***]% being born by ZelleRx.

(b) Calculation of Royalties. Royalties shall be payable to Klingemann by check and in U.S. currency within forty-five (45) days after the end of each calendar quarter during the term of this Agreement, beginning with the calendar quarter in which the first sale of Licensed Products is made by ZelleRx, its Affiliates, or its Sublicensees. Each payment shall be accompanied by a statement showing the calculation of the Royalties due. There shall be deducted from all such payments taxes required to be withheld by any governmental authority and ZelleRx shall provide copies of receipts for such taxes to Klingemann along with each Royalty payment. Any necessary conversion of currency into United States dollars shall be at the applicable rate of exchange of Citibank, N.A., in New York, New York, (or any other objective source of exchange rate information as may be mutually agreed upon by Klingemann and ZelleRx) on the last day of the calendar quarter in which such transaction occurred.

(c) Reduction of Royalties. (1) If ZelleRx, its Affiliate or Sublicensee, in exercising its rights under this Agreement is sued for infringement of a patent by a third party for an act which, but for the practice or use of the Licensed Products, would not infringe the rights of the third party, ZelleRx may credit its expenses in defense or settlement of such infringement against [***] of royalties accruing under this Agreement. (2) If additional technology is necessary to commercialize the Licensed Products, then ZelleRx may credit any royalty paid a third party on sales of Licensed Products against royalties accruing under this Agreement in an amount not to exceed [***], such credits being limited to royalties accruing upon the affected Licensed Products. (3) In the event that, with respect to Net Sales of all Licensed Products, ZelleRx is paying royalties to unaffiliated third parties (other than BC Cancer Agency) and the total royalties, including those payable to Klingemann hereunder, exceed [***] of Net Sales, the amount due and payable to Klingemann and the unaffiliated third parties (other than BC Cancer Agency) hereunder may be reduced proportionally such that total royalties equal [***] of Net Sales, but in no event shall the royalty payable to Klingemann with respect to such Licensed Products be less than [***] of Net Sales."

(d) Taxes. Klingemann shall pay any and all taxes levied on account of royalties or other payments he receives, directly or indirectly under this Agreement. If applicable laws require that taxes be withheld, ZelleRx shall (a) deduct these taxes from the remittal amount, (b) pay the taxes to the proper taxing authority, and (c) send proof of payment to Klingemann within forty-five (45) days following that payment.

(e) Blocked Currency/Royalty Rates. If by reason of any restrictive exchange laws' or regulations, ZelleRx or its Affiliates or Sublicensees shall be unable to convert to U.S. dollars amounts equivalent to the royalties payable hereunder in respect of Licensed Products sold for funds other than U.S. dollars, such royalty payments shall be deferred until such restrictive practices are lifted so as to permit such conversion, or until Klingemann, at his option, designates a bank of Klingemann's choice in the country in question, where such royalties may be legally remitted in trust for Klingemann, in local currency.

If in any country where Licensed Products are manufactured or sold, rates of royalties provided for herein are prohibited by law or regulation, ZelleRx shall pay such royalties at the highest rate permitted in that country for licenses of the type herein granted, and shall be deemed in compliance with its royalty payment obligations hereunder in so doing.

(f) Records. ZelleRx shall, and shall require its Sublicensees and Affiliates of either, to keep full and accurate books and records in sufficient detail so that sums due Klingemann hereunder or sums due BC Cancer Agency under the BC Agreement can be properly calculated. Such books and records shall be maintained for at least five (5) years after the Royalty reporting period(s) to which they relate. During the term hereof and for three (3) calendar years thereafter, ZelleRx shall permit, and shall require its Sublicensees and Affiliates of either to permit, accountants designated by Klingemann, to whom ZelleRx has no reasonable objection, to examine its books and records at a time convenient for Klingemann and ZelleRx for the purpose of verifying the accuracy of the written statements submitted by ZelleRx and sums paid or payable. Klingemann may conduct such examination no more than once in any calendar year. After completion of any such examination, Klingemann shall promptly notify ZelleRx in writing of any proposed modification to ZelleRx's statement of sums due and payable. If ZelleRx accepts such modification, or if the parties agree on other modifications, one party shall promptly pay or credit the other in accordance with such resolution. Such examination shall be made at the expense of Klingemann, except that if such examination discloses a discrepancy of five percent (5%) or more in the amount of Royalties and other payments due Klingemann, then ZelleRx shall reimburse Klingemann for the cost of such examination.

(g) Overdue Payments. Payments due to Klingemann under this Agreement shall, if not paid when due under the terms of this Agreement, bear simple interest at the lower of the prime rate of interest (as published by Citibank, N.A. on the date such payment is due) plus five percent (5%) or the highest rate permitted by law, calculated on the basis of a 360-day year for the number of days actually elapsed, beginning on the due date and ending on the day prior to the day on which payment is made in full. Interest accruing under this Paragraph shall be due Klingemann on demand or upon payment of past due amounts, whichever is sooner. The accrual or receipt by Klingemann of interest under this Paragraph shall not constitute a waiver by Klingemann of any right it may otherwise have to declare a default under this Agreement or to terminate this Agreement.

4. Prosecution and Maintenance of Patents: Paten Costs.

(a) Prosecution and Maintenance. On and after the Effective Dave, ZelleRx shall be solely responsible for the preparation, filing, prosecution and maintenance of the Licensed Patents and Improvements made by Klingemann while at BC Cancer Agency. ZelleRx shall cause its patent counsel to provide Klingemann with a list of the countries in which it has filed and/or intends to file applications. Such list shall be provided to Klingemann at least sixty (60) days prior to the expiration of the corresponding Paris Convention priority date to allow Klingemann to suggest that additional countries be added to the list or that one or more countries be deleted from the list.

ZelleRx agrees to file applications in the additional countries requested by Klingemann unless it otherwise notifies Klingemann under Paragraph 4.B. Klingemann agrees to cooperate, and agrees to use his best efforts to require his Affiliates to cooperate, with ZelleRx in the preparation, filing, prosecution and maintenance of the Licensed Patents by disclosing such information as may be necessary for the same and by promptly executing such documents as ZelleRx may reasonably request in connection therewith. Klingemann and its Sublicensees and Affiliates of either shall bear their own costs in connection with their cooperation with ZelleRx under this Paragraph. ZelleRx will provide Klingemann drafts of all documents received or prepared by ZelleRx, and with copies of all documents received by ZelleRx, in the prosecution and maintenance of the Licensed Patents. ZelleRx shall provide drafts and copies in a timely manner to allow Klingemann an opportunity to comment and request changes in ZelleRx's documents. ZelleRx agrees to consider including all reasonable comments of Klingemann.

(b) Klingemann's Rights to Prosecute and Maintain Patents. ZelleRx shall notify Klingemann in writing of any country(ies) where it either previously declared its intention to file under Paragraph 4.A. and subsequently decided not to file in such country(ies) or previously filed and decided to abandon the patent application or issued patent. Such notice shall be given so as to allow Klingemann a reasonable time within which to file, or continue prosecution, or otherwise avoid abandonment of the application or patent, whichever is relevant. In all cases where Klingemann elects to file, or continue prosecution, or otherwise avoid abandonment in countries where ZelleRx either does not now intend to file or is not going to continue the prosecution or otherwise avoid abandonment, Klingemann shall file, prosecute and maintain the applications and patents in Klingemann's name and at Klingemann's expense. Such patents shall not be included in the definition of Licensed Patents for all purposes of this Agreement.

Upon written request of either party, ZelleRx and its patent counsel shall meet with Klingemann regarding any material issues related to prosecution and maintenance of Licensed Patents, provided that neither party shall have any obligation to have more than one such meeting in any 30 day period. Such meeting shall be held at any time and place as shall be reasonably agreed by parties, as promptly as practicable after receipt of such notice.

(c) Prior Patent Costs. ZelleRx agrees to pay all necessary and reasonable third party fees and expenses incurred by Klingemann in obtaining and. maintaining the Licensed Patents and with regard to entering into this Agreement prior to the date of this Agreement if reasonably detailed documentation received from third party vendors to support the amount shall be delivered to ZelleRx, provided however, that such amount shall not exceed $[***], provided, further that said payment shall be payable within one hundred eighty (180) days from the date such reasonably detailed documentation is delivered to ZelleRx.

5. Due Diligence and Milestones.

(a) Research and Development Expenditures. ZelleRx agrees to fund, directly, or indirectly with or through strategic alliances, joint ventures, and other entities, including without limitation application of matching funds or grants provided by governmental or quasi-governmental agencies or entities, research and development work directed to the demonstration and further development of the technology embodied in the Licensed Patents, including without limitation, work done in connection with the design and implementation of pre-clinical and clinical trials and the actual commencement and conducting thereof, in the following amounts, in the following periods:

(1) not less than $[***] not later than December 31, 2003;

(2) not less than $[***] (including the amounts referred to in Section 5.A.i)) not later than December 31, 2004;

(3) not less than $[***] (including the amounts referred to in Sections 5.A.i) and 5.A.ii)) not later than December 31, 2005; and

(4) not less than $[***] (including the amounts referred to in Sections 5.A.i), 5.A.ii), and 5.A.iii)) not later than December 31, 2006.

Notwithstanding the foregoing, the funding requirements of this Paragraph 5 shall terminate if at any time after the Effective Date, ZelleRx enters into Phase III trial(s) with respect to a Licensed Product.

(b) Progress Reports. Upon written request of Klingemann, ZelleRx shall meet with Klingemann regarding any material issues related to progress in the commercialization of Licensed Products, provided that ZelleRx shall not have any obligation to have more than one such meeting in any 180 day period. Such meeting shall be held at any time and place as shall be reasonably agreed by parties, as promptly as practicable after receipt of such notice.

6. Disclaimer of Warranties; Indemnification, Insurance.

(a) Disclaimer of Warranties. Except with respect to a material misrepresentation or fraud by Klingemann in this agreement, and except for Klingemann's specific representations in Paragraph 2.E, Klingemann makes no representations or warranties of any kind, express or implied, with respect to the invention(s) claimed in the Licensed Patents or with respect to the Licensed Patents themselves, including but not limited to, any representations or warranties about (i) the validity, scope or enforceability of any of the Licensed Patents; (ii) the accuracy, safety or usefulness for any purpose of any information provided by Klingemann to ZelleRx, its Sublicensees or Affiliates of either, with respect to the invention(s) claimed in the Licensed Patents or with respect to the Licensed Patents themselves and any products developed from or covered by them; (iii) whether the practice of any claim contained in any of the Licensed Patents will or might infringe a patent or other intellectual property right owned or licensed by a third party; (iv) the patentability of any invention claimed in the Licensed Patents; or (v) the accuracy, safety, or usefulness for any purpose of any product or process made or carried out in accordance with or through the use of the Licensed Patents.

(b) Indemnification. ZelleRx agrees, and agrees to require its Sublicensees and Affiliates of either, to indemnify, defend and hold harmless Klingemann from and against any and all claims, demands, loss, damage, penalty, cost or expense (including attorneys' and witnesses' fees and costs) of any kind or nature, arising from the development, production, use, sale or other disposition of Licensed Products and all activities associated therewith by ZelleRx, its Sublicensees or Affiliates of either, or any use, by one or more of them, of information provided by Klingemann

to ZelleRx, its Sublicensees or Affiliates of either. ZelleRx agrees and agrees to require each of its Sublicensees and Affiliates of either to agree not to sue Klingemann in connection with the development, production, use, sale or other disposition of Licensed Products and all activities associated therewith, by one or more of them. Klingemann shall be entitled to participate at his option and expense through counsel of his own selection, and may join in any legal actions related to any such claims, demands, losses, damages, costs, expenses and penalties. ZelleRx shall not, and shall require in any sublicense that its Sublicensees and Affiliates of sublicensees shall not enter into any settlement affecting any rights or obligations of Klingemann or which includes an express or implied admission of liability, negligence or wrongdoing by Klingemann, without the prior written consent of Klingemann.

(c) Assumption of Risk. The entire risk as to the performance, safety and efficacy of any invention claimed in the Licensed Patents or of any Licensed Products is assumed by ZelleRx, its Sublicensees and Affiliates of either, provided that such assumption of the risk shall not apply to the intentional misconduct or gross negligence by Klingemann. Klingemann shall not, except for his intentional misconduct or gross negligence or use other than as permitted by the grants in Sections 2.A and 2.B hereof, be responsible or liable for any injury, loss, or damage of any kind, including but not limited to direct, indirect, special, incidental or consequential damages or lost profits to ZelleRx, any Sublicensee, Affiliates of either or customers or any of the foregoing, or for any such injury, loss or damage to any other individual or entity, regardless of legal theory based on the development, manufacture, use, sale or other disposition of Licensed Products and all activities associated therewith. The above limitations on liability apply even though Klingemann may have been advised of the possibility of such injury, loss or damage. ZelleRx shall not, and shall require in its sublicenses that all Sublicensees and Affiliates of either not make any agreements, statements, representations or warranties or accept any liabilities or responsibilities whatsoever with regard to any person or entity which are inconsistent with this Paragraph.

(d) Insurance. ZelleRx agrees and agrees to require in any sublicense that its Sublicensees and Affiliates of either to obtain and maintain reasonable liability insurance for claims for bodily injury, property, or other damage alleged to relate to Licensed Products and to support ZelleRx's Indemnification obligations under Paragraph 6.B. ZelleRx, Sublicensees, and Affiliates shall list Klingemann, at ZelleRx's, its Sublicensees' or Affiliates' of either of them, expense, whichever is relevant, as additional named insureds under each liability insurance policy (including excess or umbrella liability policies) that ZelleRx, its Sublicensees and Affiliates of either have or shall obtain, that includes any coverage of claims relating to Licensed Products. This liability insurance shall be obtained prior to the first commercial use or the beginning of ZelleRx-authorized human clinical trials of the Licensed Products after the effective date of this Agreement, whichever is first, and shall provide initial coverage to Klingemann of at least $2,500,000 coverage. At the end of each two (2) year period from the effective date of this Agreement, the ZelleRx Board of Directors will determine the appropriate level and nature of the liability insurance, provided that the insurance coverage may not be reduced below $2,500,000. Such insurance shall be primary and noncontributory to any insurance Klingemann and its Affiliates may have. At Klingemann's request, ZelleRx will supply Klingemann from time to time with copies of each such policy, and will notify Klingemann in writing at least 30 days prior to any termination of or change in coverage under any such policies.

7. Confidentiality.

(a) Confidentiality, Publications and Data Access. All information submitted by one party to the other concerning the invention(s) claimed in the Licensed Patents and Licensed Products and Improvements shall be considered as confidential ("Confidential Information") and shall be utilized only pursuant to the licenses granted hereunder. During the term of this Agreement and for a period of five (5) years thereafter, neither party shall disclose to any third party any Confidential Information received from the other party without the specific written consent of such party. However, ZelleRx may disclose Confidential Information belonging to Klingemann to potential Sublicensees and for the purpose of evaluating their interest in entering into a Sublicense but only after entering into a confidentiality and non-use agreement on the same terms as those contained in this Paragraph. The foregoing shall not apply where such Confidential Information a) was or becomes public through no fault of the receiving party, b) was, at the time of receipt, already in the possession of the receiving party as evidenced by its written records, c) was obtained from a third party legally entitled to use and disclose the same, d) is on advice of counsel, required by law to be disclosed to a governmental agency, or e) the disclosure of such information that is reasonably considered necessary for the commercial exploitation of the license granted herein. Notwithstanding the forgoing, ZelleRx may disclose Confidential Information to its Affiliates and Sublicensees, provided such Affiliates and Sublicensees agree to be bound by the same confidentiality provisions as set forth herein.

(b) Publications. Klingemann shall provide to ZelleRx copies of any proposed written publication by Klingemann containing any Confidential Information of ZelleRx and, to the extent Klingemann is aware of them, proposed publications containing any Confidential Information of ZelleRx by persons working with or for Klingemann. ZelleRx agrees to provide copies of any proposed written publication of ZelleRx, its Sublicensees and Affiliates of either of them, containing any Confidential Information of Klingemann, to Klingemann. The parties shall provide copies of such proposed written publications at least ninety (90) days in advance of publication. The receiving party may within thirty (30) days of receipt of such proposed publication object to such proposed publication or disclosure on the grounds that (i) it contains patentable subject matter that needs patent protection or (ii) that the publication contains Confidential Information of the objecting party. At the request of the objecting party, Confidential Information of such party shall be deleted from the publication or the proposed publications shall be delayed for a period of up to thirty (30) days to permit the preparation and filing of appropriate patent applications.

8. Infringement. In the event of an infringement of a Licensed Patent or an action filed by a third party asserting infringement by a Licensed Product the following shall apply;

(a) Notice. Each party shall give the other written notice if one of them becomes aware of any infringement by a third party of any Licensed Patent or the filing of an action by a third party asserting infringement by a Licensed Product. Upon notice of any such infringement or the filing of such action by a third party, the parties shall promptly consult with one another with a view toward reaching agreement on a course of action to be pursued.

(b) ZelleRx's Right to Bring Infringement Action.

(i) If a third party infringes any patent included in the Licensed Patents within the Field, ZelleRx shall have the right to institute and prosecute an action or proceeding to abate such infringement and to resolve such matter by settlement or otherwise. ZelleRx agrees to notify Klingemann of its intention to bring an action or proceeding prior to filing the same and in sufficient time to allow Klingemann the opportunity to discuss with ZelleRx the choice of counsel for such matter. ZelleRx agrees to hire counsel reasonably acceptable to Klingemann. ZelleRx shall keep Klingemann timely informed of material developments in the prosecution or settlement of such action or proceeding. ZelleRx shall be responsible for all costs and expenses of any action or proceeding against infringes which ZelleRx initiates. Klingemann shall cooperate fully by joining as a party plaintiff if required to do so by law to maintain such action or proceeding and by executing and making available such documents as ZelleRx may reasonably request. ZelleRx agrees to promptly reimburse Klingemann for his reasonable third party out-of-pocket fees and expenses incurred in joining an action or proceeding or cooperating with ZelleRx. Klingemann may be represented by counsel in any such legal proceedings, at Klingemann's own expense, subject to reimbursement under Paragraph 8. B. (2), acting in an advisory but not controlling capacity.

(ii) The prosecution, settlement, or abandonment of any action or proceeding under Paragraph 8. B. (1) shall be at ZelleRx's reasonable discretion provided that ZelleRx shall not have any right to surrender any of Klingemann's rights to the Licensed Patents or to grant any infringer any rights to the Licensed Patents without Klingemann's written consent.

(iii) Except as provided herein, all amounts of every kind and nature recovered from an action or proceeding of infringement by ZelleRx shall belong to ZelleRx. If the amounts recovered by ZelleRx exceed ZelleRx's reasonable third party out-of-pocket fees and expenses, ZelleRx shall reimburse Klingemann for Klingemann's reasonable out-of-pocket fees and expenses incurred in hiring its own counsel. After deduction of the fees and expenses of both parties to this Agreement, any remaining amounts recovered shall be subject to Royalty payments in accordance with Paragraph 3.

(c) Klingemann's Right to Bring Infringement Action.

(i) If a third party infringes any patent included in the Licensed Patents within the Field which Klingemann wishes to prosecute, Klingemann shall first notify ZelleRx in writing and request that ZelleRx bring an action or proceeding against the infringing third party. If ZelleRx declines or fails to bring such an action or proceeding within thirty (30) days of receipt of the notice, Klingemann shall have the right, at its discretion, to institute and prosecute an action or proceeding to abate such infringement and to resolve such matter by settlement or otherwise. ZelleRx shall cooperate fully by joining as a party plaintiff if required to do so by law to maintain such action and by executing and making available such documents as Klingemann may reasonably request. If the amounts recovered by Klingemann exceed his reasonable third party out-of-pocket fees and expenses, Klingemann agrees to pay ZelleRx for its and its Sublicensees' reasonable out-of-pocket third party expenses incurred by it in cooperating in the action or proceeding. Except as specifically provided in this Paragraph, Klingemann shall share with ZelleRx 50% of all amounts recovered of every kind and nature. Amounts recovered by Klingemann shall not give rise to Royalty payments under Paragraph 3.

(ii) Before abandonment with prejudice of any proceeding under Paragraph 8.C.(1), Klingemann shall consult with ZelleRx and, at ZelleRx's election and expense, shall allow ZelleRx to prosecute the action.

(d) ZelleRx's Obligation to Defend Against Third Party Infringement Action.

(i) If a third party brings an infringement action against Klingemann or ZelleRx, individually or jointly, asserting that the Licensed Products infringe one or more of the third party's patents, ZelleRx agrees to notify Klingemann of its intention to defend against such action and in sufficient time to allow Klingemann the opportunity to discuss with ZelleRx the choice of counsel for such matter. ZelleRx agrees to hire counsel reasonably acceptable to Klingemann. ZelleRx shall keep Klingemann timely informed of material developments in the prosecution or settlement of such action or proceeding. ZelleRx shall be responsible for all costs and expenses of any action or proceeding. Klingemann shall cooperate fully by joining as a party plaintiff if required to do so by law to maintain such action or proceeding and by executing and making available such documents as ZelleRx may reasonably request. ZelleRx agrees to promptly reimburse Klingemann for its reasonable third party out-of-pocket fees and expenses incurred in joining an action or proceeding or cooperating with ZelleRx. Klingemann may be represented by counsel in any such legal proceedings, at Klingemann's own expense, subject to reimbursement under Paragraph 8. B. (2), acting in an advisory but not controlling capacity.

(ii) The defense or settlement of any action or proceeding under Paragraph 8. D. (1) shall be at ZelleRx's reasonable discretion provided that ZelleRx shall not have any right to surrender any of Klingemann's rights to the Licensed Patents without Klingemann's written consent.

9. Termination.

(a) Term. Unless terminated earlier, this Agreement shall expire on the expiration date of the last to expire of the Licensed Patents unless the Licensed Patents have been assigned to ZelleRx in accordance with Section 10 hereof.

(b) Klingemann's Right to Terminate. Unless the Licensed Patents have been assigned to ZelleRx in accordance with Section 10 hereof, Klingemann shall have the right to terminate this Agreement as follows, in addition to all other available remedies:

(i) If ZelleRx fails to make any Royalty or other payment when due, this Agreement shall terminate effective sixty (60) days after Klingemann's written notice to ZelleRx to such effect, unless ZelleRx makes such payment within the sixty (60) days.

(ii) If ZelleRx fails to observe any other material obligation of this Agreement, this Agreement shall terminate effective sixty (60) days after Klingemann's written notice to ZelleRx describing such failure, unless ZelleRx cures such failure within the sixty (60) days, or is diligently working to cure any such obligation that is not curable within sixty (60) days, as can be reasonably confirmed by an objective third party.

(iii) If ZelleRx shall have filed by or against it a petition under any bankruptcy or insolvency law and such petition is not dismissed within sixty (60) days of its filing, or if ZelleRx makes an assignment of all or substantially all of its assets for the benefit of its creditors Klingemann may terminate this Agreement by written notice effective as of the (i) date of filing by ZelleRx of any such petition, (ii) date of any such assignment to creditors, or (iii) end of the sixty (60) days if a petition is filed against it and not dismissed by such time, whichever is applicable.

(iv) If ZelleRx shall be dissolved, liquidated or otherwise ceases to exist, other than for reasons specified in Paragraph 9. B. (3). above or upon completion of a merger or sale or transfer of assets or otherwise, with or to a successor, where the successor assumes the duties and obligations under this Agreement, this Agreement shall automatically terminate as of (i) the date articles of dissolution or a similar document is filed on behalf of ZelleRx with the appropriate government authority or (ii) the date of establishment of a liquidating trust or other arrangement for the winding up of the affairs of ZelleRx.

(c) ZelleRx's Right to Terminate. Unless the Licensed Patents have been assigned to ZelleRx in accordance with Section 10 hereof, ZelleRx may terminate this Agreement at any time by giving Klingemann ninety (90) days prior written notice.

(d) Survival. All causes of action accruing to either party under this Agreement shall survive termination for any reason, as well as ZelleRx's obligation to pay Royalties and Patent Costs accrued prior to the date of termination and which were not paid or payable before termination, along with the record keeping required by Paragraphs 3. F. and J.

10. Miscellaneous.

(a) Marking. ZelleRx shall and agrees to require its Sublicensees and Affiliates of either, to place in a conspicuous location on Licensed Products (or its packaging where marking the Product is physically impossible) sold to third parties, a patent notice in accordance with the laws concerning the marking of patented articles in the country in which such articles are sold.

(b) Export Regulations. To the extent that the United States Export Control Regulations are applicable, neither ZelleRx nor Klingemann shall, without having first fully complied with such regulations, (i) knowingly transfer, directly or indirectly, any unpublished technical data obtained or to be obtained from the other party hereto to a destination outside the United States, or (ii) knowingly ship, directly or indirectly, any product produced using such unpublished technical data to any destination outside the United States.

(c) Entire Agreement, Amendment, Waiver. With the exception of TERM SHEET ZELLERX CORPORATION signed by Klingemann and Gary N. Keller on October 2, 2002, as amended effective as of the date of this Agreement, this Agreement together with the Schedules attached hereto constitutes the entire agreement between the parties regarding the subject matter hereof, and supersedes all prior written or oral agreements or understandings (express or implied) between them concerning the same subject matter. This Agreement may not be amended or modified except in a document signed by duly authorized representatives of each party. No waiver of any default hereunder by either party or any failure to enforce any rights hereunder shall be deemed to constitute a waiver of any subsequent default with respect to the same or any other provision hereof. The above mentioned TERM SHEET, as amended, is hereby incorporated by reference to the extent that, in the case of any discrepancies between specific terms, the term of the present Agreement will prevail.

It is the intend of the parties to negotiate and enter into a consulting agreement whereby Klingemann provides consulting services to ZelleRx and an agreement for Klingemann's appointment to Chairman of the Scientific Advisory Board.

(d) Notice. Any notice required or otherwise made pursuant to this Agreement shall be in writing, sent by registered or certified mail properly addressed, or by facsimile with confirmed answer-back, to the other party at the address set forth below or at such other address as may be designated by written notice to the other party. Notice shall be deemed effective three (3) business days following the date of sending such notice if by mail, on the day following deposit with an overnight courier, if sent by overnight courier, or upon confirmed answer-back if by facsimile.

If to Klingemann: Hans G. Klingemann

If to ZelleRx: ZelleRx Corporation
600 S. Hoyne
Chicago, Illinois 60612
Attn: President

(e) Assignment. This Agreement shall be binding on the parties hereto and upon their respective successors and assigns. Either party may at any time, upon written notice to the other party, assign or delegate to a successor to all or substantially all of its business any of its rights and obligations hereunder. Except as provided in the preceding sentence, and except for sublicensing permitted as to ZelleRx hereunder, neither Party may assign or delegate any right or obligation hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld, and any attempted assignment or delegation in violation thereof shall be void. Subject to the agreement of ZelleRx to continue paying royalties to Klingemann in accordance with the terms and conditions of this Agreement until the expiration date of the last to expire of the Licensed Patents and also subject to the agreement of ZelleRx to pay royalties to BC Cancer Agency in accordance with the terms and conditions of the BC Agreement, Klingemann shall, upon commencement by ZelleRx of a Phase III trial of a Licensed Product in the United States, assign all of his right, title and interest in and to the Licensed Patents to ZelleRx and shall promptly execute and any and all applications, assignments, and other instruments that ZelleRx shall deem necessary to complete such assignment, provided that Klingemann shall retain the right to make and use the Licensed Product and Technical Information for research purposes only.

(f) Governing Law. The interpretation and performance of this Agreement shall be governed by the laws of the State of Illinois applicable to contracts made and to be fully performed in that state.

(g) Klingemann's Employer. This Agreement is entered into by Klingemann in his own private capacity and not on behalf of his past or current Employer, nor as a contractor or agent of his past or current Employer. It is understood and agreed that neither Klingemann's past or current Employer is a party to this Agreement and they are not liable for nor assume any responsibility or obligation under this Agreement, and are not liable for any action or lack thereof by Klingemann.

(h) Advertising. Each party agrees not to use the name of the other party in any commercial activity, marketing, advertising or sales brochures except with the prior written consent of the other party, which consent may be granted or withheld in such party's sole discretion. ZelleRx agrees not to use, and shall prohibit its Sublicensees and the Affiliates of either from using the name of Klingemann's past or current Employer in any commercial activity, marketing, advertising or sales brochures.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their respective duly authorized officers or representatives on the date first above written.

Klingemann	ZelleRx Corporation
/s/ Hans G. Klingemann	By: /s/ Gary Keller
Hans G. Klingemann	Its: President

SCHEDULE A

[***]

FIRST AMENDMENT
to
LICENSE AGREEMENT
between
HANS G. KLINGEMANN and ZELLERX CORPORATION

This FIRST AMENDMENT TO THE LICENSE AGREEMENT (the ("**First Amendment**") by and between HANS G. KLINGEMANN, an individual resident of Masschusetts ("**Klingemann**"), and ZELLERX CORPORATION, an Illinois corporation ("**ZelleRx**") is entered into as of March 19, 2008 (the "**Effective Date**"). Capitalized terms not expressly defined herein shall have the meaning set forth in the License Agreement.

RECITALS

WHEREAS, Klingemann and ZelleRx entered into a License Agreement effective February, 2003 (the "**License Agreement**"); and

WHEREAS, the parties now wish to amend the License Agreement as expressly set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

AGREEMENT

1.1 Section 5.A (Due Diligence and Milestones; Research and Development Expenditures) is hereby amended by deleting clauses i) through iv) in their entirety and replacing them with the following:

i) not less than $[***] not later than December 31, 2008.

ii) not less than $[***] (including the amounts referred to in Section 5.A.i)) not later than December 31, 2009.

iii) not less than $[***] (including the amounts referred to in Section 5.A.i) and 5.A.ii)) not later than December 31, 2010, and

iv) not less than $[***] (including the amounts referred to in Section 5.A.i), 5.A.ii) and 5.A.iii)) not later than December 31, 2011.

1.2 Miscellaneous.

(a) No Other Changes. All other terms of the License Agreement shall remain in full force and effect as amended hereby.

(b) Counterparts. This First Amendment may be executed in any number of counterparts and signatures may be delivered by facsimile, each of which shall be deemed an original, but both of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, each of Klingemann and ZelleRx have executed this First Amendment as of the Effective Date.

HANS G. KLINGEMANN

/s/ Hans G. Klingemann
Hans G. Klingemann

ZELLERX CORPORATION

By: /s/Authorized Representative

Title:

SECOND AMENDMENT
to
LICENSE AGREEMENT
between
HANS G. KLINGEMANN and ZELLERX CORPORATION

This SECOND AMENDMENT TO THE LICENSE AGREEMENT (the ("**Second Amendment**") by and between HANS G. KLINGEMANN, an individual resident of Masschusetts ("**Klingemann**"), and ZELLERX CORPORATION, an Illinois corporation ("**ZelleRx**") is entered into as of June 3, 2009 (the "**Effective Date**"). Capitalized terms not expressly defined herein shall have the meaning set forth in the License Agreement.

RECITALS

WHEREAS, Klingemann and ZelleRx entered into a License Agreement effective February, 2003 (the "**License Agreement**") and a First Amendment to License Agreement effective March 19, 2008 (the "**First Amendment to License Agreement**"); and

WHEREAS Klingemann and ZelleRx desire to amend the License Agreement to provide Klingemann additional security interest in ZelleRx in exchange for assignment of all rights, title and interest to the Licensed Patents and Technical Information;

WHEREAS Klingemann and ZelleRx desire to keep the balance of the License Agreement intact; WHEREAS, the parties now wish to amend the License Agreement as expressly set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

AGREEMENT

1.1 Section 3.A shall be amended and restated in in its entirety as follows: "Royalties. As partial consideration for the license granted in Paragraph 2 of this Agreement, ZelleRx shall pay directly to BC Cancer Agency, a Royalty equal to the royalty payable by Klingemann to BC Cancer Agency (the "BC Royalty") pursuant to that certain agreement between Klingemann, as inventor, and BC Cancer Agency dated May 22, 1997 (the "BC Agreement"). As partial consideration for the license granted in Paragraph 2 of this Agreement, ZelleRx shall pay Klingemann, or his designee, a Royalty of [***]% of Net Sales of Licensed Products for therapeutic use by ZelleRx and its Affiliates, and a Royalty of [***]% of Net Sales of Licensed Products for diagnostic or other uses by ZelleRx and its Affiliates. With respect to Sublicensees, ZelleRx shall pay Klingemann [***]% of any royalties received by ZelleRx or its affiliates from sublicenses for Net Sales of Licensed Products by said Sublicensees."

1.2 Section 3.C shall be amended and restated in its entirety as follows: "(1) If additional technology is necessary to commercialize the Licensed Products, then ZelleRx may credit any royalty paid a third party on sales of Licensed Products against royalties accruing under this Agreement in an amount not to exceed [***], such credits being limited to royalties accruing upon the affected Licensed Products. (2) In the event that, with respect to Net Sales of all Licensed Products, ZelleRx is paying royalties to unaffiliated third parties (other than BC Cancer Agency) and the total royalties, including those payable to Klingemann hereunder, exceed [***] of Net Sales, the amount due and payable to Klingemann and the unaffiliated third parties (other than BC Cancer Agency) hereunder may be reduced proportionately such that total royalties equal [***] of Net Sales, but in no event shall the royalty payable to Klingemann with respect to such Licensed Products be less than [***] of Net Sales."

1.3 New subsections (H), (I) and (J) shall be added to section 3 as follows:

3.H. Ownership Interest. As partial consideration for the full sale and assignment of the Licensed Patents and Technical Information to ZelleRx, Klingemann shall be issued additional shares of common stock of ZelleRx at the purchase price of $[***] per share in conjunction with the closing of the Series B round of financing so as to ensure that Klingemann retains no less than [***]% of the total outstanding shares of ZelleRx on a fully diluted basis.

3.I. Warrant Milestone Payments. As partial consideration for the full sale and assignment of the Licensed Patents and Technical Information to ZelleRx, Klingemann shall be issued warrants to purchase up to [***] additional shares of common stock of ZelleRx, at a purchase price of $[***] per share with a 10 year exercise term upon ZelleRx reaching the following milestones and in the following amounts:

i. [***]

ii. [***]

iii. [***]

iv. [***]

v. [***]

Upon the consummation of the sale or disposition by ZelleRx of all or substantially all of ZelleRx's assets, all remaining unissued milestone payments for milestones that can still be achieved, shall be issued to Klingemann on the day immediately prior to closing such transaction.

Klingemann shall, at the time of each issuance of warrants to purchase shares of common stock, be in a business value adding service to ZelleRx to maintain eligibility to receive Warrant Milestone Payments. This service shall include, but not be limited to, Director, Officer, Scientific Advisory Board member, employee and consultant of ZelleRx, and shall be under a formalized agreement between Klingemann and ZelleRx. Remuneration for such service shall be specified in a

separate agreement and be incremental to any remuneration specified in this Second Amendment to License Agreement. Klingemann may serve in more than one capacity at any given time. Klingemann and ZelleRx shall mutually agree on the type of service(s) to be provided by Klingemann to ZelleRx, and in the event of disagreement, Consultant shall be the default service. Moreover, if ZelleRx causes Klingemann to become ineligible through termination or any other action, Klingemann shall retain his eligibility to receive all Warrant Milestone Payments.

After the closing of the transactions described in the Bridge Loan Agreement, ZelleRx and Klingemann shall execute a commercially reasonable definitive Warrant Agreement.

3.J. Restrictions on Stock and Warrants. In addition to all securities held by Klingemann as of the Effective Date, all securities to be issued in connection with this Second Amendment shall be subject to the Shareholder Lock Up Agreement attached hereto as Exhibit A. In the event that a conflict arises between the Shareholder Agreement and the Shareholder Lock Up Agreement, the Shareholder Lock Up Agreement shall prevail.

1.4 Section 10.C. shall be revised to state: "The above mentioned TERM SHEET, as amended, is hereby incorporated by reference to the extent that, in the case of any discrepancies between specific terms, the terms of the present Agreement will prevail. **For clarity purposes, milestones 1, 2 and 3 listed in Addendum A of the TERM SHEET signed and dated October 2, 2002, shall be superceeded and replaced by the Research and Development Expenditure milestones i, ii, iii, and iv listed in section 1.1 of the First Amendment to License Agreement between Hans G. Klingemann and ZelleRx Corporation, dated March 19, 2008 and it is acknowledged that, as of the Effective Date, these milestones are hereby fully satisfied by ZelleRx."**

1.5 Section 10.E. shall be revised to state: "Subject to the agreement of ZelleRx to continue paying royalties to Klingemann in accordance with the terms and conditions of this Agreement until the expiration date of the last to expire of the Licensed Patents and also subject to the agreement of ZelleRx to pay royalties to BC Cancer Agency in accordance with the terms and conditions of the BC Agreement, Klingemann shall, **upon execution of this Agreement, sell and** assign all of his right, title and interest in and to the Licensed Patents **and Technical Information** to ZelleRx and shall promptly execute any and all applications, assignments and other instruments that ZelleRx shall deem necessary to complete such **sale and** assignment, provided that Klingemann shall retain the right to make and use the Licensed Product and Technical Information for research purposes only. To eliminate any doubt, Technical Information includes the NK-92, NK-92MI and NK-92CI cell lines and "sell and assign all of his right title and interest" shall constitute a transfer of ownership of the patents and patent applications attached hereto as Exhibit B. Furthermore, Klingemann hereby warrants to ZelleRx that the Licensed Patents and Technical Information is free and clear for such transfer of ownership to ZelleRx and is unencumnered by any third party contractual agreements or commitments other than that with ZelleRx**..**

If a closing does not occur under the Bridge Loan Agreement within 75 days from the Effective Date, ZelleRx shall sell and assign all of the right, title and interest in and to the Licensed Patents and Technical Information back to Klingemann and ZelleRx shall promptly execute any and all applications, assignments and other instruments that Klingemann shall deem necessary to complete such sale and assignment at ZelleRx's expense and ZelleRx and Klingemann hereby agree that all transactions described herein shall be reversed and terminated."

1.6 Miscellaneous.

(a) No Other Changes. All other terms of the License Agreement, as previously amended, shall remain in full force and effect as amended hereby.

(b) Counterparts. This Second Amendment may be executed in any number of counterparts and signatures may be delivered by facsimile, each of which shall be deemed an original, but both of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, each of Klingemann and ZelleRx have executed this Seocnd Amendment as of the Effective Date.

HANS G. KLINGEMANN

/s/ Hans G. Klingemann
Hans G. Klingemann

ZELLERX CORPORATION

By: /s/ Authorized Representative

Title:

EXHIBIT A

SHAREHOLDER LOCK UP AGREEMENT

ANNEX X

TO

BRIDGE LOAN AGREEMENT

SHAREHOLDER LOCK UP AGREEMENT

This document is to be executed by
each of the following persons (each, a "Lock Up Shareholder"):

Each current shareholder of the Company immediately prior to the closing of the transactions contemplated by this Agreement (other than a shareholder contemplated by the Special Closing Conditions, unless such shareholder is a Converting Creditor or a Convertible Securityholder)

Each Converting Creditor
Each Convertible Securityholder

_____, 2009

ZelleRx Corporation
15502 Churchill Downs
P.O. Box 3861
Rancho Sante Fe, CA 92607
Attn: Dr. Barry Simon

Re: Restrictions on Share Transfers

Dear Sir:

Reference is made to the Bridge Loan Agreement (the "Agreement"), dated as of March 31, 2009, between ZelleRx Corporation (the "Company") and each of the Buyers named therein. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

The undersigned is a Lock Up Shareholder (as that term is defined below) of the Company. In such capacity the undersigned Lock Up Shareholder has had access to the terms of the Agreement and the other Transaction Agreements, between the Company and the Buyers.

The term “Lock Up Shareholder” is a person who, or entity which, meets any one or more of the following criteria: (A) a current shareholder of the Company immediately prior to the closing of the transactions contemplated by this Agreement (other than a shareholder contemplated by the Special Closing Conditions, unless such shareholder is a Converting Creditor or a Convertible Securityholder), (B) a Converting Creditor, or (C) a Convertible Securityholder.

As an inducement to each Buyer’s execution, delivery and performance of the Agreement, the undersigned Lock Up Shareholder hereby agrees as follows:

1. Without the prior written consent of a Majority in Interest of the Holders in each instance (which consent may be withheld for any reason or for no reason whatsoever), the undersigned Lock Up Shareholder, individually or collectively with and any of its Transferees (as defined below, will not sell, exchange or otherwise transfer, or offer to sell, exchange or otherwise transfer, any shares of Common Stock (or any security or right convertible into or exercisable for Common Stock of the Company; collectively, “Company Securities”) directly or indirectly held by such Lock Up Shareholder or Transferee during the Lock Up Period. The “Lock Up Period” is the period commencing on the Closing Date and continuing through and including the date which is the second anniversary of the Reverse Merger Date.

2. Notwithstanding the provisions of Section 1 hereof, the undersigned may transfer Company Securities to any one or more of the following relatives (each, a “Transferee”): (i) a spouse; (ii) a child or grandchild; (iii) a parent or (iv) a grandparent; provided, however, that in each such case, the Transferee agrees in writing (which shall be provided to the Company and by the Company to each Buyer) to be bound by all of the terms hereof as if such Transferee were an original signatory hereto (and the provisions of this agreement shall then apply to the undersigned, such Transferee and any other of the undersigned’s Transferees jointly).

3. Notwithstanding the provisions of Section 1 hereof, the undersigned (or a Transferee, if any) may (i) sell, exchange or otherwise transfer Company Securities as part of the Reverse Merger; provided, however, that any securities obtained by the undersigned (or such Transferee) in connection with the Reverse Merger shall be deemed to be Company Securities which are subject to the terms of this Agreement, (ii) if after the Reverse Merger Date, there is a transaction in which a third party is acquiring in one or more related transactions at least a majority of the shares of the survivor entity of the Reverse Merger, the undersigned (or a Transferee, if any) may participate in such transaction (pro rata) on the same terms as other shareholders of such survivor entity, and (iii) sell, exchange or transfer Open Market Purchased Shares (as defined below). “Open Market Purchased Shares” means shares of Common Stock acquired by the Lock Up Shareholder in open market transactions effected after the Reverse Merger Date, if, and to the extent that, upon the subsequent sale, exchange or other transfer of such shares, no party shall be required to make, or shall voluntarily make, a filing under the Securities Exchange Act of 1934, as amended, with regard to such sale, exchange or transfer.

4. The Company may undertake such measures as it deems reasonable to enforce the provisions of this Agreement and monitor compliance with its terms. The undersigned Lock Up Shareholder will cooperate with the Company in connection therewith, including, but not limited to, providing prompt responses to Company inquiries relating to such compliance.

5. The undersigned understands that this agreement is being provided to the Company for the benefit of, and may be enforceable against the undersigned by, each of the Company and each Buyer. Each Buyer is a third party beneficiary of this agreement.

6. In addition to any other damages or remedies that may be appropriate, this agreement of the Lock Up Shareholder shall be enforceable by injunction sought by the Company and the Buyers or any one or more of them.

7. (a) This Agreement shall be governed by and interpreted in accordance with the laws of the State of New York for contracts to be wholly performed in such state and without giving effect to the principles thereof regarding the conflict of laws. The undersigned Lock Up Shareholder consents to the exclusive jurisdiction of the federal courts whose districts encompass any part of the County of New York or the state courts of the State of New York sitting in the County of New York in connection with any dispute arising under this Agreement or any of the other Transaction Agreements and hereby waives, to the maximum extent permitted by law, any objection, including any objection based on *forum non conveniens*, to the bringing of any such proceeding in such jurisdictions or to any claim that such venue of the suit, action or proceeding is improper. Nothing in this Section shall affect or limit any right to serve process in any other manner permitted by law.

(b) **JURY TRIAL WAIVER**. The undersigned Lock Up Shareholder hereby waives a trial by jury in any action, proceeding or counterclaim brought by against the undersigned in respect of any matter arising out or in connection with this Agreements.

(c) Failure of any party to exercise any right or remedy under this Agreement or otherwise, or delay by a party in exercising such right or remedy, shall not operate as a waiver thereof.

(d) This Agreement may be signed in one or more counterparts, each of which shall be deemed an original.

(e) If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement or the validity or enforceability of this Agreement in any other jurisdiction.

[Balance of page intentionally left blank]

(f) A facsimile or other electronic transmission of this signed Agreement shall be legal and binding on all parties hereto.

_____
[Print Name of Lock Up Shareholder]

By: _____
[Signature]

_____

EXHIBIT B

PATENTS AND PATENT APPLICATIONS

PATENTS

[***]

PATENT APPLICATIONS

[***]

AMENDMENT NO. 1,
dated as of September 4, 2009 (the "Amendment Effective Date"),
to
SECOND AMENDMENT TO LICENSE AGREEMENT

Reference is made to that certain Second Amendment to License Agreement, dated as of June 3, 2009 (the "Second Amendment"), between Hans G. Klingemann ("Klingemann") and ZelleRx Corporation ("ZelleRx").

Each of Klingemann and ZelleRx hereby agrees that the phrase "within 75 days of the Effective Date" in the first sentence of the second paragraph of Section 1.5 of the Second Amendment is hereby amended to read "within 120 days of the Effective Date." Klingemann hereby waives any rights he may have had under said second paragraph of said Section 1.5 at any time prior to or on the Amendment Effective Date.

Except as and to the extent specifically amended hereby, all other terms of the Second Amendment, including, but not limited to, the provisions of Section 1.6 thereof, remain in full force and effect.

IN WITNESS WHEREOF, each of Klingemann and ZelleRx has executed this Amendment No. 1 to Second Amendment to License Agreement as of the Amendment Effective Date.

HANS G. KLINGEMANN

/s/ Hans G. Klingemann
Hans G. Klingemann

ZELLERX CORPORATION

By: /s/ Authorized Representative

Title:

THIRD AMENDMENT
to
LICENSE AGREEMENT
between
HANS G. KLINGEMANN and CONKWEST, INC.

This THIRD AMENDMENT TO THE LICENSE AGREEMENT (the ("**Third Amendment**") by and between HANS G. KLINGEMANN, an individual resident of Masschusetts ("**Klingemann**"), and CONKWEST, INC., an Illinois corporation ("**Conkwest**") is entered into as of May 17, 2010 (the "**Effective Date**"). Capitalized terms not expressly defined herein shall have the meaning set forth in the License Agreement.

RECITALS

WHEREAS, Klingemann and Conkwest entered into a License Agreement effective February, 2003 (the "**License Agreement**"), a First Amendment to License Agreement effective March 19, 2008 (the "**First Amendment to License Agreement**"), a Second Amendment to License Agreement effective June 3, 2009 (the "**Second Amendment to License Agreement**") and an Amendment No. 1 to Second Amendment to License Agreement effective September 4, 2009 (the "**Amendment No. 1 to Second Amendment to License Agreement**"); and

WHEREAS Klingemann and Conkwest desire to amend the License Agreement to provide Klingemann with an additional consideration for the assignment of Licensed Patents and Technical Information and services to Conkwest in the form of a one time cash payment of $[***], and ;

WHEREAS Klingemann and Conkwest desire to keep the balance of the License Agreement unaltered;

WHEREAS, the parties now wish to amend the License Agreement as expressly set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

AGREEMENT

1.1 New subsection (K) shall be added to section 3 as follows:

3.K. Cash Payment. As partial consideration for the full sale and assignment of the Licensed Patents and Technical Information to Conkwest, Klingemann shall receive a one time payment of [***].

1.2 Miscellaneous.

(a) No Other Changes. All other terms of the License Agreement, as previously amended, shall remain in full force and effect as amended hereby.

(b) Counterparts. This Third Amendment may be executed in any number of counterparts and signatures may be delivered by facsimile, each of which shall be deemed an original, but both of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, each of Klingemann and Conkwest have executed this Third Amendment as of the Effective Date.

HANS G. KLINGEMANN

/s/ Hans G. Klingemann
Hans G. Klingemann, M.D.

CONKWEST, INC.

By: /s/ Barry J. Simon
Name: Barry J. Simon, M.D.
Title: President & CEO

FOURTH AMENDMENT
to
LICENSE AGREEMENT
between
HANS G. KLINGEMANN and CONKWEST, INC.

This Fourth Amendment to the License Agreement (the "**Fourth Amendment**") by and between HANS G. KLINGEMANN, an individual resident of Masschusetts ("**Klingemann**"), and CONKWEST, INC., an Illinois corporation ("**Conkwest**"), is entered into as of February 1, 2013 (the "**Effective Date**"). Capitalized terms not expressly defined herein shall have the meaning set forth in the License Agreement.

RECITALS

WHEREAS, Klingemann and Conkwest entered into a License Agreement effective February, 2003 (the "**Original License Agreement**"), as amended by a First Amendment to License Agreement effective March 19, 2008 (the "**First Amendment to License Agreement**"), a Second Amendment to License Agreement effective June 3, 2009 (the "**Second Amendment to License Agreement**"), an Amendment No. 1 to Second Amendment to License Agreement effective September 4, 2009 (the "**Amendment No. 1 to Second Amendment to License Agreement**"), and a Third Amendment to License Agreement effective May 17, 2010 (the "**Third Amendment to License Agreement**", and collectively with the Original License Agreement, the First Amendment to License Agreement, the Second Amendment to License Agreement, Amendment No. 1 to Second Amendment to License Agreement, and the Third Amendment to License Agreement, the "**License Agreement**"); and

WHEREAS Klingemann and Conkwest desire to clarify and amend the License Agreement with respect to the consideration payable to Klingemann in respect of the assignment of Licensed Patents and Technical Information;

WHEREAS Klingemann and Conkwest desire to keep the balance of the License Agreement unaltered; and

WHEREAS, the parties now wish to amend the License Agreement as expressly set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

AGREEMENT

1.1 Amendment to Section 3(H). Section 3(H) of the License Agreement is hereby amended by replacing the existing Section (as set forth in the Second Amendment to License Agreement) with the following:

"H. Ownership Interest. As partial consideration for the full sale and assignment of the Licensed Patents and Technical Information to Conkwest, Klingemann shall be issued additional shares of common stock of Conkwest in conjunction with the closing of the next equity financing (which includes the issuance of capital stock of Conkwest or any of its parent companies, including the issuance of securities which are convertible into equity securities) resulting in Conkwest or its affiliated entities raising gross proceeds of at least $1,000,000 (a "**Qualified Financing**"). For the sake of clarity, a Qualified Financing shall not include the current round of debt financing (the "**Bridge Loan Agreement**") of up to $1,000,000, pursuant to which Conkwest is issuing convertible notes and warrants to bridge lenders, which such transaction is anticipated to close on or about June 30, 2012 (but may be earlier or later), as contemplated by that certain Term Sheet between Conkwest and [***], dated January 17, 2012. The number of additional shares of common stock of Conkwest to be issued to Klingemann in the event of a Qualified Financing shall be a number sufficient to ensure that the existing shares of common stock of Conkwest issued and outstanding and held by Klingemann as of the Effective Date, plus the newly offered shares pursuant to this Section 3(h), shall represent no less less than [***]% of the total outstanding shares of Conkwest on a fully diluted, as if converted to common stock basis immediately following the close of a Qualified Financing. Notwithstanding the foregoing, in the event that the terms and closing conditions of the Qualified Financing do not permit such anti-dilution rights in favor of Klingemann, the calculation for the [***]% anti-dilution right set forth above shall be calculated in the same fashion as the anti-dilution rights set forth in the [***]% Corporate Advisory Warrant that was issued to designees of [***] as CAW-09-01 and CAW-09-02 (and any subsequent conforming amendments thereto intended to satisfy any conditions pertaining to, and in connection with, the Qualified Financing), and such restriction on the anti-dilution protections set forth herein shall be applied such that Klingemann and Palladium are treated equally on a pro rata basis based on their respective equity ownership with respect to anti-dilution protection in the event of a Qualified Financing, with the intent so as to satisfy any conditions pertaining to and in connection with the Qualified Financing."

1.2 Amendment to Section 3(I). Section 3(I) of the License Agreement is hereby amended by replacing the existing Section (as set forth in the Second Amendment to License Agreement) with the following:

"I. Warrant Milestone Payments. As partial consideration for the full sale and assignment of the Licensed Patents and Technical Information to Conkwest, Conkwest shall execute and deliver to Klingemann the Stock Purchase Warrant, dated as of the date hereof and attached hereto as Exhibit A (the "**Warrant**"), concurrent with the execution and delivery of this Fourth Amendment.

Klingemann shall be actively and formally engaged with Conkwest in providing value adding services at the time of a milestone set forth in Section 1 of the Warrant being achieved in order to have the right to purchase the applicable number of shares of Conkwest stock associated with the achievement of such milestone, as set forth in

the Warrant. This service shall include, but not be limited to, Director, Officer, Scientific Advisory Board member, employee and consultant of Conkwest. Remuneration for such service shall be specified in a separate agreement and be incremental to any remuneration specified in this Agreement. Klingemann may serve in more than one capacity at any given time. Klingemann and Conkwest shall mutually agree on the type of service(s) to be provided by Klingemann to Conkwest, and in the event of disagreement, "Consultant" shall be the default service. Notwithstanding the foregoing, if Conkwest causes Klingemann to become ineligible through termination or any other action, Klingemann will automatically have the right to purchase the applicable number of shares of Conkwest stock associated with the achievement of the applicable milestones set forth in Section 1 of the Warrant in accordance with the terms of the Warrant without regard to the termination of his service, provided, and to the extent that the Company achieves the milestones enumerated in Section 1 of the Warrant. For the avoidance of doubt, Klingemann need not exercise his right to purchase shares pursuant to the Warrant at the time of a milestone in Section 1 of the Warrant being achieved, and such right shall continue up until the expiration of the Warrant, provided that Klingemann satisfied the conditions set forth in this 3(I) at the time the milestone in Section 1 of the Warrant was achieved.

1.3 Miscellaneous.

(a) No Other Changes. All other terms of the License Agreement, as previously amended, shall remain in full force and effect as amended hereby.

(b) Counterparts. This Fourth Amendment may be executed in any number of counterparts and signatures may be delivered by facsimile, each of which shall be deemed an original, but both of which together shall constitute one and the same instrument.

[signature pages follow]

IN WITNESS WHEREOF, each of Klingemann and Conkwest have executed this FOURTH AMENDMENT TO LICENSE AGREEMENT as of the Effective Date.

HANS G. KLINGEMANN

/s/ Hans G. Klingemann
Hans G. Klingemann, M.D.

CONKWEST, INC.

By: /s/ Barry J. Simon
Name: Barry J. Simon, M.D.
Title: President & CEO

Exhibit A

See attached Stock Purchase Warrant

FIFTH AMENDMENT
to
LICENSE AGREEMENT
between
HANS G. KLINGEMANN and CONKWEST, INC.

This Fifth Amendment to the License Agreement (the "**Fifth Amendment**") by and between HANS G. KLINGEMANN, an individual resident of Masschusetts ("**Klingemann**"), and CONKWEST, INC., an Deleware corporation ("**Conkwest**"), is entered into as of March 19, 2014 (the "**Effective Date**"). The term Conkwest shall apply to Conkwest, Inc., a Delaware corporation ("**Conkwest Delaware**") which shall be the successor company to the Illinois corporation as well as the Illinois corporation. Capitalized terms not expressly defined herein shall have the meaning set forth in the License Agreement (as defined below).

RECITALS

WHEREAS, Klingemann and Conkwest entered into a License Agreement effective February, 2003 (the "**Original License Agreement**"), as amended by a First Amendment to License Agreement, effective March 19, 2008 (the "**First Amendment to License Agreement**"), a Second Amendment to License Agreement, effective June 3, 2009 (the "**Second Amendment to License Agreement**"), an Amendment No. 1 to Second Amendment to License Agreement, effective September 4, 2009 (the "**Amendment No. 1 to Second Amendment to License Agreement**"), a Third Amendment to License Agreement, effective May 17, 2010 (the "**Third Amendment to License Agreement**"), and a Fourth Amendment to License Agreement ,effective February 1, 2013 (the "**Fourth Amendment to License Agreement**", and collectively with the Original License Agreement, the First Amendment to License Agreement, the Second Amendment to License Agreement, Amendment No. 1 to Second Amendment to License Agreement, and the Third and Fourth Amendment to License Agreement, the "**License Agreement**"); and

WHEREAS Klingemann and Conkwest desire to clarify and amend the License Agreement with respect to the consideration payable to Klingemann in respect of the assignment of Licensed Patents and Technical Information;

WHEREAS Klingemann and Conkwest desire to keep the balance of the License Agreement unaltered; and

WHEREAS, the parties now wish to amend the License Agreement as expressly set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

AGREEMENT

1.1 All references to "Zellerx Corporation" or "ZelleRx" in the License Agreement shall hereinafter refer to Conkwest, Inc. Any reference to in the below amendments to "Conkwest" shall refer to Conkwest, Inc. *f/k/a* ZelleRx.

1.2 Section 3(A). Section 3(A) of the License Agreement is hereby amended and restated as follows:

" A. Royalties. As partial consideration for the license granted in Paragraph 2 of this Agreement, Conkwest, shall pay directly to BC Cancer Agency, a Royalty equal to the royalty payable by Klingemann to BC Cancer Agency (the "BC Royalty") pursuant to that certain agreement between Klingemann, as inventor, and BC Cancery Agency dated May 22, 1997 (the "BC Agreement"). As partial consideration for the license granted in Pagraph 2 of this Agreement, Conkwest shall pay Klingemann, or his designee, a Royalty of [***]% of Net Sales of Licensed Products for therapeutic use by Conkwest and its Affiliates, and a Royalty of [***]% of Net Sales of Licensed Products for diagnostic or other uses by Conkwest and its Affiliates. With respect to Sublicenses, Conkwest shall pay Klingemann [***]% of any royalties received by Conkwest or its affiliates from sublicenses for Net Sales of Licensed Products by said Sublienseees."

B. Options. In consideration for the modification of the Royalty, promptly after the Effective Time , the Company shall issue Klingemann an option, which shall be qualified as an "incentive stock option" ("ISO") under the Internal Revenue Code, to purchase Four hundred thousand (400,000) shares of common stock in the Company (the "Common Stock") (on a post-split basis) at an exercise price equal to the fair market value of a share of Common Stock on the date of issuance. Such option shall be fully vested and exercisable upon issuance, and shall contain cashless exercise or net exercise provisions. Such option shall have a term of 10 years. It is understood and agreed that the option provided above is in addition to shares of Common Stock purchased by Executive pursuant to the Restricted Stock Purchase Agreement between the Executive and the Company dated December 30, 2013.

C. Warrant. Simultaneous with the issue of the option in Section 1.2(B) herein, Klingemann shall surrender warrant # W-024-09 to purchase [***] pre-split shares of common stock and warrant # W-021-08 to purchase [***] pre-split shares of common stock.

1.3 Sections 3(H) and 3(I) of the License Agreement are hereby deleted in their entirety.

1.4 This Fifth Amendment shall only be effective upon the Company consummating an equity financing resulting in gross proceeds of at least $3,000,000 (the "Effective Time").

1.5 All securities to be issued in connection with this 5th Amendment shall be subject to the Shareholder Lock Up Agreement attached hereto as Exhibit A. In the event that a conflict arises between the Shareholder Agreement and the Shareholder Lock Up Agreement, the Shareholder Lock Up Agreement shall prevail.

Miscellaneous.

(a) No Other Changes. All other terms of the License Agreement, as previously amended, shall remain in full force and effect as amended hereby.

(b) Counterparts. This Fifth Amendment may be executed in any number of counterparts and signatures may be delivered by facsimile, each of which shall be deemed an original, but both of which together shall constitute one and the same instrument.

(c) Governing Law. This Fifth Amendment shall be governed in accordance with the Section 10(F) of the License Agreement.

IN WITNESS WHEREOF, each of Klingemann and Conkwest have executed this FIFTH AMENDMENT TO LICENSE AGREEMENT as of the Effective Date.

HANS G. KLINGEMANN

/s/ Hans G. Klingemann
Hans G. Klingemann, M.D.

CONKWEST, INC.

By: /s/ Barry J. Simon
Name: Barry J. Simon, M.D.
Title: President & CEO

Exhibit 10.15

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND, ACCORDINGLY, MAY NOT BE TRANSFERRED UNLESS (I) SUCH SECURITIES HAVE BEEN REGISTERED FOR SALE PURSUANT TO THE SECURITIES ACT OF 1933, AS AMENDED, (II) SUCH SECURITIES MAY BE SOLD PURSUANT TO RULE 144, OR (III) THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO IT THAT SUCH TRANSFER MAY LAWFULLY BE MADE WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

CONKWEST, INC.

Warrant

Warrant Number: [ ]
Date of Issuance: [ ] ("**Issuance Date**")
No. of Warrant Shares: [ ]

CONKWEST, INC., a Delaware corporation (the "**Company**"), hereby certifies that, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, [ ], the registered holder hereof or its permitted assigns (the "**Holder**"), is entitled, subject to the terms set forth below, to purchase from the Company, at the Exercise Price (as defined below) then in effect, upon exercise of this Warrant (including any Warrants issued in exchange, transfer or replacement hereof, this "**Warrant**"), at any time or times on or after the date hereof (the "**Exercisability Date**"), but not after 11:59 p.m., New York time, on the Expiration Date (as defined below) the number of shares, subject to adjustment as provided herein, of fully paid, non-assessable shares of Common Stock (as defined below) set forth below in Section 1(b) (the **"Warrant Securities**"). This Warrant is one of a series of Warrants being issued pursuant to that certain Subscription and Securities Purchase Agreement, dated the date hereof (the "**SPA Date**"), by and between the Company, the Holder and certain other purchasers (the "**Securities Purchase Agreement**"). Except as otherwise defined herein, capitalized terms used in this Warrant shall have the meanings set forth in the Securities Purchase Agreement. To the extent certain provisions in this Warrant are applicable to "public reporting companies", such provisions shall only become applicable to the Company and the Holder at such time when the Company becomes required to file reports under either Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") as a result of the Company's consummation of an initial public offering of its Common Stock or the consummation of a reverse merger, share exchange or other business combination with a publicly traded company resulting in the Company becoming a "public reporting company" required to file reports under either Section 13 or 15(d) of the Exchange Act (the "Public Company Date").

1. EXERCISE OF WARRANT.

(a) Mechanics of Exercise. Subject to the terms and conditions hereof, this Warrant may be exercised by the Holder on any day on or after the Exercisability Date, in whole or in part, by (i) delivery of a written notice, in the form attached hereto as Exhibit A (the "**Exercise Notice**"), of the Holder's election to exercise this Warrant and (ii) (A) payment to the Company

by no later than two (2) Trading Days of an amount equal to the applicable Exercise Price in effect on the date of exercise multiplied by the number of Warrant Securities as to which this Warrant is being exercised (the "**Aggregate Exercise Price**") in cash or by wire transfer of immediately available funds or (B) by delivery of the Exercise Notice to the Company specifying that this Warrant is being exercised as a Net Exercise (as defined in Section 1(d)). The Holder shall not be required to deliver the original Warrant in order to effect an exercise hereunder. Execution and delivery of the Exercise Notice with respect to less than all of the Warrant Securities shall have the same effect as cancellation of the original Warrant and issuance of a new Warrant evidencing the right to purchase the remaining number of Warrant Securities. On or before the first (1 st) Trading Day following the date on which the Company has received an Exercise Notice, the Company shall transmit by facsimile an acknowledgment of confirmation of receipt of such Exercise Notice to the Holder and the Company's transfer agent (the "**Transfer Agent**"). On or before the third (3rd) Trading Day following the date on which the Company has received such Exercise Notice (the "**Share Delivery Date**"), the Company shall, (X) provided that the Transfer Agent is participating in The Depository Trust Company ("**DTC**") Fast Automated Securities Transfer Program, upon the request of the Holder, credit such aggregate number of Warrant Securities to which the Holder is entitled pursuant to such exercise to the Holder's or its designee's balance account with DTC through its Deposit/Withdrawal At Custodian system, or (Y) if the Transfer Agent is not participating in the DTC Fast Automated Securities Transfer Program, issue and dispatch by overnight courier to the address as specified in the Exercise Notice, a certificate, registered in the Company's share register in the name of the Holder or its designee, for the number of shares of Common Stock to which the Holder is entitled pursuant to such exercise. Upon delivery of the Exercise Notice, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Securities with respect to which this Warrant has been exercised, irrespective of the date such Warrant Securities are credited to the Holder's DTC account or the date of delivery of the certificates evidencing such Warrant Securities, as the case may be. If this Warrant is submitted in connection with any exercise pursuant to this Section 1(a) and the number of Warrant Securities represented by this Warrant submitted for exercise is greater than the number of Warrant Securities being acquired upon an exercise, then the Company shall as soon as practicable and in no event by no later than three (3) Business Days after any exercise and at its own expense, issue a new Warrant (in accordance with Section 7(d)) representing the right to purchase the number of Warrant Securities purchasable immediately prior to such exercise under this Warrant, less the number of Warrant Securities with respect to which this Warrant is exercised. No fractional shares of Common Stock are to be issued upon the exercise of this Warrant, but rather the number of shares of Common Stock to be issued shall be rounded up to the nearest whole number. The Company shall pay any and all transfer taxes which may be payable with respect to the issuance and delivery of Warrant Securities upon exercise of this Warrant.

(b) Exercise Price. For purposes of this Warrant, "**Exercise Price**" means $3.00 per share, subject to adjustment as provided herein. The Warrant Securities means [ ] ( ) shares of Common Stock.

(c) Company's Failure to Timely Deliver Securities. If within three (3) Trading Days of receipt of the Exercise Notice, the Company shall fail to issue to the Holder a certificate for the number of shares of Common Stock to which the Holder is entitled and register such shares of Common Stock on the Company's share register or credit the Holder's balance account with DTC for such number of shares of Common Stock to which the Holder is entitled upon the Holder's exercise of this Warrant, and if on or after such third Trading Day the Holder purchases

(or any third party on behalf of such Holder or for the Holder's account purchases, in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by the Holder of shares of Common Stock issuable upon such exercise that the Holder anticipated receiving from the Company (a "**Buy-In**"), then the Company shall, within three (3) Trading Days after the Holder's written request and at the Holder's discretion, either (i) pay cash to the Holder in an amount equal to the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased (the "**Buy-In Price**"), at which point the Company's obligation to deliver such certificate (and to issue such Warrant Securities) or credit the Holder's balance account with DTC for such Warrant Securities shall terminate, or (ii) promptly honor its obligation to deliver to the Holder a certificate or certificates representing such Warrant Securities or credit the Holder's balance account with DTC for the number of such Warrant Securities and pay cash to the Holder in an amount equal to the excess (if any) of the Buy-In Price over the product of (A) such number of shares of Common Stock, multiplied by (B) the Closing Bid Price on the Share Delivery Date.

(d) Net Exercise. Notwithstanding anything contained herein to the contrary, if a registration statement covering the Warrant Securities that are the subject of the Exercise Notice (the "**Unavailable Warrant Securities**"), or an exemption from registration, is not available for the resale of such Unavailable Warrant Securities, the Holder may, in its sole discretion, exercise this Warrant in whole or in part and, in lieu of making the cash payment otherwise contemplated to be made to the Company upon such exercise in payment of the Aggregate Exercise Price, elect instead to receive upon such exercise the "**Net Number**" of shares of Common Stock determined according to the following formula (a "**Net Exercise**"):

$$\text{Net Number} = \frac{(A \times B) - (A \times C)}{B}$$

For purposes of the foregoing formula:

A= the total number of shares with respect to which this Warrant is being exercised.

B= the Closing Sale Price of the shares of Common Stock for the Trading Day ending on the date of the executed Exercise Notice.

C= the Exercise Price then in effect for the applicable Warrant Securities at the time of such exercise.

(e) Rule 144. For purposes of Rule 144(d) promulgated under the Securities Act of 1933, as amended (the "**Securities Act**"), as in effect on the date hereof, assuming the Holder is not an affiliate of the Company, it is intended that the Warrant Securities issued in a Cashless Exercise shall be deemed to have been acquired by the Holder, and the holding period for the Warrant Securities shall be deemed to have commenced, on the date this Warrant was originally issued pursuant to the Securities Purchase Agreement.

(f) Disputes. In the case of a dispute as to the determination of the Exercise Price or the arithmetic calculation of the Warrant Securities, the Company shall promptly issue to the Holder the number of Warrant Securities that are not disputed.

(g) Registration of Warrant. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "**Warrant Register**"), in the name of the

record Holder hereof from time to time. The Company may deem and treat the registered Holder of record of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

(h) Registration of Transfers. The Company shall register the transfer of any portion of this Warrant in the Warrant Register, upon surrender of this Warrant, with the Form of Assignment attached hereto duly completed and signed, to the Transfer Agent or to the Company at its address specified herein. Upon any such registration of transfer, a new warrant to purchase Common Stock, in substantially the form of this Warrant (any such new warrant, a "**New Warrant**"), evidencing the portion of this Warrant so transferred shall be issued to the transferee and a New Warrant evidencing the remaining portion of this Warrant not so transferred, if any, shall be issued to the transferring Holder. The acceptance of the New Warrant by the transferee thereof shall be deemed the acceptance by such transferee of all of the rights and obligations of a holder of a Warrant.

(i) Holder's Exercise Limitations. From and after the Public Company Date, notwithstanding anything to the contrary contained herein, the Company shall not effect the exercise of any portion of this Warrant, and the Holder shall not have the right to exercise any portion of this Warrant, pursuant to the terms and conditions of this Warrant and any such exercise shall be null and void and treated as if never made, to the extent that after giving effect to such exercise, the Holder together with the other Attribution Parties collectively would beneficially own in excess of 4.99% (the "Maximum Percentage") of the number of shares of Common Stock outstanding immediately after giving effect to such exercise. For purposes of the foregoing sentence, the aggregate number of shares of Common Stock beneficially owned by the Holder and the other Attribution Parties shall include the number of shares of Common Stock held by the Holder and all other Attribution Parties plus the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which the determination of such sentence is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (A) exercise of the remaining, unexercised portion of this Warrant beneficially owned by the Holder or any of the other Attribution Parties and (B) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company (including, without limitation, any convertible notes or convertible preferred stock or warrants, including the Series C Preferred Stock) beneficially owned by the Holder or any other Attribution Party subject to a limitation on conversion or exercise analogous to the limitation contained in this Section 1(i). For purposes of this Section1(i), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act. For purposes of this Warrant, in determining the number of outstanding shares of Common Stock the Holder may acquire upon the exercise of this Warrant without exceeding the Maximum Percentage, the Holder may rely on the number of outstanding shares of Common Stock as reflected in (x) the Company's most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q, Current Report on Form 8-K or other public filing with the SEC, as the case may be, (y) a more recent public announcement by the Company or (3) any other written notice by the Company or the Company's transfer agent setting forth the number of shares of Common Stock outstanding (the "Reported Outstanding Share Number"). If the Company receives an Exercise Notice from the Holder at a time when the actual number of outstanding shares of Common Stock is less than the Reported Outstanding Share Number, the Company shall (i) notify the Holder in writing of the number of shares of Common Stock then outstanding and, to the extent that such Exercise Notice would otherwise cause the Holder's beneficial ownership, as determined pursuant to this Section 1(i), to exceed the Maximum Percentage, the Holder must notify the Company of a reduced number of Warrant Securities to

be purchased pursuant to such Exercise Notice (the number of shares by which such purchase is reduced, the "Reduction Shares") and (ii) as soon as reasonably practicable, the Company shall return to the Holder any exercise price paid by the Holder for the Reduction Shares. For any reason at any time, upon the written or oral request of the Holder, the Company shall within one (1) Business Day confirm orally and in writing or by electronic mail to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder and any other Attribution Party since the date as of which the Reported Outstanding Share Number was reported. In the event that the issuance of shares of Common Stock to the Holder upon exercise of this Warrant results in the Holder and the other Attribution Parties being deemed to beneficially own, in the aggregate, more than the Maximum Percentage of the number of outstanding shares of Common Stock (as determined under Section 13(d) of the Exchange Act), the number of shares so issued by which the Holder's and the other Attribution Parties' aggregate beneficial ownership exceeds the Maximum Percentage (the "Excess Shares") shall be deemed null and void and shall be cancelled ab initio, and the Holder shall not have the power to vote or to transfer the Excess Shares. As soon as reasonably practicable after the issuance of the Excess Shares has been deemed null and void, the Company shall return to the Holder the exercise price paid by the Holder for the Excess Shares. Upon delivery of a written notice to the Company, the Holder may from time to time increase (with such increase not effective until the sixty-first (61st) day after delivery of such notice) or decrease the Maximum Percentage to any other percentage not in excess of 9.99% as specified in such notice; provided that (i) any such increase in the Maximum Percentage will not be effective until the sixty-first (61st) day after such notice is delivered to the Company and (ii) any such increase or decrease will apply only to the Holder and the other Attribution Parties and not to any other holder of similar Warrants that is not an Attribution Party of the Holder. For purposes of clarity, the shares of Common Stock issuable pursuant to the terms of this Warrant in excess of the Maximum Percentage shall not be deemed to be beneficially owned by the Holder for any purpose including for purposes of Section 13(d) or Rule 16a-1(a)(1) of the Exchange Act. No prior inability to exercise this Warrant pursuant to this paragraph shall have any effect on the applicability of the provisions of this paragraph with respect to any subsequent determination of exercisability. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 1(i) to the extent necessary to correct this paragraph or any portion of this paragraph which may be defective or inconsistent with the intended beneficial ownership limitation contained in this Section 1(i) or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitation contained in this paragraph may not be waived and shall apply to a successor holder of this Warrant.

2. ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF WARRANT SECURITIES. The Exercise Price and the number of Warrant Securities issuable upon exercise of this Warrant, as applicable, shall be adjusted from time to time as follows:

(a) Adjustment upon Subdivision or Combination of Common Stock. If the Company at any time on or after the SPA Date subdivides (by any stock split, stock dividend, recapitalization, reorganization, scheme, arrangement or otherwise) its outstanding shares of Common Stock into a greater number of shares, the Exercise Price in effect immediately prior to such subdivision will be proportionately reduced and the number of Warrant Securities will be proportionately increased. If the Company at any time on or after the SPA Date combines (by any stock split, stock dividend, recapitalization, reorganization, scheme, arrangement or

otherwise) its outstanding shares of Common Stock into a smaller number of shares, the Exercise Price in effect immediately prior to such combination will be proportionately increased and the number of Warrant Securities will be proportionately decreased. Any adjustment under this Section 2(a) shall become effective at the close of business on the date the subdivision or combination becomes effective.

(b) Other Events. If any event occurs of the type contemplated by the provisions of this Section 2 but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights or phantom stock rights), then the Company's Board of Directors will make an appropriate adjustment in the Exercise Price and the number of Warrant Securities so as to protect the rights of the Holder; provided that no such adjustment pursuant to this Section 2 will increase the Exercise Price or decrease the number of Warrant Securities as otherwise determined pursuant to this Section 2.

3. RIGHTS UPON DISTRIBUTION OF ASSETS.

(a) If at any time or from time to time all of the holders of Common Stock of the Company (or any shares of stock or other securities at the time receivable upon the exercise of this Warrant) shall have received or become entitled to receive, without payment therefor:

(i) Common Stock or any shares of stock or other securities which are at any time directly or indirectly convertible into or exchangeable for Common Stock, or any rights or options to subscribe for, purchase or otherwise acquire any of the foregoing by way of dividend or other distribution (other than a dividend or distribution covered in Section 2(a) above);

(ii) any cash paid or payable otherwise than as a cash dividend; or

(iii) Common Stock or additional stock or other securities or property (including cash) by way of spinoff, split-up, reclassification, combination of shares or similar corporate rearrangement (other than shares of Common Stock pursuant to Section 2(a) above), then and in each such case, the Holder hereof will, upon the exercise of this Warrant, be entitled to receive, in addition to the number of shares of Common Stock receivable thereupon, and without payment of any additional consideration therefor, the amount of stock and other securities and property (including cash in the cases referred to in clauses (ii) and (iii) above) which such Holder would hold on the date of such exercise had such Holder been the holder of record of such Common Stock as of the date on which holders of Common Stock received or became entitled to receive such shares or all other additional stock and other securities and property.

(b) Upon the occurrence of each adjustment pursuant to this Section 3, the Company at its expense will, at the written request of the Holder, promptly compute such adjustment in accordance with the terms of this Warrant and prepare a certificate setting forth such adjustment, including a statement of the adjusted number or type of Warrant Securities or other securities issuable upon exercise of this Warrant (as applicable), describing the transactions giving rise to such adjustments and showing in detail the facts upon which such adjustment is based. Upon written request, the Company will promptly deliver a copy of each such certificate to the Holder and to the Company's transfer agent.

4. FUNDAMENTAL TRANSACTIONS TERMINATION OF WARRANT. This Warrant shall automatically terminate without exercise and shall be null and void on the earliest to occur of: (i) the Expiration Date, or (ii) immediately prior the consummation of a Fundamental Transaction in which the proceeds to the holders of Common Stock is not less than the Exercise Price, provided, that, the Company shall give the Holder notice of the anticipated closing date of such Change of Control, at the same time as notification thereof is provided to the shareholders of the Company generally and the Holder shall be entitled to exercise this Warrant at any time after such notice and prior to such closing. If the Warrant is not terminable in accordance with the foregoing sentence, then the Company shall not enter into or be party to a Fundamental Transaction unless the Successor Entity assumes this Warrant in accordance with the provisions of this Section 4, including agreements to deliver to each holder of Warrants in exchange for such Warrants a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant, including, without limitation, an adjusted exercise price equal to the value for the shares of Common Stock reflected by the terms of such Fundamental Transaction, and exercisable for a corresponding number of shares of capital stock or other securities equivalent to the shares of Common Stock acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and satisfactory to the Holder. Upon the occurrence of any Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant with the same effect as if such Successor Entity had been named as the Company herein. In addition to and not in substitution for any other rights hereunder, prior to the consummation of any Fundamental Transaction pursuant to which holders of shares of Common Stock are entitled to receive securities or other assets with respect to or in exchange for shares of Common Stock (a "**Corporate Event**"), the Company shall make appropriate provision to ensure that the Holder will thereafter have the right to receive upon an exercise of this Warrant at any time after the consummation of the Fundamental Transaction but prior to the Expiration Date, in lieu of the shares of the Common Stock (or other securities, cash, assets or other property) purchasable upon the exercise of the Warrant prior to such Fundamental Transaction, such shares of stock, securities, cash, assets or any other property whatsoever (including warrants or other purchase or subscription rights) which the Holder would have been entitled to receive upon the happening of such Fundamental Transaction had the Warrant been exercised immediately prior to such Fundamental Transaction (including, if the Warrant Securities underlying this Warrant include securities that are convertible or exercisable, had such Warrant Securities been converted or exercised, as applicable, into shares of Common Stock). If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The provisions of this Section 4 shall apply similarly and equally to successive Fundamental Transactions and Corporate Events and shall be applied without regard to any limitations on the exercise of this Warrant. Notwithstanding the foregoing, in the event of a Fundamental Transaction (i) in which holders of Common Stock receive all cash or substantially all cash or (ii) with a Person whose common stock or equivalent equity security is not quoted or listed on an Eligible Market, and, in either case, at the request of the Holder delivered within 30 days after

consummation of the Fundamental Transaction, the Company (or the Successor Entity) shall purchase this Warrant from the Holder by paying to the Holder, within seven Business Days after such request (or, if later, on the effective date of the Fundamental Transaction), cash in an amount equal to the Black Scholes Value of the remaining unexercised portion of this Warrant on the date of such Fundamental Transaction.

5. NON-CIRCUMVENTION. The Company hereby covenants and agrees that the Company will not, by amendment of its Certificate of Incorporation, Bylaws or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, 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 of this Warrant, and will at all times in good faith comply with all the provisions of this Warrant and take all actions consistent with effectuating the purposes of this Warrant. Without limiting the generality of the foregoing, the Company (i) shall not increase the par value of any shares of Common Stock receivable upon the exercise of this Warrant above the Exercise Price then in effect, (ii) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable shares of Common Stock upon the exercise of this Warrant, and (iii) shall, so long as this Warrant is outstanding, take all action necessary to reserve and keep available out of its authorized and unissued shares of Common Stock, solely for the purpose of effecting the exercise of this Warrant, 100% of the number of shares of Common Stock issuable upon exercise of this Warrant then outstanding (without regard to any limitations on exercise).

6. WARRANT HOLDER NOT DEEMED A STOCKHOLDER. Except as otherwise specifically provided herein, the Holder, solely in such Person's capacity as a holder of this Warrant, shall not be entitled to vote or receive dividends or be deemed the holder of share capital of the Company for any purpose, nor shall anything contained in this Warrant be construed to confer upon the Holder, solely in such Person's capacity as the Holder of this Warrant, any of the rights of a stockholder of the Company or any right to vote, give or withhold consent to any corporate action (whether any reorganization, issue of stock, reclassification of stock, consolidation, merger, conveyance or otherwise), receive notice of meetings, receive dividends or subscription rights, or otherwise, prior to the issuance to the Holder of the Warrant Securities which such Person is then entitled to receive upon the due exercise of this Warrant. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a stockholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company.

7. REISSUANCE OF WARRANTS.

(a) Transfer of Warrant. Subject to Section 14 of this Warrant, if this Warrant is to be transferred, the Holder shall surrender this Warrant to the Company and deliver the completed and executed Assignment Form, in the form attached hereto as **Exhibit B**, whereupon the Company will forthwith issue and deliver upon the order of the Holder a new Warrant (in accordance with Section 7(d)), registered as the Holder may request, representing the right to purchase the number of Warrant Securities being transferred by the Holder and, if less than the total number of Warrant Securities then underlying this Warrant is being transferred, a new Warrant (in accordance with Section 7(d)) to the Holder representing the right to purchase the number of Warrant Securities not being transferred.

(b) Lost, Stolen or Mutilated Warrant. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant, and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary form and, in the case of mutilation, upon surrender and cancellation of this Warrant, the Company shall execute and deliver to the Holder a new Warrant (in accordance with Section 7(d)) representing the right to purchase the Warrant Securities then underlying this Warrant.

(c) Exchangeable for Multiple Warrants. This Warrant is exchangeable, upon the surrender hereof by the Holder at the principal office of the Company, for a new Warrant or Warrants (in accordance with Section 7(d)) representing in the aggregate the right to purchase the number of Warrant Securities then underlying this Warrant, and each such new Warrant will represent the right to purchase such portion of such Warrant Securities as is designated by the Holder at the time of such surrender; provided, however, that no Warrants for fractional shares of Common Stock shall be given. Notwithstanding anything to the contrary herein, in no event shall the original Warrant be subdivided into more than three (3) separate Warrants and such new Warrants shall not be further subdivided.

(d) Issuance of New Warrants. Whenever the Company is required to issue a new Warrant pursuant to the terms of this Warrant, such new Warrant (i) shall be of like tenor with this Warrant, (ii) shall represent, as indicated on the face of such new Warrant, the right to purchase the Warrant Securities then underlying this Warrant (or in the case of a new Warrant being issued pursuant to Section 7(a) or Section 7(c), the Warrant Securities designated by the Holder which, when added to the number of shares of Common Stock and/or other securities underlying the other new Warrants issued in connection with such issuance, does not exceed the number of Warrant Securities then underlying this Warrant), (iii) shall have an issuance date, as indicated on the face of such new Warrant which is the same as the Issuance Date, and (iv) shall have the same rights and conditions as this Warrant.

8. NOTICES. Whenever notice is required to be given under this Warrant, unless otherwise provided herein, such notice shall be given in accordance with Section 5.1 of the Securities Purchase Agreement.

9. AMENDMENT AND WAIVER. Except as otherwise provided herein, the provisions of this Warrant may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company has obtained the consent of holders owning a majority of the Warrants issued under the Securities Purchase Agreement.

10. GOVERNING LAW. This Warrant shall be governed by and construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Warrant shall be governed by, the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York.

11. CONSTRUCTION; HEADINGS. This Warrant shall be deemed to be jointly drafted by the Company and the Holder and shall not be construed against any person as the drafter hereof. The headings of this Warrant are for convenience of reference and shall not form part of, or affect the interpretation of, this Warrant.

12. DISPUTE RESOLUTION. In the case of a dispute as to the determination of the Exercise Price or the arithmetic calculation of the Warrant Securities, the Company shall submit the disputed determinations or arithmetic calculations via facsimile within two (2) Business Days of receipt of the Exercise Notice giving rise to such dispute, as the case may be, to the Holder. If the Holder and the Company are unable to agree upon such determination or calculation of the Exercise Price or the Warrant Securities within three Business Days of such disputed determination or arithmetic calculation being submitted to the Holder, then the Company shall, within two (2) Business Days submit via facsimile (a) the disputed determination of the Exercise Price to an independent, reputable investment bank selected by the Company and approved by the Holder, which approval shall not be unreasonably withheld, or (b) the disputed arithmetic calculation of the Warrant Securities to the Company's independent, outside accountant. The Company shall cause the investment bank or the accountant, as the case may be, to perform the determinations or calculations and notify the Company and the Holder of the results no later than ten Business Days from the time it receives the disputed determinations or calculations. The prevailing party in any dispute resolved pursuant to this Section 12 shall be entitled to the full amount of all reasonable expenses, including all costs and fees paid or incurred in good faith, in relation to the resolution of such dispute. Such investment bank's or accountant's determination or calculation, as the case may be, shall be binding upon all parties absent demonstrable error.

13. REMEDIES, OTHER OBLIGATIONS, BREACHES AND INJUNCTIVE RELIEF. The remedies provided in this Warrant shall be cumulative and in addition to all other remedies available under this Warrant and the related transaction documents, as applicable, at law or in equity (including a decree of specific performance and/or other injunctive relief), and nothing herein shall limit the right of the Holder to pursue actual damages for any failure by the Company to comply with the terms of this Warrant. The Company acknowledges that a breach by it of its obligations hereunder may cause irreparable harm to the Holder and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the Holder may be entitled, in addition to all other available remedies, to an injunction restraining any breach, without the necessity of showing economic loss and without any bond or other security being required. The issuance of Warrant Securities and certificates for such Warrant Securities as contemplated hereby upon the exercise of this Warrant shall be made without charge to the Holder for any issuance tax in respect thereof.

14. TRANSFER. Subject to compliance with applicable laws, this Warrant may not be offered for sale, sold, transferred or assigned without the consent of the Company, such consent not to be unreasonably withheld, conditioned or delayed.

15. WARRANT AGENT. The Company shall serve as warrant agent under this Warrant. Upon 30 days' notice to the Holder, the Company may appoint a new warrant agent. Any corporation into which the Company or any new warrant agent may be merged or any corporation resulting from any consolidation to which the Company or any new warrant agent shall be a party or any corporation to which the Company or any new warrant agent transfers substantially all of its corporate trust or stockholder services business shall be a successor warrant agent under this Warrant without any further act. Any such successor warrant agent shall promptly cause notice of its succession as warrant agent to be mailed (by first class mail, postage prepaid) to the Holder at the Holder's last address as shown on the Warrant Register.

16. SEVERABILITY. If any provision of this Warrant shall be held to be invalid and unenforceable, such invalidity or unenforceability shall not affect any other provision of this Warrant.

17. CERTAIN DEFINITIONS. For purposes of this Warrant, the following terms shall have the following meanings:

(a) "**Affiliate**" has the meaning set forth in Rule 405 under the Securities Act.

(b) **"Attribution Parties**" means, collectively, the following Persons and entities: (i) any investment vehicle, including, any funds, feeder funds or managed accounts, currently, or from time to time after the Issuance Date, directly or indirectly managed or advised by the Holder's investment manager or any of its Affiliates or principals, (ii) any direct or indirect Affiliates of the Holder or any of the foregoing, (iii) any Person acting or who could be deemed to be acting as a Group together with the Holder or any of the foregoing and (iv) any other Persons whose beneficial ownership of the Company's Common Stock would or could be aggregated with the Holder's and the other Attribution Parties for purposes of Section 13(d) of the Exchange Act. For clarity, the purpose of the foregoing is to subject collectively the Holder and all other Attribution Parties to the Maximum Percentage.

(c) "**Black Scholes Value**" means the value of this Warrant based on the Black and Scholes Option Pricing Model obtained from the "OV" function on Bloomberg using (i) a price per share of Common Stock equal to the Weighted Average Price of the Common Stock for the Trading Day immediately preceding the date of consummation of the applicable Fundamental Transaction, (ii) a risk-free interest rate corresponding to the U.S. Dollar – LIBOR swap rate for a period equal to the remaining term of this Warrant as of the date of consummation of the applicable Fundamental Transaction, (iii) an expected volatility equal to the greater of 100% or the 30-day realized volume up to and including the Trading Day immediately after the public announcement of the applicable Fundamental Transaction, and (iv) a remaining option time equal to the number of calendar days between the date of the public announcement of the applicable Fundamental Transaction and the expiration of the Exercise Period.

(d) "**Bloomberg**" means Bloomberg Financial Markets.

(e) "**Business Day**" means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York are authorized or required by law to remain closed.

(f) "**Closing Bid Price**" and "**Closing Sale Price**" means, for any security as of any date, the last closing bid price and last closing trade price, respectively, for such security on the Principal Market, as reported by Bloomberg, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing bid price or the closing trade price, as the case may be, then the last bid price or the last trade price, respectively, of such security prior to 4:00:00 p.m., New York time, as reported by Bloomberg, or, if the Principal Market is not the principal securities exchange or trading market for such security, the last closing bid price or last trade price, respectively, of such security on the principal securities exchange or trading market where such security is listed or traded as reported by Bloomberg, or if the foregoing do not

apply, the last closing bid price or last trade price, respectively, of such security in the over-the-counter market on the electronic bulletin board for such security as reported by Bloomberg, or, if no closing bid price or last trade price, respectively, is reported for such security by Bloomberg, the average of the bid prices, or the ask prices, respectively, of any market makers for such security as reported in the "pink sheets" by OTC Markets Group LLC. If the Closing Bid Price or the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Bid Price or the Closing Sale Price, as the case may be, of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. All such determinations to be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during the applicable calculation period.

(g) "**Common Stock**" means (i) the Company's shares of Common Stock, par value $0.0001 per share, and (ii) any share capital into which such Common Stock shall have been changed or any share capital resulting from a reclassification of such Common Stock.

(h) "**Eligible Market**" means the Principal Market, The New York Stock Exchange, Inc., NYSE MKT LLC, The NASDAQ Global Market, The NASDAQ Capital Market, the Over the Counter Bulletin Board, the OTCQX or the OTCQB.

(i) "**Expiration Date**" means the date that is three (3) years following the date that the Company becomes required to file reports under the Exchange Act or, if such date falls on a day other than a Business Day or on which trading does not take place on the Principal Market (a "**Holiday**"), the next date that is not a Holiday.

(j) "**Fundamental Transaction**" means that the Company shall, directly or indirectly, in one or more related transactions, (i) consolidate or merge with or into (whether or not the Company is the surviving corporation) another Person (but excluding a migratory merger effected solely for the purpose of changing the jurisdiction of incorporation of the Company), or (ii) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company to another Person, or (iii) allow another Person to make a purchase, tender or exchange offer that is accepted by the holders of more than the 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the Person or Persons making or party to, or associated or affiliated with the Persons making or party to, such purchase, tender or exchange offer), or (iv) consummate a stock purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person whereby such other Person acquires more than the 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock purchase agreement or other business combination), or (v) reorganize, recapitalize or reclassify its Common Stock, or (vi) any "person" or "group" (as these terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act) is or shall become the "beneficial owner"(as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of 50% of the aggregate ordinary voting power represented by issued and outstanding Common Stock; or (vii) the dissolution, liquidation or winding up of the Company, whether voluntary or involuntary.

(k) "**Group**" means a "group" as that term is used in Section 13(d) of the Exchange Act and be defined in Rule 13d-5 thereunder.

(l) "**Parent Entity**" of a Person means an entity that, directly or indirectly, controls the applicable Person and whose common stock or equivalent equity security is quoted or listed on an Eligible Market, or, if there is more than one such Person or Parent Entity, the Person or Parent Entity with the largest public market capitalization as of the date of consummation of the Fundamental Transaction.

(m) "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity and a government or any department or agency thereof.

(n) "**Principal Market**" means the principal securities exchange or securities market on which the Common Stock is then traded.

(o) "**SEC**" means by the United States Securities and Exchange Commission.

(p) "**Successor Entity**" means the Person (or, if so elected by the Holder, the Parent Entity) formed by, resulting from or surviving any Fundamental Transaction or the Person (or, if so elected by the Holder, the Parent Entity) with which such Fundamental Transaction shall have been entered into.

(q) "**Trading Day**" means any day on which the Common Stock is traded on the Principal Market, or, if the Principal Market is not the principal trading market for the Common Stock, then on the principal securities exchange or securities market on which the Common Stock is then traded; *provided* that "Trading Day" shall not include any day on which the Common Stock is scheduled to trade on such exchange or market for less than 4.5 hours or any day that the Common Stock is suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00:00 p.m., New York time).

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed as of the Issuance Date set out above.

CONKWEST, INC.

By: _____
Name: Barry Simon
Title: Chief Executive Officer

EXHIBIT A

EXERCISE NOTICE
TO BE EXECUTED BY THE REGISTERED HOLDER
TO EXERCISE THIS WARRANT

CONKWEST, INC.

The undersigned holder hereby exercises the right to purchase _____ shares of Common Stock (the "**Warrant Securities**") of **CONKWEST, INC.**, a Delaware corporation (the **"Company"**), evidenced by the attached Warrant (the **"Warrant"**). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

1. Form of Exercise Price. The Holder intends that payment of the Exercise Price shall be made as:

_____ a "Cash Exercise" with respect to _____Warrant Securities; and/or

_____ a "Net Exercise" with respect to _____Warrant Securities.

2. In the event that the holder has elected a Cash Exercise with respect to some or all of the Warrant Securities to be issued pursuant hereto, the holder shall pay the Aggregate Exercise Price in the sum of $_____to the Company in accordance with the terms of the Warrant.

3. Delivery of Warrant Securities. The Company shall deliver to the holder _____Warrant Securities in accordance with the terms of the Warrant and, after delivery of such Warrant Securities, _____Warrant Securities remain subject to the Warrant.

Date: _____ __, _____

Name of Registered Holder

By: _____
Name: _____
Title: _____

EXHIBIT B

ASSIGNMENT FORM

CONKWEST, INC.

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name: _____
(Please Print)

Address: _____
(Please Print)

Dated: _____ __, _____
Holder's Signature: _____
Holder's Address: _____
(Please Print)

NOTE: The signature to this Assignment Form must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatever. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.

Exhibit 10.16

COMMON STOCK PURCHASE WARRANT

CONKWEST, INC.

Warrant Shares: 9,500,000 Issued Date: March 24, 2015

THIS COMMON STOCK PURCHASE WARRANT (this "Warrant") certifies that, for value received, Dr. Patrick Soon-Shiong, M.D. (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the Issue Date set forth above (the "Issue Date") and on or prior to 5:30 P.M. New York City time on March 24, 2019, unless the same is extended pursuant to Section 5(j) at the sole option of the Company (as defined below) (the "Termination Date") but not thereafter, to subscribe for and purchase from Conkwest, Inc., a Delaware corporation (the "Company"), up to 9,500,000 shares (the "Warrant Shares") of Common Stock. The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b).

Section 1. Definitions. Capitalized terms used herein shall have the meanings given to them herein. As used herein:

"business day" means any day on which the New York Stock Exchange, Inc. is open for trading.

"National Securities Exchange" means an exchange registered with the U.S. Securities and Exchange Commission under Section 6(a) of the Securities Exchange Act of 1934, as amended.

"nonassessable" means, in relation to a Warrant Share, that the Exercise Price for that Warrant Share has been paid in full to the Company, so that no further sum is payable to the Company or its creditors by any holder of that Warrant Share solely because of being the holder of such Warrant Share.

"Trading Day" means any day on which the principal National Securities Exchange on which the Common Stock is then listed or quoted is open for trading.

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a National Securities Exchange, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the principal National Securities Exchange on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time), (b) if the Common Stock is not then listed or quoted on a National Securities Exchange and if the Common Stock is then listed or quoted for trading on the OTC Bulletin Board, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the OTC Bulletin Board, (c) if the Common Stock is not then listed or quoted for trading on a National Securities Exchange or the OTC Bulletin Board and if prices for the Common Stock then reported in the "Pink Sheets" published by Pink OTC Markets, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Holder and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

Section 2. Exercise.

a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made on or before the Termination Date, as follows:

i. 100,000 Warrant Shares per month for a period of 40 months beginning April 1, 2015 (for a total of 4,000,000 Warrant Shares).

ii. 4,500,000 Warrant Shares upon the closing of transaction between the Company and an internationally recognized pharmaceutical, specialty pharmaceutical or biotechnology company with annual sales of at least $5 billion (a "Strategic Partner"),

during the term of the Holder's service as CEO or Chairman of the Company, in which a Strategic Partner invests at least US$20 million in shares of Company capital stock at or above a pre-money valuation of $1.5 billion.

iii. 700,000 Warrant Shares upon qualification of a cGMP manufacturing facility capable of cell production for the Company's aNK, haNK or tank product candidates.

iv. 100,000 Warrant Shares upon the submission by the Company after the Issue Date of an investigational new drug (IND) application to the FDA for any of the Company's aNK, haNK or taNK product candidates.

v. 100,000 Warrant Shares upon the submission by the Company after the Issue Date of a protocol for a Phase II clinical trial to the FDA for any of the Company's aNK, haNK or taNK product candidates, excluding the Company's currently contemplated MCC phase II clinical trial (Merkel cell).

vi. 100,000 Warrant Shares upon execution of a partnership, collaboration or other strategic agreement with a pharmaceutical, specialty pharmaceutical or biotechnology company with respect to any of the Company's aNK, haNK or taNK product candidates, excluding the equity financing transaction contemplated in clause ii above.

Notwithstanding the foregoing or anything else herein to the contrary, in the event Holder's employment with the Company is terminated by the Company without Cause (as defined in the Employment Agreement) or the Holder terminates his employment with the Company for Good Reason (as defined in the Employment Agreement), then all of the Warrant Shares may thereafter be exercised by the Holder. For purposes of this Warrant, "Employment Agreement" means the Executive Employment Agreement, effective as of March 24, 2015, between the Holder and the Company.

Exercise of the Warrant for any portion of the Warrant Shares shall be made by delivery to the Company (or such other office or agency of the Company as it may designate by notice in writing to the registered Holder at the address of the Holder appearing on the books of the Company) of a duly executed facsimile copy of the Notice of Exercise Form annexed hereto; and, within three (3) Trading Days of the date said Notice of Exercise is delivered to the Company, the Company shall have received payment of the aggregate Exercise Price of the Warrant Shares thereby purchased (i) by wire transfer or cashier's check drawn on a United States bank, (ii) by surrender of a number of Warrant Shares which have a fair market value equal to the aggregate purchase price of the Warrant Shares being purchased ("Net Issuance") as determined herein or (iii) any combination of the foregoing.

If the Holder elects the Net Issuance method of payment, the Company shall issue to Holder upon exercise a number Warrant Shares determined in accordance with the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where: X = the number of Warrant Shares to be issued to the Holder;

Y = the number of Warrant Shares with respect to which the Holder is exercising its purchase rights under this Warrant;

A = the VWAP on the date of exercise; and

B = the Exercise Price.

Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Company shall maintain in the Warrant Register (as defined below) records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise Form within one (1) Business Day of receipt of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

b) Exercise Price. The exercise price per share of the Common Stock under this Warrant shall be US$3.70, subject to adjustment pursuant to Section 3 and 5(j) hereunder (the "Exercise Price").

c) Mechanics of Exercise.

i. Delivery of Certificates Upon Exercise. Subject to Section 5(e) of this Warrant, certificates for shares purchased hereunder shall be transmitted by the Company's transfer agent for its Common Stock (the "Transfer Agent") to the Holder by crediting the account of the Holder's prime broker with the Depository Trust Company through its Deposit Withdrawal Agent Commission ("DWAC") system if the Company is then a participant in such system and otherwise by physical delivery to the address specified by the Holder in the Notice of Exercise by the date that is three (3) Trading Days after the latest of (A) the delivery to the Company of the Notice of Exercise Form, (B) surrender of this Warrant (if required) and (C) payment of the aggregate Exercise Price as set forth above (such date, the "Warrant Share Delivery Date"). This Warrant shall be deemed to have been exercised on the first date on which all of the foregoing have been delivered to the Company. The Warrant Shares shall be deemed to have been issued, and Holder or any other person so designated to be named therein shall be deemed to have become a holder of record of such shares for all purposes, as of the date the Warrant has been exercised, with payment to the Company of the Exercise Price and all taxes required to be paid by the Holder, if any, pursuant to Section 2(c)(vi) prior to the issuance of such shares, having been paid.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the certificate or certificates representing Warrant Shares, deliver to Holder a new Warrant evidencing the rights of Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. If the Company fails to cause the Transfer Agent to transmit to the Holder a certificate or the certificates representing the Warrant Shares pursuant to Section 2(c)(i) by the Warrant Share Delivery Date, then, the Holder will have the right to rescind such exercise.

iv. Compensation for Buy-In on Failure to Timely Deliver Certificates Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to cause the Transfer Agent to transmit to the Holder a certificate or the certificates representing the Warrant Shares pursuant to an exercise on or before the Warrant Share Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder's brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall, within three (3) Trading Days after the Holder's request and in the Holder's discretion, either (i) pay cash to the Holder in an amount equal to the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased (the "Buy-In Price"), at which point the Company's obligation to deliver such certificate (and to issue such Warrant Shares or credit such Holder's balance account with DTC) shall terminate, or (ii) promptly honor its obligation to deliver to the Holder a certificate or certificates representing such Warrant Shares or credit such Holder's balance account with DTC and pay cash to the Holder in an amount equal to the excess (if any) of the Buy-In Price over the product of (A) such number of shares of Common Stock, times (B) the VWAP on the date of exercise.

v. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

vi. Charges, Taxes and Expenses. Issuance of certificates for Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such certificate, all of which taxes and expenses shall be paid by the Company, and such certificates shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event certificates for Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto.

vii. Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

Section 3. Certain Adjustments.

a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iv) issues by reclassification of shares of the Common Stock any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) Pro Rata Distributions. If the Company, at any time while this Warrant is outstanding, distributes to all holders of Common Stock for no consideration (i) evidences of its indebtedness, (ii) any security (other than a distribution of Common Stock covered by the preceding paragraph) or (iii) rights or warrants to subscribe for or purchase any security, or (iv) any other asset (in each case, "Distributed Property"), then, upon any exercise of this Warrant that occurs after the record date fixed for determination of stockholders entitled to receive such distribution, the Holder shall be entitled to receive, in addition to the Warrant Shares otherwise issuable upon such exercise, the Distributed Property that such Holder would have been entitled to receive in respect of such number of Warrant Shares had the Holder been the record holder of such Warrant Shares immediately prior to such record date.

c) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person in which the Company is not the surviving entity or the stockholders of the Company immediately prior to such merger or consolidation do not own, directly or indirectly, at least 50% of the outstanding voting securities of the surviving entity, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which all or substantially all of the holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, or (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property (other than as a result of a subdivision or combination of shares of Common Stock covered by Section 3(a) above), (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at

the option of the Holder, the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction. For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. Notwithstanding anything to the contrary, in the event of a Fundamental Transaction other than one in which a Successor Entity (as defined below) that is a publicly traded corporation whose stock is quoted or listed for trading on an Eligible Market assumes this Warrant such that the Warrant shall be exercisable for the publicly traded Common Stock of such Successor Entity, the Company or any Successor Entity shall, at the Holder's option, exercisable at any time concurrently with, or within 30 days after, the consummation of the Fundamental Transaction, purchase this Warrant from the Holder by paying to the Holder an amount of cash equal to the Black Scholes Value of the remaining unexercised portion of this Warrant on the date of the consummation of such Fundamental Transaction. As used herein (1) "Black Scholes Value" means the value of this Warrant based on the Black and Scholes Option Pricing Model obtained from the "OV" function on Bloomberg, L.P. ("Bloomberg") determined as of the day of consummation of the applicable Fundamental Transaction for pricing purposes and reflecting (A) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the time between the date of the public announcement of the applicable Fundamental Transaction and the Termination Date, (B) an expected volatility equal to the greater of 100% and the 100 day volatility obtained from the HVT function on Bloomberg as of the Trading Day immediately following the public announcement of the applicable Fundamental Transaction, (C) the underlying price per share used in such calculation shall be the sum of the price per share being offered in cash, if any, plus the value of any non-cash consideration, if any, being offered in such Fundamental Transaction and (D) a remaining option time equal to the time between the date of the public announcement of the applicable Fundamental Transaction and the Termination Date, (2) "Successor Entity" means the Person (as defined below) (or, if so elected by the Holder, the Parent Entity (as defined below)) formed by, resulting from or surviving any Fundamental Transaction or the Person (or, if so elected by the Holder, the Parent Entity) with which such Fundamental Transaction shall have been entered into, (3) "Eligible Market" means the NYSE MKT, The NASDAQ Capital Market, The NASDAQ Global Market, The NASDAQ Global Select Market, the New York Stock Exchange or the OTC Bulletin Board (or any successors to any of the foregoing), (4) "Parent Entity" of a Person means an entity that, directly or indirectly, controls the applicable Person and whose common stock or equivalent equity security is quoted or listed on an Eligible Market, or, if there is more than one such Person or Parent Entity, the Person or Parent Entity with the largest public market capitalization as of the date of consummation of the Fundamental Transaction, and (5) "Person" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity and a government or any department or agency thereof. The terms of any agreement pursuant to which a Fundamental Transaction is effected shall include terms requiring any such successor or surviving entity to comply with the provisions of this Section 3(c) and insuring that this Warrant (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Fundamental Transaction.

d) Number of Warrant Shares. Simultaneously with any adjustment to the Exercise Price pursuant to paragraph (a) and (e) of this Section, the number of Warrant Shares that may be purchased upon exercise of this Warrant shall be increased or decreased proportionately, so that after such adjustment the aggregate Exercise Price payable hereunder for the increased or decreased number of Warrant Shares shall be the same as the aggregate Exercise Price in effect immediately prior to such adjustment.

e) Subsequent Equity Sales.

i. Except as provided in subsection (e)(iii) hereof, if and whenever the Company shall issue or sell, or is, in accordance with any of subsections (e)(ii)(l) through (e)(ii)(7) hereof, deemed to have issued or sold, any shares of Common Stock for a consideration per share (the "New Issuance Price") less than a price equal to the Exercise Price in effect immediately prior to such issue or sale or

deemed issuance or sale (the foregoing a "Trigger Issuance"), then, immediately after such Trigger Issuance, the Exercise Price then in effect shall be reduced to an amount equal to the New Issuance Price.

ii. For purposes of this paragraph (e), the following paragraphs (e)(ii)(l) to (e)(ii)(7) shall also be applicable:

(1) Issuance of Rights or Options. In case at any time the Company shall in any manner grant (directly and not by assumption in a merger or otherwise) any warrants or other rights to subscribe for or to purchase, or any options for the purchase of, Common Stock or any stock or security convertible into or exchangeable for Common Stock (such warrants, rights or options being called "Options" and such convertible or exchangeable stock or securities being called "Convertible Securities"), whether or not such Options or the right to convert or exchange any such Convertible Securities are immediately exercisable, and the price per share for which Common Stock is issuable upon the exercise of such Options or upon the conversion or exchange of such Convertible Securities (determined by dividing (i) the sum (which sum shall constitute the applicable consideration) of (x) the total amount, if any, received or receivable by the Company as consideration for the granting of such Options, plus (y) the aggregate amount of additional consideration payable to the Company upon the exercise of all such Options, plus (z), in the case of such Options that relate to Convertible Securities, the aggregate amount of additional consideration, if any, payable upon the issue or sale of such Convertible Securities and upon the conversion or exchange thereof, by (ii) the total maximum number of shares of Common Stock issuable upon the exercise of such Options or upon the conversion or exchange of all such Convertible Securities issuable upon the exercise of such Options) shall be less than the Exercise Price in effect immediately prior to the time of the granting of such Options, then the total number of shares of Common Stock issuable upon the exercise of such Options or upon conversion or exchange of the total amount of such Convertible Securities issuable upon the exercise of such Options shall be deemed to have been issued for such price per share as of the date of granting of such Options or the issuance of such Convertible Securities and thereafter shall be deemed to be outstanding for purposes of adjusting the Exercise Price. Except as otherwise provided in paragraph (e)(ii)(3), no adjustment of the Exercise Price shall be made upon the actual issue of such Common Stock or of such Convertible Securities upon exercise of such Options or upon the actual issue of such Common Stock upon conversion or exchange of such Convertible Securities.

(2) Issuance of Convertible Securities. In case the Company shall in any manner issue (directly and not by assumption in a merger or otherwise) or sell any Convertible Securities, whether or not the rights to exchange or convert any such Convertible Securities are immediately exercisable, and the price per share for which Common Stock is issuable upon such conversion or exchange (determined by dividing (i) the sum (which sum shall constitute the applicable consideration) of (x) the total amount received or receivable by the Company as consideration for the issue or sale of such Convertible Securities, plus (y) the aggregate amount of additional consideration, if any, payable to the Company upon the conversion or exchange thereof, by (ii) the total number of shares of Common Stock issuable upon the conversion or exchange of all such Convertible Securities) shall be less than the Exercise Price in effect immediately prior to the time of such issue or sale, then the total maximum number of shares of Common Stock issuable upon conversion or exchange of all such Convertible Securities shall be deemed to have been issued for such price per share as of the date of the issue or sale of such Convertible Securities and thereafter shall be deemed to be outstanding for purposes of adjusting the Exercise Price, provided that (a) except as otherwise provided in paragraph (e)(ii)(3), no adjustment of the Exercise Price shall be made upon the actual issuance of such Common Stock upon conversion or exchange of such Convertible Securities and (b) no further adjustment of the Exercise Price shall be made by reason of the issue or sale of Convertible Securities upon exercise of any Options to purchase any such Convertible Securities for which adjustments of the Exercise Price have been made pursuant to the other provisions of paragraph (e). No adjustment pursuant to this Section 3 shall be made if such adjustment would result in an increase of the Exercise Price then in effect.

(3) Change in Option Price or Conversion Rate. Upon the happening of any of the following events, namely, if the purchase price provided for in any Option referred to in paragraph (e)(ii)(l) of this Section 3, the additional consideration, if any, payable upon the conversion or exchange of any Convertible Securities referred to in paragraphs (e)(ii)(l) or (e)(ii)(2), or the rate at which Convertible Securities referred to in paragraphs (e)(ii)(l) or (e)(ii)(2) are convertible into or exchangeable for Common Stock shall change at any time (including, but not limited to, changes under or by reason of provisions designed to protect against dilution), the Exercise Price in effect at the time of such event shall forthwith be readjusted to the Exercise Price that would have been in effect at such time had such Options or Convertible Securities still outstanding provided for such changed purchase price, additional consideration or conversion rate, as the case may be, at the time initially granted, issued or sold.

(4) Stock Dividends. Subject to the provisions of this paragraph (e), in case the Company shall declare a dividend or make any other distribution upon any stock of the Company (other than the Common Stock) payable in Common Stock, Options or Convertible Securities, then any Common Stock, Options or Convertible Securities, as the case may be, issuable in payment of such dividend or distribution shall be deemed to have been issued or sold without consideration.

(5) Consideration for Stock. In case any shares of Common Stock, Options or Convertible Securities shall be issued or sold for cash, the consideration received therefor shall be deemed to be the gross amount received by the Company therefor. In case any shares of Common Stock, Options or Convertible Securities 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 of the Company. In case any Options shall be issued in connection with the issue and sale of other securities of the Company, together comprising one integral transaction in which no specific consideration is allocated to such Options by the parties thereto, such Options shall be deemed to have been issued for such consideration as determined in good faith by the Board of Directors of the Company. If Common Stock, Options or Convertible Securities shall be issued or sold by the Company and, in connection therewith, other Options or Convertible Securities (the "Additional Rights") are issued, then the consideration received or deemed to be received by the Company shall be reduced by the fair market value of the Additional Rights (as determined using the Black Scholes Option Pricing Model or another method mutually agreed to by the Company and the Holder). The Board of Directors of the Company shall respond promptly, in writing, to an inquiry by the Holder as to the fair market value of the Additional Rights. In the event that the Board of Directors of the Company and the Holder are unable to agree upon the fair market value of the Additional Rights, the Company and the Holder shall jointly select an appraiser who is experienced in such matters. The decision of such appraiser shall be final and conclusive, and the cost of such appraiser shall be borne evenly by the Company and the Holder.

(6) Record Date. In case the Company shall take a record of the holders of its Common Stock for the purpose of entitling them (i) to receive a dividend or other distribution payable in Common Stock, Options or Convertible Securities or (ii) to subscribe for or purchase Common Stock, Options or Convertible Securities, then such record date shall be deemed to be the date of the issue or sale of the shares of Common Stock deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase, as the case may be.

(7) Treasury Shares. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Company or any of its wholly-owned subsidiaries, and the disposition of any such shares (other than the cancellation or retirement thereof) shall be considered an issue or sale of Common Stock for the purpose of this paragraph (e).

iii. Notwithstanding the foregoing, no adjustment will be made under this paragraph (e) in respect of: (i) the issuance of securities upon the exercise or conversion of any Common Stock, options or Convertible Securities issued by the Company prior to the date hereof, (ii) the grant of Common Stock, options or Convertible Securities (including any amendments to such instruments) under any duly authorized Company stock option, restricted stock plan or stock purchase plan whether now existing or hereafter approved by the Company and its stockholders in the future, and the issuance of Common Stock in respect thereof, (iii) the issuance of securities in connection with a Strategic Transaction, (iv) issuances to lenders, or (v) the issuance of securities in a transaction described in paragraph (a) or (b) of this Section 3 (collectively, "Excluded Issuances"). For purposes of this paragraph, a "Strategic Transaction" means a transaction or relationship in which (1) the Company issues shares of Common Stock to a Person that the Board of Directors of the Company determined in good faith is, itself or through its Subsidiaries, an operating company in a business synergistic with the business of the Company (or a shareholder thereof) and (2) the Company expects to receive benefits in addition to the investment of funds, but shall not include (x) a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to a Person whose primary business is investing in securities.

iv. Upon any adjustment to the Exercise Price pursuant to paragraph (e)(i) above, the number of Warrant Shares purchasable hereunder shall be adjusted by multiplying such number by a fraction, the numerator of which shall be the Exercise Price in effect immediately prior to such adjustment and the denominator of which shall be the Exercise Price in effect immediately thereafter.

f) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

g) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly mail to the Holder a notice setting forth the Exercise Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. After the Issue Date, (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be mailed to the Holder at its last address as it shall appear upon the Warrant Register of the Company, at least 20 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to mail such notice or any defect therein or in the mailing thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously

file such notice with the United States Securities and Exchange Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

a) Transferability. Subject to compliance with any applicable securities laws, this Warrant and all rights hereunder are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the initial issuance date set forth on the first page of this Warrant and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary. Upon thirty (30) days notice to the Holder, the Company may appoint a warrant agent to maintain the Warrant Register.

d) Representation by the Holder. The Holder, by the acceptance hereof, represents and warrants that it is acquiring this Warrant and, upon any exercise hereof, will acquire the Warrant Shares issuable upon such exercise, for its own account and not with a view to or for distributing or reselling such Warrant Shares or any part thereof in violation of the Securities Act of 1933, as amended, or any applicable state securities law, except pursuant to sales registered or exempted under the Securities Act of 1933, as amended.

Section 5. Miscellaneous.

a) No Rights as Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2(c)(i).

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it, and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

d) Authorized Shares. The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance

of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of executing stock certificates to execute and issue the necessary certificates for the Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the National Securities Exchange upon which the Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its 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 of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e)[Intentionally Omitted].

f) Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be determined in accordance with the laws of the State of New York.

g) Nonwaiver. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies.

h) Notices. The Company shall provide the Holder with prompt written notice of all actions taken pursuant to this Warrant. Whenever notice is required to be given under this Warrant, unless otherwise provided herein, such notice shall be given in writing, will be mailed (a) if within the domestic United States by first-class registered or certified airmail, or nationally recognized overnight express courier, postage prepaid, or by facsimile or (b) if delivered from outside the United States, by International Federal Express or facsimile, and (c) will be deemed given (i) if delivered by first-class registered or certified mail domestic, three (3) business days after so mailed, (ii) if delivered by nationally recognized overnight carrier, one business day after so mailed, (iii) if delivered by International Federal Express, two (2) business days after so mailed and (iv) if delivered by facsimile, upon electronic confirmation of receipt, and will be delivered and addressed as follows:

i) if to the Company, to:

The Plastino Building
2533 South Coast Highway 101, Suite 210

Cardiff-by-the-Sea, California 92007
Attention: President & COO
Facsimile: (858) 380-1999

and

With Copies to:

Wilson Sonsini Goodrich & Rosati, P.C.
12235 El Camino Real
San Diego, California 92130
Attention: Martin Waters
Facsimile: 858-350-2308

(ii) if to the Holder, at the address of the Holder appearing on the books of the Company.

h) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

i) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of the Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

j) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the undersigned Holder. The foregoing notwithstanding, the Company may extend the Termination Date and reduce the Exercise Price without the consent of the Holder.

k) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

l) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

****

(Signature Pages Follow)

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

CONKWEST, INC.

By: /s/ Barry J. Simon
Name: Barry J. Simon, M.D.
Title: President & Chief Operating Officer

NOTICE OF EXERCISE

TO: CONKWEST, INC.

(1) The undersigned hereby elects to purchase Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of lawful money of the United States.

(3) Please issue a certificate or certificates representing said Warrant Shares in the name of the undersigned or in such other name as is specified below:

The Warrant Shares shall be delivered to the following DWAC Account Number or by physical delivery of a certificate to:

[SIGNATURE OF HOLDER]

Name of Investing Entity:

Signature of Authorized Signatory of Investing Entity:

Name of Authorized Signatory:

Title of Authorized Signatory:

Date:

ASSIGNMENT FORM

(To assign the foregoing warrant, execute
this form and supply required information.
Do not use this form to exercise the warrant.)

FOR VALUE RECEIVED, [ ] all of or [ ] shares of the foregoing Warrant and all rights evidenced thereby are hereby assigned to

whose address
is

Dated: ,

Holder's
Signature:

Holder's
Address:

Signature
Guaranteed:

NOTE: The signature to this Assignment Form must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank or trust company. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.

Exhibit 10.17

THIS WARRANT HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS AND MAY NOT BE TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS IT HAS BEEN REGISTERED UNDER SUCH ACT AND ALL SUCH APPLICABLE LAWS OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

No. _____ REPLACEMENT WARRANT (Originally issued as No. 1)

CONKWEST, INC.

Stock Purchase Warrant

This is to certify that, for value received, _____ (together with its registered successors and assigns, the "**Holder**") is entitled upon the due exercise hereof to purchase (subject to adjustment as provided herein) Seventeen Thousand Six Hundred Forty Eight (17,648) shares of Class A Common Stock, par value $0.0001 (such shares, together with such other securities as may be issued upon the exercise hereof, being referred to herein as the "**Warrant Shares**"), of CONKWEST, INC., a Delaware corporation (hereinafter with its successors called the "**Company**"), for the price of $4.51 per share (the "**Exercise Price**") and to exercise the other rights, powers and privileges provided for herein, all upon the terms and subject to the conditions specified herein.

1. Issuance. This Warrant is issued to the Holder by the Company.

2. Exercise Price; Number of Shares. Subject to the terms and conditions hereinafter set forth, the registered holder hereof is entitled upon surrender hereof with the subscription form annexed hereto duly executed, at the office of the Company, at 2533 South Coast Highway 101, Suite 210, Cardiff-by-the-Sea, California 92007, or such other office as the Company shall notify the Holder of in writing, to purchase from the Company the Warrant Shares. The Company shall at all times reserve for issuance and delivery upon exercise hereof such number of shares of its Common Stock as shall be required for issuance and delivery upon exercise of the Warrant.

3. Payment of Exercise Price. The Exercise Price may be paid (i) in cash or by check, (ii) by the surrender by the Holder to the Company of any promissory notes or other obligations issued by the Company, with all such notes and obligations so surrendered being credited against the Exercise Price in an amount equal to the principal amount thereof plus accrued interest to the date of surrender, (iii) through delivery by the Holder to the Company of other securities issued by the Company, with such securities being credited against the Exercise Price in an amount equal to the fair market value thereof, as determined in good faith by the Board of Directors of the Company (the "**Board**"), or (iv) by any combination of the foregoing. The Board shall promptly respond in writing to an inquiry by the Holder as to the fair market value of any securities the Holder may wish to deliver to the Company pursuant to clause (iii) above.

4. Net Issue Election. In lieu of exercise pursuant to Section 3, the Holder may elect to receive, without the payment by the Holder of any additional consideration, shares equal to the value hereof or any portion hereof by the surrender hereof or such portion hereof to the Company, with the net issue election notice annexed hereto duly executed, at the office of the Company. Thereupon, the Company shall issue to the Holder such number of fully paid and nonassessable shares of Common Stock as is computed using the following formula:

$$X \text{ equals } \frac{Y(A-B)}{A}$$

Where

X equals the number of shares to be issued to the Holder pursuant to this Section 4.

Y equals the number of shares covered by this Warrant in respect of which the net issue election is made pursuant to this Section 4.

A equals the fair market value of one share of the Common Stock, as determined in good faith by the Board, at the time the net issue election is made pursuant to this Section 4.

B equals the Purchase Price in effect under this Warrant at the time the net issue election is made pursuant to this Section 4.

The Board shall promptly respond in writing to an inquiry by the Holder as to the fair market value of one share of Common Stock

5. Partial Exercise. This Warrant may be exercised in part, and the Holder shall be entitled to receive a new warrant, which shall be dated as of the date hereof, covering the number of shares in respect of which this Warrant shall not have been exercised.

6. Issuance Date. The person or persons in whose name or names any certificate representing shares of the Common Stock is issued hereunder shall be deemed to have become the holder of record of the shares represented thereby as at the close of business on the date this Warrant is exercised with respect to such shares, whether or not the transfer books of the Company shall be closed.

7. Expiration Date; Automatic Exercise. This Warrant shall expire at the sooner of (i) the close of business on March 14, 2018, (ii) the effective date of the consolidation of the Company with, or merger of the Company into, another corporation or other business organization (other than a consolidation or merger in which the Company is the surviving corporation) or any sale, license or conveyance to another corporation or other business organization of all or substantially all of the assets of the Company, provided that the Holder has been given at least 30 days prior written notice of such event, or (iii) the effective date of the initial public offering of the Company's Common Stock, provided that the Holder has been given at least 30 days prior written notice of such event, and shall be void thereafter.

8. Amendment. The terms hereof may be amended, modified or waived only with the written consent of the Company and the Holder.

9. Warrant Register; Transfers. etc.

(a) The Company will maintain a register containing the names and addresses of the registered holders of any Warrants. The Holder may change its address as shown on the warrant register by written notice to the Company requesting such change. Any notice or written communication required or permitted to be given to the Holder may be given by certified mail or delivered to the Holder at its address as shown on the warrant register.

(b) Subject to compliance with applicable federal and state securities laws, this Warrant may be transferred by the Holder with respect to any or all of the shares purchasable hereunder. Upon surrender hereof to the Company, together with the assignment hereof properly endorsed, for transfer hereof as an entirety by the Holder, the Company shall issue a new warrant of the same denomination to the assignee. Upon surrender hereof to the Company, together with the assignment hereof properly endorsed, by the

Holder for transfer with respect to a portion of the shares of capital stock of the Company purchasable hereunder, the Company shall issue a new warrant to the assignee, in such denomination as shall be requested by the Holder hereof, and shall issue to such Holder a new warrant covering the number of shares in respect of which this Warrant shall not have been transferred.

(c) In case this Warrant shall be mutilated, lost, stolen or destroyed, the Company shall issue a new warrant of like tenor and denomination and deliver the same (i) in exchange and substitution for and upon surrender and cancellation of any mutilated Warrant, or (ii) in lieu of any Warrant lost, stolen or destroyed, upon receipt of evidence reasonably satisfactory to the Company of the loss, theft or destruction of such Warrant (including a reasonably detailed affidavit with respect to the circumstances of any loss, theft or destruction) and of indemnity reasonably satisfactory to the Company, provided, that so long as the Holder is the registered holder hereof, no indemnity shall be required other than its written agreement to indemnify the Company against any loss arising from the issuance of such new warrant.

THIS SECURITY AND ANY SECURITY ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR UNDER ANY APPLICABLE STATE LAWS, AND MAY NOT BE SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT, AN EXEMPTION UNDER SUCH ACT OR PURSUANT TO RULE 144 AND REGISTRATION UNDER OR AN EXEMPTION FROM APPLICABLE STATE SECURITIES LAW OR AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY AND ITS COUNSEL THAT SUCH REGISTRATION IS NOT REQUIRED.

10. Anti-Dilution Provisions. The Exercise Price in effect at any time and the number and kind of securities purchasable upon the exercise hereof shall be subject to adjustment from time to time upon the happening of certain events as follows:

(a) In case the Company shall (i) declare a dividend or make a distribution of its outstanding shares of Common Stock in shares of Common Stock, (ii) subdivide or reclassify it outstanding shares of Common Stock into a greater number of shares or (iii) combine or reclassify its outstanding shares of Common Stock into a smaller number of shares, the Exercise Price in effect at the time of the record date for such dividend or distribution or of the effective date of such subdivision, combination or reclassification shall be adjusted so that it shall equal the price determined by multiplying the Exercise Price by a fraction the denominator of which shall be the number of shares of Common Stock outstanding after giving effect to such action, and the numerator of which shall be the number of shares of Common Stock outstanding immediately before giving effect to such action. Similar calculations shall be made successively whenever any event listed above shall occur.

(b) Whenever the Exercise Price payable upon exercise of each Warrant is adjusted pursuant to Subsection (a) above, the number of shares purchasable upon exercise hereof shall simultaneously be adjusted by multiplying the number of shares initially issuable upon exercise hereof by the Exercise Price in effect on the date hereof and dividing the product so obtained by the Exercise Price, as adjusted.

(c) In the event that at any time, as a result of an adjustment made pursuant to Subsection (a) above, the Holder hereof thereafter shall become entitled to receive any shares of the Company, other than Common Stock, thereafter the number of such other shares so receivable upon exercise hereof shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Common Stock contained in Subsection (a) above.

(d) Irrespective of any adjustments in the Exercise Price or the number or kind of shares purchasable upon exercise hereof, Warrants theretofore or thereafter issued may continue to express the same price and number and kind of shares as are stated in the similar Warrants initially issuable pursuant to this Agreement.

11. Officer's Certificate. Whenever the Exercise Price shall be adjusted as required by the provisions of Section 10, the Company shall forthwith file in the custody of its Secretary or an Assistant Secretary at its principal office and with its stock transfer agent, if any, an officer's certificate showing the adjusted Exercise Price determined as herein provided, setting forth in reasonable detail the facts requiring such adjustment, including a statement of the number of additional shares of Common Stock, if any and such other facts as shall be necessary to show the reason for and the manner of computing such adjustment. Each such officer's certificate shall be made available at all reasonable times for inspection by any holder of a Warrant.

12. No Rights or Liability as a Stockholder. This Warrant does not entitle the Holder hereof to any voting rights or other rights as a shareholder of the Company. No provisions hereof; in the absence of affirmative action by the Holder hereof to purchase securities hereunder, and no enumeration herein of the rights or privileges of the Holder hereof shall give rise to any liability of such Holder as a shareholder of the Company.

13. Governing Law. The provisions and terms hereof shall be governed by and construed in accordance with the laws of the State of Delaware.

14. Successors and Assigns. This Warrant shall be binding upon the Company's successors and assigns and shall inure to the benefit of the Holder's successors, legal representatives and permitted assigns.

15. Business Days. If the last or appointed day for the taking of any action required or the expiration of any right granted herein shall be a Saturday, Sunday or a public holiday under the laws of the Commonwealth of Pennsylvania, then such action may be taken or right may be exercised on the next succeeding business day.

16. Notices. All notices, requests, consents or other communications shall be in writing and shall be deemed to have been duly made when delivered, or mailed by certified mail, return receipt requested:

(a) If to a registered holder of the Warrant, to the address of such holder as shown on the books of the Company; or

(b) If to the Company, to 2533 South Coast Highway 101, Suite 210, Cardiff-by-the-Sea, California 92007 or such other address as delivered to the Holder.

Dated as of March 17, 2015
(originally issued March 14, 2008)

CONKWEST, INC

By: _____
Barry J. Simon, Chief Executive Officer

SUBSCRIPTION

To: _____ Date: _____

The undersigned hereby subscribes for ____ shares of Common Stock covered by this Warrant. The certificate(s) for such shares shall be issued in the name of the undersigned or as otherwise indicated below:

_____
Signature

_____
Name for Registration

_____
Mailing Address

ASSIGNMENT

For value received _____ hereby sells, assigns and transfers unto _____ (Please print or typewrite name and address of Assignee)

the within Warrant, and does hereby irrevocably constitute and appoint _____ its attorney to transfer the within Warrant on the books of the within named Company with full power of substitution on the premises.

Dated: _____

_____

In the Presence of:

_____

NET ISSUE ELECTION NOTICE

To: _____ Date: _____

The undersigned hereby elects under Section 4 to surrender the right to purchase shares of Common Stock pursuant to this Warrant. The certificate(s) for the shares issuable upon such net issue election shall be issued in the name of the undersigned or as otherwise indicated below.

_____
Signature

_____
Name for Registration

_____
Mailing Address

GENOMIC AND PROTEOMIC SERVICES AGREEMENT

This Genomic and Proteomic Services Agreement (the "Agreement") is entered into effective as of this 18th day of June, 2015 by and between Conkwest, Inc. ("Customer") and NantOmics, LLC ("NantOmics").

RECITALS

WHEREAS, Customer is engaged in development of novel cancer treatments and therapies;

WHEREAS, NantOmics is engaged in the provision of genomic and proteomic analysis and bioinformatics services; and

WHEREAS, Customer desires to receive NantOmics' services in connection with the performance of clinical trials for its cancer treatments and therapies (including to identify potential clinical trial candidates for such treatments and therapies).

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENT

1. DESCRIPTION OF SERVICES.

1.1 Provision of Services. NantOmics agrees to perform whole genome sequencing (WGS), whole exome sequencing (WES), RNA-Seq and proteomic analyses services, and related computational, data management and bioinformatics services, as requested from time to time by Customer and agreed by NantOmics, in accordance with and subject to the terms and conditions set forth in this Agreement and provided that the applicable samples provided to NantOmics are adequate for such purpose (the "Services"). NantOmics will use its commercial reasonable efforts to provide the Services in a timely, skillful, professional and workmanlike manner by qualified personnel exercising care, skill and diligence consistent with industry standards, and in accordance with the terms and conditions of this Agreement. Customer acknowledges that Service turnaround times are dependent upon and subject to resource and capacity commitments at the time that Services are requested. For the avoidance of doubt, NantOmics shall furnish the facilities, equipment, instruments, supplies, personnel and other resources reasonably necessary for the performance of the Services.

1.2 Samples. In order to enable NantOmics to perform the Services, Customer shall provide, or cause to be provided, tissue and blood samples in such quantities as are reasonably required to perform the Services. Preparation, packaging and shipping of samples shall be performed in accordance with NantOmics procedures and protocols.

1.3 Customer Cooperation. Customer's timely provision of accurate information, data and cooperation (collectively "Cooperation") is essential to NantOmics's performance of its obligations under this Agreement and NantOmics shall not be liable for any deficiency, delay or failure in performing its obligations if such deficiency, delay or failure results from Customer's failure to provide such Cooperation.

1.4 Exclusivity. During the term of this Agreement and except to the extent otherwise agreed by the parties on a case-by-case basis, NantOmics will be the exclusive provider of genomic and proteomic analysis services, and related computational, data management and bioinformatics services, to Customer and its subsidiaries and, accordingly, Customer and its subsidiaries agree that they will not procure such services from another provider.

2. COMPENSATION. As compensation for the Services, Customer shall pay NantOmics according to the fee schedule set forth on Exhibit A. NantOmics shall invoice Customer monthly for Services performed during the preceding month, according to the fee schedule set forth on Exhibit A. Invoices are due and payable within thirty (30) days of receipt by Customer. Payment shall be delivered to NantOmics at the address set forth on each invoice.

3. TERM AND TERMINATION. The term of this Agreement shall commence on the effective date set forth above and continue for a term of five (5) years. Thereafter, the term of this Agreement will automatically renew for additional successive one (1) periods terms unless and until this Agreement is terminated in accordance with this Section 3. This Agreement may be terminated by either party in the event of a material default by the other, provided that written notice of such default and the intent to terminate has been given to the defaulting party and such default has not been remedied to the reasonable satisfaction of the non-defaulting party within thirty (30) days of delivery of such notice. In addition, either party may terminate this Agreement for any reason upon ninety (90) days prior written notice to the other party; provided that if NantOmics terminates this Agreement for convenience in accordance with the foregoing, then NantOmics shall still remain obligated to perform Services for those clinical trials it agreed to provide Services for prior to termination. Upon expiration of this Agreement or termination by either Party, in addition to amounts accruing hereunder for Services already completed, Customer shall also be liable to NantOmics for Services then in process, but completed after the date of expiration or termination, provided that the Services were initiated prior to the effective date of expiration or termination, at the rate set forth on Exhibit A.

4. RESULTS, NANTOMICS PLATFORM. Customer may utilize the data and information produced and reported by NantOmics from the provision of Services (the "Results") in connection with the performance of clinical trials for the cancer treatment and/or therapy for which the Services were performed (including for the purpose of identifying potential clinical trial candidates for such treatment or therapy). Customer

agrees that NantOmics retains and shall own all right, title and interest in and to the NantOmics Platform, Results (including the right to publish findings resulting from the Services) and any computer programs, software, documentation, copyrightable work, discoveries, inventions or improvements developed or made by NantOmics solely, or with others, in connection with the Services. The "NantOmics Platform" means the hardware, software, systems, tools, database processes, reporting methodology, testing procedures and other technology utilized by or for NantOmics in the operation or provision of Services.

5. CONFIDENTIALITY.

5.1 Confidential Information. "Confidential Information" means any non-public, proprietary or confidential information or material of a Party that (i) is disclosed in writing and is clearly marked as "confidential" or with a similar proprietary notice at the time of disclosure; (ii) is disclosed verbally and identified as "confidential" or similarly at the time of disclosure, or (iii) by its nature, a reasonable person would consider confidential. If Confidential Information is disclosed or otherwise made available by a party (the "Disclosing Party") to the other party (the "Receiving Party"), the Receiving Party shall use such Confidential Information only for the purpose for which it was provided or as otherwise agreed to in writing and not disclose such Confidential Information to any person or entity (except to its affiliates and contractors that are bound by written nondisclosure agreements or obligations as least as protective as the terms and conditions of this Section 5). The terms and conditions of this Agreement shall be Confidential Information of both parties and disclosure of all or any part thereof to any third party or the public shall be upon consent of both parties hereto.

5.2 Exceptions. This Section 5 shall not apply to Confidential Information that: (i) becomes publicly available through no fault of the Receiving Party; (ii) is or becomes available to the Receiving Party or its affiliates on a non-confidential basis from a third party; provided, that such third party is not and was not prohibited from disclosing the Confidential Information; (iii) was already known by or in the possession of the Receiving Party or its affiliates; (iv) is independently developed or received by the Receiving Party or its affiliates without reference to or use of the Disclosing Party's Confidential Information; or (v) is subject to disclosure by law, legal requirement, regulation, judicial process or order, in which case, if permitted by law, the Receiving Party shall use reasonable efforts to provide written notice to the Disclosing Party of its obligation to disclose such Confidential Information with an opportunity to seek for the Disclosing Party to object.

5.3 Business Associate Agreement. If and to the extent required under the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations, as may be amended from time to time ("HIPAA"), the parties shall enter into an industry standard business associate agreement covering the use and protection of any Protected Health Information (as such term is defined under HIPAA (the "BAA").

However, notwithstanding anything to the contrary in this Agreement or the BAA, (i) Customer hereby grants to NantOmics a non-exclusive, non-transferable right and license to use the information, data and other content provided to NantOmics in connection with the Services for the purpose of performing NantOmics's obligations hereunder; (ii) NantOmics may use, analyze and disclose Protected Health Information: (a) for the health care operations and billing of Customer, NantOmics and their Affiliates, (b) as otherwise permitted under HIPAA (including to perform data aggregation and for the public health activities and purposes described in 45 C.F.R. § 164.512(b)), and/or (c) as otherwise permitted under applicable patient consents/authorizations; and (iii) NantOmics may de-identify Protected Health Information and/or create "Limited Data Sets" in accordance with 45 C.F.R. § 164.514. Customer acknowledges and agrees that de-identified information is not Protected Health Information and that NantOmics may use such de-identified information for any lawful purpose.

6. RELATIONSHIP OF THE PARTIES. In performing the Services, NantOmics is acting as an independent contractor. In no event shall this Agreement be construed as establishing a partnership or joint venture or similar relationship between the parties hereto, and nothing herein contained shall be construed to authorize either party to act as agent for the other.

7. INSURANCE, INDEMNIFICATION AND LIMITATION OF LIABILITY.

7.1 Insurance. Throughout the term of this Agreement, each of the parties shall secure and maintain, where appropriate, commercial general liability insurance, professional liability insurance, property insurance, workers compensation insurance, and such other insurance coverage or properly reserved self insurance, in such forms and amounts as may be reasonable and appropriate in the performance of the obligations assumed hereunder. Upon request, each party shall provide the other with certificates of proof of the insurance coverage required herein.

7.2 Indemnification. Each party (the "Indemnifying Party") agrees to defend the other party and its parent and affiliates and their respective directors, officers, employees, agents or contractors, and all of such persons' successors and assigns (collectively, the "Indemnified Persons"), from and against any and all third party claims, and indemnify and hold the Indemnified Persons harmless from and against any and all damages finally awarded the third party claimant, to the extent such claim is a result of a violation of applicable law by the Indemnifying Party, negligence or willful misconduct of the Indemnifying Party (including any personal injury, death, or damage to tangible personal or real property) or, in the case of indemnification by Customer, use or exploitation of the Results or any diagnosis, treatment, prescription of medication or any other medical service or decision relating to Customer or any of its treatments or therapies, provided that: (i) the Indemnifying Party is promptly notified of the claim in writing (but the failure of Indemnified Persons to promptly provide notice shall not relieve the Indemnifying Party of its indemnification obligations hereunder except to the

extent materially prejudiced thereby); (ii) the Indemnifying Party is given full control of the defense and settlement of the matter; (iii) the Indemnified Persons cooperate fully with the Indemnifying Party in the defense and settlement of the matter.

7.3 Limitation of Liability. The cumulative, aggregate liability of NantOmics in connection with this Agreement will not exceed the total amount of all fees paid and payable to NantOmics under this Agreement during the twelve month period preceding the applicable claim. In no event will either party be liable for lost profits or any special, indirect, incidental, exemplary, consequential, indirect or punitive damages arising in connection with this Agreement, regardless of whether such party has been notified of the potential for such damages, or whether such damages were reasonably foreseeable, or whether any claim for recovery is based on theories of contract, tort, or otherwise.

8. REPRESENTATIONS AND WARRANTIES.

8.1 Mutual Representations and Warranties. Each party represents and warrants to the other Party that: (a) it is duly formed, validly existing, and in good standing under the laws of its jurisdiction of formation; (b) its execution of this Agreement has been duly authorized by all necessary action of such party; (c) when executed and delivered by it, this Agreement will constitute its legal, valid, and binding obligation, enforceable against it in accordance with its terms; (d) its execution, delivery, and performance of its obligations under this Agreement does not and will not violate any judgment, order, decree, or applicable law, nor does it or will it violate any agreement to which it is a party; and (e) it have not been: (i) debarred under the provisions of the Generic Drug Enforcement Act of 1992, 21 U.S.C. § 335a(a) or any other U.S. Federal or State law or regulation; (ii) disqualified as a testing facility under the provisions of 21 C.F.R. Part 58, Subpart K; (iii) convicted of any crime relating to any federal and/or state program; or (iv) included in the Specially Designated Nationals list (“SDN List”) maintained by the U.S. Department of Treasury’s Office of Foreign Assets Control or any other similar list, domestic or foreign.

8.2 Disclaimer. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS AGREEMENT, EACH PARTY HEREBY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, WITH RESPECT TO THIS AGREEMENT OR ANY SUBJECT MATTER HEREOF. THE SERVICES AND RESULTS SHALL NOT BE USED TO FUNCTION AS, OR REPLACE, ANY MEDICAL TREATMENT, EXAMINATION, DIAGNOSIS OR OTHER MEDICAL PRACTICE, PROCEDURE, DEVICE OR SERVICE. UNDER NO CIRCUMSTANCES SHOULD CUSTOMER OR ANY OTHER PARTY RELY SOLELY ON THE INFORMATION PRESENTED ON OR VIA THE SERVICES OR RESULTS TO PERFORM THERAPEUTIC OR DIAGNOSTIC PROCEDURES OR ACTIONS, TO MAKE DIAGNOSES, OR TO TAKE ANY OTHER DECISION OR CONSEQUENTIAL ACTION.

9. AUDIT RIGHTS AND RECORD KEEPING. Throughout the term of this Agreement and for a period of five (5) years following the expiration or termination hereof, Customer, or any of its duly authorized representatives shall, upon reasonable notice and during normal business hours, have access to and the right to audit, at its own expense, NantOmics's laboratory facilities, documents or records, which pertain specifically to compliance with quality standards, regulatory requirements, or other obligations relating to the performance of the Services under this Agreement. All documents or records pertaining to NantOmics's performance of any obligation under this Agreement shall be retained by NantOmics throughout the term of this Agreement and for a period of five (5) years following the termination or expiration hereof.

10. COMPLIANCE WITH LAWS AND REGULATIONS. Each of the parties shall perform their respective obligations in compliance with all applicable federal, state and local laws, regulations, ordinances and safety codes, including but not limited to all laboratory licensing requirements and all regulations regarding patient safety and confidentiality.

11. USE OF TRADEMARKS. Neither party shall use the name or any trademark of the other in any advertising, marketing, letterhead, sales promotion, publicity, or for any other purpose without the prior written approval of the other. Notwithstanding the foregoing, Customer consents to NantOmics including Customer's name, location and publicly available logo in NantOmics promotional materials that list NantOmics's customers (provided such list does not include any attribution of any endorsement to Customer).

12. GENERAL PROVISIONS.

12.1 Notices. All notices required to be in writing shall be deemed to have been given either at the time of delivery if delivered personally or by an independent contract carrier; or twenty-four (24) hours after the time of postmark if mailed Express Mail, postage prepaid, return receipt requested, or three (3) days after the time of postmark if mailed registered or certified mail, postage prepaid, return receipt requested, and in each case, addressed as set forth below:

To NantOmics:

NantOmics, LLC
9920 Jefferson Boulevard
Culver City, California 90232
Attn: Chief Executive Officer

To Customer:

Conkwest, Inc.

2533 S. Coast Hwy. 101, Suite 210
Cardiff, CA 92007
Attn: President

or to such other address as any party shall designate at any time in writing by notice to the other party in accordance with this paragraph.

12.2 Governing Law. This Agreement shall be interpreted and construed in accordance with the laws of the State of California, without application of any principles of choice of laws.

12.3 Nonwaiver. A waiver by either party of any breach of this Agreement shall not be binding upon the waiving party unless such waiver is in writing. In the event of a written waiver, such a waiver shall not affect the waiving party's rights with respect to any other or further breach.

12.4 Execution by Counterpart. This Agreement may be executed separately or independently in any number of counterparts, by original or facsimile signature, each and all of which together shall be deemed to have been executed simultaneously and for all purposes to be one Agreement.

12.5 Section Headings. The section and subsection headings in this Agreement are included for convenience only and shall not in any way effect the interpretation or construction of any provision hereof.

12.6 Force Majeure. If by reason of labor disputes, strikes, lockouts, embargo, riots, war, inability to obtain labor, materials or transportation facilities, earthquake, fire or other action of the elements, accidents, governmental restrictions, appropriation, compliance with any law, regulation or other governmental order or any other causes beyond the control of a party hereto, either party is unable to perform in whole or in part its obligations as set forth in this Agreement, excluding any obligations to make payments hereunder, then such party will be relieved of those obligations to the extent it is so unable to perform and such inability to perform will not make such party liable to the other party. Neither party will be liable for any losses, injury, delay or damages suffered or incurred by the other party due to the above causes.

12.7 Entire Agreement; Successors in Interest; Assignment. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties. Neither party may assign or otherwise transfer this Agreement or any of its rights under this Agreement, in each case whether voluntarily or involuntarily, without the other party's prior written consent, which will not be unreasonably withheld, conditioned, or delayed; provided, however, that either party may assign this Agreement to a party that obtains all or substantially all of the assigning parties assets to which this

Agreement relates. Any assignment or other transfer without such prior written consent will be null and void. NantOmics may subcontract its obligations under this Agreement to a third party, provided that NantOmics informs Customer prior to using any material subcontractor that is not a NantOmics affiliate and NantOmics will remain responsible to Customer for any performance of its obligations hereunder notwithstanding the permitted engagement of any such third party.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates set forth above.

NANTOMICS, LLC
("NantOmics")

By: /s/ Charles Kim

Name: Charles Kim

Title: General Counsel

CONKWEST, INC.
("Customer")

By: /s/ Barry J. Simon

Name: Barry J. Simon

Title: President

EXHIBIT A
Service Pricing

$12,500 per sample	Whole genome sequencing (WGS), whole exome sequencing (WES) and RNA-Seq services and related computational, data management and bioinformatics services
$7,200 per sample	Proteomic analyses services

Exhibit 21.1

SUBSIDIARIES OF CONKWEST, INC.

Name of Subsidiary	Jurisdiction of Organization
Inex Bio, Inc.	Delaware
Infacell, Therapeutics, Inc.	Delaware

Exhibit 23.1

Mayer Hoffman McCann P.C.
An Independent CPA Firm

10616 Scripps Summit Court
San Diego, California 92131
858-795-2000 ph
858-795-2001 fx
www.mhm-pc.com

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Registration Statement on Form S-1 and related Prospectus dated June 19, 2015 of our report dated April 17, 2015, except for the subsequent events noted in Note 17, as to which the date is June 19, 2015, with respect to the financial statements of Conkwest, Inc, for the each of the two years ended December 31, 2013 and 2014, and to the reference to us under the heading “Experts” in this Prospectus which is part of this Registration Statement.

/s/ Mayor Hoffman McCann P.C.

San Diego, California
June 19, 2015