As confidentially submitted with the Securities and Exchange Commission on August 28, 2020

Registration No. 333-

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

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

Foghorn Therapeutics Inc.
(Exact name of registrant as specified in its charter)

Delaware	2834	47-5271393
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

100 Binney Street, Suite 610
Cambridge, MA 02142
617-586-3100
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Adrian Gottschalk
Chief Executive Officer
100 Binney Street, Suite 610
Cambridge, MA 02142
617-586-3100
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Marc Rubenstein, Esq.
Rachel Phillips, Esq.
Ropes & Gray LLP
Prudential Tower
800 Boylston Street
Boston, MA 02199-3600
(617) 951-7000

Peter N. Handrinos, Esq.
Wesley C. Holmes, Esq.
Latham & Watkins LLP
200 Clarendon Street
Boston, MA 02116
(617) 948-6000

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

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

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

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

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

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

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	$	$

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.
(2) Includes the aggregate offering price of additional shares that the underwriters have the option to purchase.
(3) Calculated pursuant to Rule 457(o) 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 Commission, acting pursuant to said Section 8(a), may determine.

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

Subject to completion, dated , 2020

Preliminary prospectus

shares

Foghorn Therapeutics Inc.

Common stock

This is an initial public offering of shares of common stock of Foghorn Therapeutics Inc. We are selling shares of our common stock. The initial public offering price is expected to be between $ and $ per share.

We have applied for listing of our common stock on under the symbol "FHTX."

We are an "emerging growth company" under federal securities laws and are subject to reduced public company reporting requirements. See "Prospectus Summary—Implications of Being an Emerging Growth Company."

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

(1) See "Underwriting" for additional disclosure regarding underwriting compensation.

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

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

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

The underwriters expect to deliver the shares to purchasers on or about , 2020.

Goldman Sachs & Co. LLC **Morgan Stanley** **Cowen**

Wedbush PacGrow

, 2020.

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Neither we nor the underwriters have authorized anyone to provide any information other than that contained in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We and the underwriters are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus, regardless of the time of delivery of this prospectus or any sale of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

For investors outside of the United States: Neither we nor the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than the United States. Persons outside of the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of common stock and the distribution of this prospectus outside of the United States.

Through and including , 2020 (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 delivery requirement is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Industry Terms

"cGMP"	Current Good Manufacturing Practice – minimum requirements of the FDA and other regulatory authorities for the methods, facilities, and controls used in the manufacturing, processing, and packing of a drug product that is intended for human use to ensure that the product is safe for use and has the ingredients and strength that it claims to have.
"FDA"	United States Food and Drug Administration.
"IND"	Investigational New Drug (Application) – an application to test an experimental drug in human beings and that requires clearance by the FDA for clinical trials to be initiated.
"Preclinical"	Drug development studies performed outside of a human living organism or cell, using living cells, or appropriate animal models. The studies begin before trials in humans and assess safety, toxicity, and efficacy. Since drug development is dynamic, preclinical studies are performed throughout the drug development lifecycle.

Trademarks

We use Gene Traffic Control™, Foghorn™, and GTC™ as trademarks in the United States and/or in other countries. This prospectus contains references to our trademarks and service marks and to those 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 TM 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 entities' trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other entity.

Market and Industry Data

Unless otherwise indicated, information contained in this prospectus concerning our industry and the markets in which we operate, including our general expectations, market position and market opportunity, is based on our management's estimates and research, as well as industry and general publications and research, surveys and

studies conducted by third parties. We believe that the information from these third-party publications, research, surveys and studies included in this prospectus is reliable. Management's estimates are derived from publicly available information, their knowledge of our industry and their assumptions based on such information and knowledge, which we believe to be reasonable. This data involves a number of assumptions and limitations which are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in "Risk Factors." These and other factors could cause our future performance to differ materially from our assumptions and estimates.

PROSPECTUS SUMMARY

This summary highlights information included elsewhere in this prospectus. This summary does not contain all the information you should consider before investing in our common stock. You should read and consider this entire prospectus carefully, including the sections titled "Risk Factors," "Cautionary Note Regarding Forward-Looking Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes included elsewhere in this prospectus, before making any investment decision. Unless the context otherwise requires, the terms "Foghorn," "Foghorn Therapeutics," the "Company," "we," "us" and "our" relate to Foghorn Therapeutics Inc., together with its consolidated subsidiary.

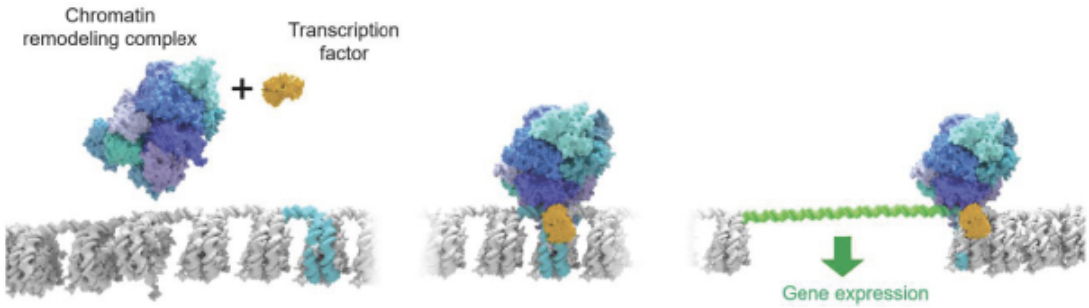
Overview

The chromatin regulatory system orchestrates gene expression–the turning on and off of genes–which is fundamental to how all our cells function. Breakdowns in this system lead to a wide range of diseases impacting millions of patients. Understanding the mechanism of how this system works could lead to an entirely new class of therapeutics. To our knowledge, we are the only company with the ability to study and drug the chromatin regulatory system at scale, in context, and in an integrated way.

We are pioneering the discovery and development of a new class of medicines targeting genetically determined dependencies within the chromatin regulatory system, an untapped opportunity for therapeutic intervention. Our proprietary Gene Traffic Control platform gives us an integrated, mechanistic understanding of how the various components of the chromatin regulatory system interact, allowing us to identify, validate and potentially drug targets within the system. Breakdowns in the chromatin regulatory system are associated with over 50 percent of all cancers. Addressing these breakdowns could potentially provide therapies for over 2.5 million patients. Consequently we are initially focused in oncology. We are developing FHD-286, a selective, allosteric ATPase inhibitor, and FHD-609, a protein degrader, to treat hematologic cancers and solid tumors, for which we plan to file INDs in and in , respectively. Our vision is to use our Gene Traffic Control platform to discover and develop drugs in oncology and other therapeutic areas, including virology, autoimmune disease and neurology.

How the Chromatin Regulatory System Orchestrates Gene Expression

In order for DNA to fit in the nucleus of each human cell, DNA is densely packed into what is called chromatin, which needs to be unpacked as a necessary first step to allow for gene expression. Cells have evolved a system known as the chromatin regulatory system that can locate and unpack particular regions of chromatin, thereby enabling and orchestrating gene expression. Two of the major components of the chromatin regulatory system are chromatin remodeling complexes and transcription factors, and these components work in concert to orchestrate gene expression. The left portion of the figure below shows "packed" or closed chromatin and the right portion of the figure shows "unpacked" or open chromatin with DNA highlighted in green.



Our Gene Traffic Control Platform

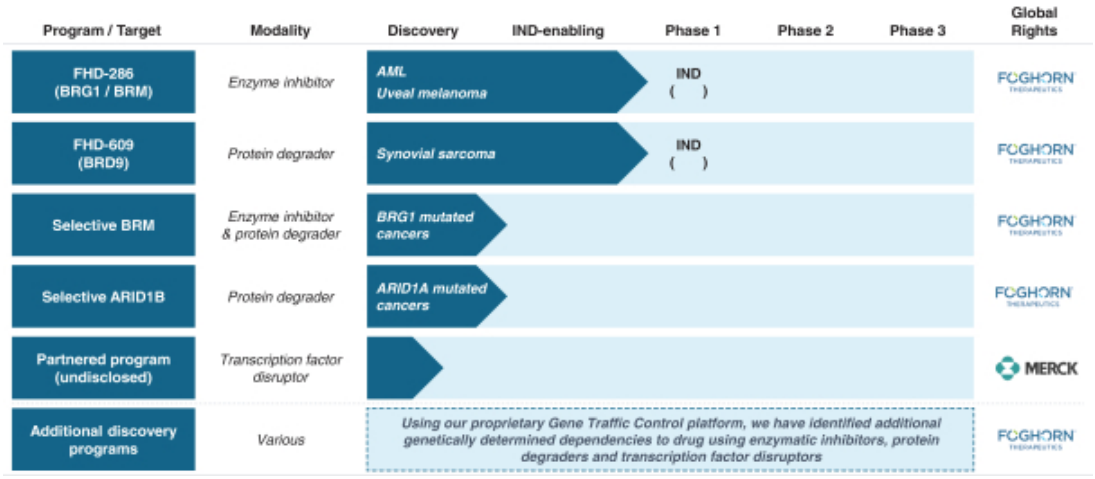
We have built our proprietary Gene Traffic Control platform to give us an integrated and mechanistic understanding of how the various components of the chromatin regulatory system interact, allowing us to identify, validate and potentially drug targets within the system. We are initially using our Gene Traffic Control platform in oncology. In cancer, the mutations that are in or impinge on the chromatin regulatory system create genetically determined dependencies, on which the cancer cells rely for survival. These genetic dependencies result in diseased cell vulnerabilities, creating potential opportunities to selectively drug and kill diseased cells while minimizing impact to healthy cells. With our platform, we are able to produce components of the chromatin regulatory system at scale, thereby allowing us to identify these genetic dependencies, understand their mechanism and target their vulnerabilities. We combine our genomic and epi-genomic tools, our proprietary high throughput screening technology and our expertise in medicinal chemistry to develop enzymatic inhibitors, protein degraders and transcription factor disruptors that target the chromatin regulatory system. While initially focused in oncology, we believe our platform is broadly applicable across other disease areas.

Our Gene Traffic Control platform encompasses the following:

- **Target Identification and Validation**—We use genomic screens, and a suite of epi-genome sequencing and computational tools, including aspects of AI and machine learning, to characterize, identify, and validate targets within the chromatin regulatory system. Our epi-genome sequencing tools allow us to understand the mechanisms of how our drugs are modifying the chromatin structure. Our platform allows for rapid identification of genetically determined dependencies associated with the chromatin regulatory system.
- **Production of Chromatin Regulatory System Components at Scale and Proprietary Assays**—We have built unique capabilities to purify and synthesize chromatin remodeling complexes and transcription factors. These capabilities allow us to study the chromatin regulatory system at scale and in a context that, to our knowledge, is unavailable to others, and yields unique insights that are critical to systematically drugging this system.
- **Discovery and Optimization of Chemical Matter**—We perform proprietary high throughput screens that leverage our ability to produce the chromatin regulatory system components at scale. For example, we are able to screen for inhibitors of chromatin remodeling complex activity, for binders that we can turn into degraders, and for disruptors of transcription factor-chromatin remodeling complex interactions. Once we find hits from our screens, we use our unique suite of assays involving the relevant component of the chromatin regulatory system to characterize, validate, and optimize our chemical matter.
- **Targeted Protein Degradation**—In cases where our drugging efforts are directed at targets that have no enzymatic activity, we seek to degrade the protein of interest. We have built extensive protein degrader capabilities encompassing linkers and E3 ligase binders, assays to measure protein degradation and guide optimization, and ternary complex modeling. After completing screens and finding small molecule binders to the target of interest, we use our protein degradation know-how to convert binders into selective protein degraders.
- **Translation to Clinic and Identification of Biomarkers**—Early in the drug discovery process, we use various genome and epi-genome analyses to understand the mechanism of the genetic dependency of the disease on the chromatin regulatory system. Our understanding of the mechanism of the dependency enables us to identify biomarkers for patient identification and treatment. We seek to enrich our clinical studies with the genetically relevant patient populations that are most likely to benefit from treatment.

Our Programs

Using our proprietary Gene Traffic Control platform, we are developing a broad pipeline of product candidates that target genetically determined dependencies within the chromatin regulatory system. Our current pipeline of product candidates and discovery programs is focused on oncology and is shown below, along with anticipated milestones.



Within the chromatin regulatory system, we have initially focused our development efforts on the BAF chromatin remodeling complex, or the BAF complex, the most mutated amongst a family of chromatin remodeling complexes, and its interactions with transcription factors. Our precision approach consists of designing novel small molecules to inhibit the ATPase activity of BAF complexes, to selectively degrade mutated or dependent subunits, or to disrupt the interaction between the BAF complex and associated transcription factors. We believe our platform is broadly applicable to other chromatin remodeling complexes and transcription factors.

FHD-286

Our first product candidate, FHD-286, is a highly potent, selective, allosteric and orally available, small-molecule, enzymatic inhibitor of BRG1 and BRM, that we are initially developing for the potential treatment of acute myeloid leukemia, or AML, and uveal melanoma. BRG1 and BRM are two highly similar proteins that are the ATPases, or the catalytic engines, across all forms of BAF. In our preclinical studies, we have observed in both AML and uveal melanoma animal xenograft models anti-tumor effects that we believe support filing an IND and progressing FHD-286 into clinical studies. We have successfully completed our GLP toxicology studies for FHD-286. We plan to file our IND for FHD-286 in and, if cleared, expect to initiate separate clinical studies in AML and uveal melanoma in parallel during . As FHD-286 progresses through clinical testing, our intention is to expand into other indications beyond AML and uveal melanoma.

These multi-center Phase 1 studies will primarily assess the safety and tolerability of FHD-286 in adults with AML and uveal melanoma. Secondary endpoints are expected to include the evaluation of the pharmacokinetic and pharmacodynamic properties of FHD-286 as well as clinical activity. Proof of mechanism will be based on indicators of target engagement in association with FHD-286 treatment. As we further understand the therapeutic potential of FHD-286 in the course of these initial clinical studies, we may pursue additional clinical studies in these and other indications with FHD-286 as a single agent and/or in combination with novel or standard of care agents.

FHD-609

Our second product candidate, FHD-609, is a highly potent, selective and intravenous, small molecule protein degrader of BRD9, a component of a form of the BAF complex. Nearly all synovial sarcoma cancers contain a translocation, a type of mutation, between a BAF subunit gene, SS18, and another set of genes, SSX1, SSX2 and SSX4. These mutations render the cancer genetically dependent upon BRD9. FHD-609 has two domains: one that binds with high potency and selectivity to BRD9 and the other that binds to a receptor on the E3 ligase complex that directs proteins for destruction. In our preclinical studies in synovial sarcoma animal xenograft models, we have observed anti-tumor effects that we believe support filing an IND and progressing FHD-609 into clinical studies. We have completed the in-life portion of our GLP toxicology studies for FHD-609. We plan to file our IND for FHD-609 in and, if cleared, expect to initiate a clinical study in synovial sarcoma during . As FHD-609 progresses through clinical testing, our intention is to expand into other indications beyond synovial sarcoma.

This multi-center Phase 1 study will primarily assess the safety and tolerability of FHD-609 in patients with synovial sarcoma. Secondary endpoints are expected to include an evaluation of the pharmacokinetic and pharmacodynamic properties of FHD-609 as well as clinical activity. Proof of mechanism will be based on indicators of target engagement in association with FHD-609 treatment. As we further understand the therapeutic potential of FHD-609 in the course of these initial clinical studies, we may pursue additional clinical studies in these and other indications with FHD-609 as a single agent and/or in combination with novel or standard of care agents.

Our Additional Preclinical and Discovery Programs

We have used our Gene Traffic Control platform to generate additional programs targeting both large and small patient populations. Examples of programs targeting large populations include selective BRM and selective ARID1B modulators, which have potential implications in over 100,000 cancer patients and 175,000 cancer patients that harbor BRG1 and ARID1A mutations, respectively. We are pursuing other programs with genetically determined dependencies on other chromatin remodeling complexes beyond the BAF complex.

In addition, we are developing compounds that disrupt the interactions between the transcription factors and the BAF complex. We believe that there are more than 100 transcription factors that could be amenable to our approach of disrupting the interaction of the transcription factor with the BAF complex. Preclinical activities of these early programs are underway.

Our Collaborations

Our approach to disrupting the interactions between transcription factors and the BAF complex is the basis of a collaboration signed with Merck in July 2020. In this collaboration, we intend to apply our Gene Traffic Control platform to identify disruptors of a single predetermined transcription factor. As part of the collaboration, we received an upfront payment of $15.0 million, and are also eligible to receive up to $245.0 million upon first achievement of specified research, development and regulatory milestones by any product candidate generated by the collaboration, and up to $165.0 million upon achievement of specified sales-based milestones.

Our Strategy

Our mission is to leverage our unique insights into the chromatin regulatory system to pioneer the discovery, development and commercialization of a new class of therapies that transform the lives of patients suffering from a wide spectrum of diseases with high unmet need.

Our approach is to identify and drug genetically determined dependencies within the chromatin regulatory system. Our initial focus is in cancer with a precision oncology approach. Every program we pursue is based on a genetic dependency on the chromatin regulatory system.

To achieve our mission, we are executing a strategy with the following key elements:

- Rapidly advance our lead precision oncology product candidates, FHD-286 and FHD-609, through clinical development in patients with select solid tumors and hematological cancers.
- Expand our precision oncology pipeline by developing proprietary enzymatic inhibitors, degraders and disruptors that target genetically defined dependencies within the chromatin regulatory system.
- Harness our platform to develop novel product candidates to address therapeutic areas beyond oncology.
- Continue to enhance our platform to extend our leading position in developing novel therapeutics targeting the chromatin regulatory system.
- Selectively enter into additional strategic partnerships to maximize the potential of our pipeline and our platform.

Our Team

We have assembled a team with deep scientific, clinical, manufacturing, business, and leadership expertise in biotechnology, platform research, drug discovery, and development. Our management team has extensive experience discovering, developing, and commercializing drugs to treat patients with serious diseases. Adrian Gottschalk, our President and Chief Executive Officer, has more than 15 years of experience as a biopharmaceutical executive. Prior to joining Foghorn, Mr. Gottschalk served in various roles at Biogen, Inc., where he was most recently Senior Vice President and Neurodegeneration Therapeutic Area Head. Our Chief Medical Officer, Samuel Agresta, MD, MPH & TM, previously served as Chief Medical Officer at Infinity Pharmaceuticals and led the development of the marketed oncology drugs TIBSOVO® and IDHIFA® at Agios. Carl P. Decicco, Ph.D., our Chief Scientific Officer previously served as Senior Vice President, Head of Discovery at Bristol-Myers Squibb and has been involved in over 200 drug candidates transitioning into the clinic. Our research efforts are also guided by world-class scientists and physicians on our Scientific Advisory Board, including David Schenkein, M.D., formerly the chief executive officer of Agios and presently a general partner and co-leader of Google Ventures life science team, Tony Kouzarides, Ph.D., F.Med.Sci., FRS, professor of cancer biology at the University of Cambridge and deputy director of the Gurdon Institute, United Kingdom, Gerald Crabtree, M.D., founder of Ariad Pharmaceuticals, a Howard Hughes Medical Institute investigator and professor at Stanford University, and Charles Sawyers, M.D., chair of the Human Oncology and Pathogenesis Program at Memorial Sloan Kettering Cancer Center, a Howard Hughes Medical Institute investigator, and past president of the American Association for Cancer Research.

Our Beginnings: Foghorn Therapeutics and Flagship Pioneering

Flagship Pioneering founded Foghorn Therapeutics in 2015. Co-founder and Chairman, Dr. Douglas Cole (Managing Partner, Flagship Pioneering), working in conjunction with academic co-founders Dr. Cigall Kadoch (Dana Farber Cancer Institute, Harvard, Broad Institute) and Dr. Gerald Crabtree (Stanford, Howard Hughes Medical Institute) created Foghorn to develop a new category of first-in-class therapeutics to treat patients with cancer and other serious diseases. Our platform was inspired by work in the academic co-founders' laboratories at the Dana Farber Cancer Institute and Stanford. This seminal work made it possible to understand how mutations cause disease by disrupting the machinery—the chromatin regulatory system—that orchestrates how cells turn genes on and off. Such mutations are associated with up to 50 percent of cancer and play roles in many other diseases. A Flagship Labs innovation team at Flagship Pioneering, led by Dr. Cole, and, subsequently, Foghorn's research and development team, established a fully integrated drug discovery platform based on this seminal work, which we call our Gene Traffic Control platform.

Risks Associated with Our Business

Our business is subject to a number of risks of which you should be aware before making an investment decision. These risks are discussed more fully in the "Risk Factors" section of this prospectus immediately following this prospectus summary. These risks include the following:

- We have a limited operating history, have not submitted any INDs or initiated any clinical trials, and have no products approved for commercial sale, which may make it difficult for you to evaluate our current business and predict our future success and viability.
- We have incurred significant losses since inception. We expect to incur losses for the foreseeable future and may never achieve or maintain profitability.
- We will need substantial additional funding, and there is substantial doubt about our ability to continue as a going concern. If we are unable to raise capital when needed, we would be forced to delay, reduce, or eliminate our research and product development programs or future commercialization efforts.
- We are heavily dependent on the success of our product candidates, which are in early clinical development. We may not be successful in our efforts to identify and develop potential product candidates. If these efforts are unsuccessful, or if we experience significant delays, we may never become a commercial stage company or generate any revenues, and our business will be materially harmed.
- Our product candidates utilize novel mechanisms of action, which may result in greater research and development expenses, regulatory issues that could delay or prevent approval, or discovery of unknown or unanticipated adverse effects.
- If we are unable to adequately protect our proprietary technology and platform or obtain and maintain patent protection for our technology and products or if the scope of the patent protection obtained is not sufficiently broad or if we are unable to maintain the confidentiality of our trade secrets, our competitors could develop and commercialize technology and products similar or identical to ours, and our ability to successfully develop and commercialize our technology and products may be impaired.
- The continuing outbreak of COVID-19 in the United States and other countries may adversely affect our business and the market price of our common stock.
- If any of the product candidates we may develop or the delivery modalities we rely on cause serious adverse events, undesirable side effects or unexpected characteristics, such events, side effects or characteristics could delay or prevent regulatory approval of the product candidates, limit the commercial potential, or result in significant negative consequences following any potential marketing approval.

The foregoing is only a summary of some of our risks. For a more detailed discussion of these and other risks you should consider before making an investment in our common stock, see "Risk Factors."

Implications of Being an Emerging Growth Company

We qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. As an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable generally to public companies, including reduced disclosure about our executive compensation arrangements, exemption from the requirements to hold non-binding advisory votes on executive compensation and golden parachute payments and exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting.

We may take advantage of these exemptions until the last day of the fiscal year following the fifth anniversary of this offering or such earlier time that we are no longer an emerging growth company. We would cease to be an

emerging growth company earlier if we have more than $1.07 billion in annual revenue, we have more than $700.0 million in market value of our stock held by non-affiliates (and we have been a public company for at least 12 months and have filed one annual report on Form 10-K) or we issue more than $1.0 billion of non-convertible debt securities over a three-year period. For so 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. We may choose to take advantage of some, but not all, of the available exemptions.

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. This allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected not to "opt out" of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we will adopt the new or revised standard at the time private companies adopt the new or revised standard and will do so until such time that we either (i) irrevocably elect to "opt out" of such extended transition period or (ii) no longer qualify as an emerging growth company. Therefore, the reported results of operations contained in our consolidated financial statements may not be directly comparable to those of other public companies.

Our Corporate Information

We were formed as a Delaware corporation in October 2015 under the name Foghorn Therapeutics Inc. Our principal executive office is located at 100 Binney St, Suite 610, Cambridge, Massachusetts 02142, and our phone number is 617-586-3100. Our website address is https://foghorntx.com. The information contained in or accessible from our website is not incorporated into this prospectus, and you should not consider it part of this prospectus. We have included our website address in this prospectus solely as an inactive textual reference.

THE OFFERING

Common stock offered by us	shares.
Common stock to be outstanding after this offering	shares (shares if the underwriters exercise their option to purchase additional shares in full).
Underwriters' option to purchase additional shares of common stock from us	We have granted the underwriters an option to purchase up to an aggregate of additional shares of common stock from us at the initial public offering price, less the estimated underwriting discounts and commissions, for a period of 30 days after the date of this prospectus.
Use of proceeds	We estimate that our net proceeds from the sale of our common stock in this offering will be approximately $ million, assuming an initial public offering price of $ per share, which is the midpoint of the range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We currently expect to use the net proceeds from this offering, together with our existing cash and cash equivalents, as follows: approximately $ to advance FHD-286, including our planned Phase 1 clinical trials for AML and uveal melanoma; approximately $ to advance FHD-609, including our planned Phase 1 clinical trial for synovial sarcoma; approximately $ for other research and development activities, including continued development of our Gene Traffic Control platform; and the remainder, if any, for working capital and other general corporate purposes. See "Use of Proceeds."
Dividend policy	We do not anticipate declaring or paying any cash dividends on our capital stock in the foreseeable future. See "Dividend Policy."
Risk factors	You should carefully read the "Risk Factors" section of this prospectus and the other information included in this prospectus for a discussion of factors that you should consider before deciding to invest in our common stock.
Proposed trading symbol	"FHTX"

The number of shares of our common stock to be outstanding after this offering is based on shares of our common stock outstanding as of August 31, 2020, which includes shares of unvested restricted stock subject to repurchase by us, and after giving effect to the conversion of all outstanding shares of our preferred stock into an aggregate of 40,623,413 shares of common stock upon the closing of this offering, and excludes:

- shares of common stock issuable upon the exercise of stock options outstanding as of August 31, 2020 under our 2016 Stock Incentive Plan, as amended, or the 2016 Plan, at a weighted average exercise price of $ per share;
- 14,076 shares of common stock issuable upon the exercise of warrants outstanding as of August 31, 2020 to purchase shares of preferred stock that will become warrants to purchase shares of common stock, at an exercise price of $1.00 per share, in connection with this offering;

- shares of common stock available for future issuance as of August 31, 2020 under our 2016 Plan, which will become available for issuance under our 2020 Plan, and will no longer be available for issuance under our 2016 Plan, at the time our 2020 Plan becomes effective; and
- shares of common stock that will become available for future issuance under our 2020 Stock Incentive Plan upon the effectiveness of the registration statement of which this prospectus is a part.

Unless otherwise noted, the information in this prospectus assumes:

- a 1-for- stock split effected on , 2020;
- the automatic conversion of all outstanding shares of our convertible preferred stock into an aggregate of 40,623,413 shares of common stock upon the closing of this offering;
- no exercise of the outstanding stock options or warrants described above;
- no exercise by the underwriters of their option to purchase additional shares; and
- the filing and effectiveness of our restated certificate of incorporation and the adoption of our amended and restated bylaws upon the closing of this offering.

SUMMARY CONSOLIDATED FINANCIAL DATA

You should read the following summary consolidated financial data together with the sections titled "Selected Consolidated Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes included elsewhere in this prospectus. We have derived the statement of operations data for the years ended December 31, 2018 and 2019 from our audited consolidated financial statements included elsewhere in this prospectus. We have derived the statement of operations data for the six months ended June 30, 2019 and 2020 and the balance sheet data as of June 30, 2020 from our unaudited consolidated financial statements included elsewhere in this prospectus. In the opinion of management, the unaudited data reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the financial information in those statements. Our historical results are not necessarily indicative of the results that may be expected in the future.

	Year Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
	(in thousands, except share and per share data)			
Consolidated Statement of Operations Data:				
Operating expenses:				
Research and development	$ 21,225	$ 44,362	$ 19,550	$ 25,131
General and administrative	4,824	6,722	3,248	4,132
Total operating expenses	26,049	51,084	22,798	29,263
Loss from operations	(26,049)	(51,084)	(22,798)	(29,263)
Other income (expense):				
Interest expense	(371)	(540)	(249)	(456)
Interest income and other expense, net	113	495	303	43
Change in fair value of preferred stock warrant liability	(30)	1	—	1
Total other income (expense), net	(288)	(44)	54	(412)
Net loss	$ (26,337)	$ (51,128)	$ (22,744)	$ (29,675)
Net loss per share attributable to common stockholders—basic and diluted(1)	$ (4.83)	$ (6.59)	$ (3.19)	$ (3.03)
Weighted average common shares outstanding—basic and diluted(1)	5,452,123	7,754,818	7,125,540	9,780,095
Pro forma net loss per share attributable to common stockholders—basic and diluted(1)		$ (1.41)		$ (0.72)
Pro forma weighted average common shares outstanding—basic and diluted(1)		36,314,474		40,935,661

(1) See Note 12 to our audited consolidated financial statements and Note 8 to our unaudited consolidated financial statements appearing elsewhere in this prospectus for details on the calculation of basic and diluted net loss per share attributable to common stockholders and the calculation of unaudited pro forma net loss per share attributable to common stockholders.

	At June 30, 2020		
	Actual	Pro Forma(2)	Pro Forma As Adjusted(3)
		(in thousands)	
Consolidated Balance Sheet Data:			
Cash and cash equivalents	$ 36,563	$ 78,563	$
Working capital(1)	23,102	65,102	
Total assets	94,314	136,314	
Long-term debt, net of discount, including current portion	15,238	15,238	
Preferred stock warrant liability	44	—	
Convertible preferred stock	134,480	—	
Total stockholders' equity (deficit)	(116,411)	60,113	

(1) We define working capital as current assets less current liabilities.

(2) The pro forma consolidated balance sheet data give effect to (i) our issuance and sale in July and August 2020 of 5,600,000 shares of Series B preferred stock for gross proceeds of $42.0 million, (ii) outstanding warrants to purchase shares of preferred stock becoming warrants to purchase shares of common stock upon the closing of this offering, and (iii) the automatic conversion of all outstanding shares of our preferred stock into an aggregate of 40,623,413 shares of common stock upon the closing of this offering.

(3) The pro forma as adjusted consolidated balance sheet data give further effect to (i) our issuance and sale of shares of our common stock in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us and (ii) payment of the final payment fee of $0.5 million related to our loan and security agreement, as amended, which amount is due and payable upon the closing of this offering.

The pro forma as adjusted information discussed above is illustrative only and will depend on the actual initial public offering price and other terms of this offering determined at pricing. Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease the pro forma as adjusted amount of each of cash and cash equivalents, working capital, total assets and total stockholders' equity (deficit) by $ 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 estimated underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. Each increase or decrease of 1,000,000 shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase or decrease the pro forma as adjusted amount of each of cash and cash equivalents, working capital, total assets and total stockholders' equity (deficit) by $ million, assuming no change in the assumed initial public offering price per share and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below together with all of the other information contained in this prospectus, including our consolidated financial statements and related notes appearing at the end of this prospectus, before deciding to invest in our common stock. Some of the following risks and uncertainties are, and will be, exacerbated by the COVID-19 pandemic (including any resurgences thereof) and any worsening of the global business and economic environment as a result. If any of the events or developments described below were to occur, our business, prospects, operating results and financial condition could suffer materially, the trading price of our common stock could decline and you could lose all or part of your investment. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business.

Risks related to our financial position and need for additional capital

We have a limited operating history, have not initiated any clinical trials, and have no products approved for commercial sale, which may make it difficult for you to evaluate our current business and predict our future success and viability.

We are a development-stage biopharmaceutical company with a limited operating history. We were incorporated in October 2015, and our operations to date have been focused on building our proprietary Gene Traffic Control platform, organizing and staffing our company, business planning, raising capital, conducting discovery and research activities, protecting our trade secrets, filing patent applications, identifying potential product candidates, undertaking preclinical studies and establishing arrangements with third parties for the manufacture of initial quantities of our product candidates and component materials. All of our product candidates are still in preclinical development. We have not yet demonstrated an ability to successfully initiate, conduct or complete any clinical trials, obtain marketing approvals, manufacture a commercial-scale product or arrange for a third party to do so on our behalf, or conduct sales, marketing and distribution activities necessary for successful product commercialization.

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

We expect our financial condition and results of operations to continue to fluctuate significantly from quarter to quarter and year to year due to a variety of factors, many of which are beyond our control. Accordingly, you should not rely upon the results of any quarterly or annual periods as indications of future operating performance.

We have incurred significant losses since inception. We expect to incur losses for the foreseeable future and may never achieve or maintain profitability.

Since inception, we have incurred significant operating losses. As of June 30, 2020, we had an accumulated deficit of $123.8 million. We have financed our operations primarily through private placements of our preferred stock as well as through our loan with Comerica Bank, or Comerica, and our collaboration agreement with Merck Sharp & Dohme Corp., or Merck. See “Business—License Agreement with Merck.” We have devoted all of our efforts to research and development. We expect to continue to incur significant expenses and increasing operating losses for the foreseeable future. The net losses we incur may fluctuate significantly from quarter to quarter. We anticipate that our expenses will increase substantially if and as we:

- advance our FHD-286 and FHD-609 product candidates into Phase 1 clinical development and continue our preclinical development of product candidates from our current research programs;
- identify additional research programs and additional product candidates;

- initiate preclinical testing for any new product candidates we identify and develop;
- obtain, maintain, expand, enforce, defend and protect our trade secrets and intellectual property portfolio and provide reimbursement of third-party expenses related to our patent portfolio;
- hire additional research and development personnel;
- add operational, legal, compliance, financial and management information systems and personnel to support our research, product development and operations as a public company;
- expand the capabilities of our platform;
- acquire or in-license product candidates, intellectual property and technologies;
- operate as a public company;
- seek marketing approvals for any of our product candidates that successfully complete clinical trials; and
- ultimately establish a sales, marketing, and distribution infrastructure to commercialize any products for which we may obtain marketing approval.

We have not initiated clinical development of any product candidate and expect that it will be many years, if ever, before we have a product candidate ready for commercialization. To become and remain profitable, we must develop and, either directly or through collaborators, eventually commercialize a medicine or medicines with significant market potential. This will require us to be successful in a range of challenging activities, including identifying product candidates, completing preclinical testing and clinical trials of product candidates, obtaining marketing approval for these product candidates, manufacturing, marketing, and selling those medicines for which we may obtain marketing approval, and satisfying any post-marketing requirements. We may never succeed in these activities and, even if we do, may never generate revenues that are significant or large enough to achieve profitability. We are unable to predict the extent of any future losses or when we will become profitable, if at all. If we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis.

We will need substantial additional funding. If we are unable to raise capital when needed, we would be forced to delay, reduce, or eliminate our research and product development programs or future commercialization efforts.

We expect our expenses to increase in connection with our ongoing activities, particularly as we identify, continue the research and development of, initiate clinical trials of, and seek marketing approval for, our product candidates. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, reduce, or eliminate our research and product development programs or future commercialization efforts.

As of June 30, 2020, our cash and cash equivalents were $36.6 million. We estimate that the net proceeds of this offering will be approximately $ million, assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Additional fundraising efforts, when needed, may divert our management's attention from their day-to-day activities, which may adversely affect our ability to advance our product candidates or develop new product candidates. We cannot be certain that additional funding will be available on acceptable terms, or at all. If we are unable to raise additional capital in sufficient amounts or on terms acceptable to us, we may have to significantly delay, scale back or discontinue the development or commercialization of our product candidates or other research and development initiatives.

If we are unable to obtain funding on a reasonable and timely basis, we may be required to significantly curtail, delay or discontinue one or more of our research or development programs, clinical research, or the commercialization of any product candidate. We may be unable to expand our operations or otherwise capitalize on our business opportunities, as desired, which could materially affect our business, financial condition and results of operations. Any of the above events could significantly harm our business, prospects, financial condition and results of operations and cause the price of our common stock to decline.

There is substantial doubt about our ability to continue as a going concern.

As a result of our recurring operating losses and negative cash flows from operations combined with our anticipated use of cash to fund operations and debt service requirements, we have concluded that there is substantial doubt about our ability to continue as a going concern beyond the 12-month period from the issuance date of our audited financial statements for the year ended December 31, 2019. As a result, our independent registered public accounting firm included an explanatory paragraph in its report on our financial statements for the fiscal year ended December 31, 2019 with respect to this uncertainty. Our future viability as an ongoing business is dependent on our ability to generate cash from our operating activities and to raise additional capital to finance our operations.

Without giving effect to the anticipated net proceeds from this offering, we expect that our existing cash and cash equivalents will not be sufficient to fund our planned operating expenses, capital expenditure and debt service requirements beyond one year from the issuance date of our consolidated financial statements. We believe that the net proceeds from this offering, together with our existing cash and cash equivalents, will enable us to fund our operating expenses, capital expenditure requirements and debt service payments into . We have based these estimates on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we expect. If we are unable to raise capital when needed or on acceptable terms, we would be forced to delay, or discontinue the further development and commercialization efforts of one or more of our product candidates, or may be forced to reduce or terminate our operations.

There is no assurance that we will succeed in obtaining sufficient funding on terms acceptable to us to fund continuing operations, if at all. The perception that we might be unable to continue as a going concern may also make it more difficult to obtain financing for the continuation of our operations on terms that are favorable to us, or at all, and could result in the loss of confidence by investors and employees. Our financial statements do not include any adjustments that might result from the outcome of this uncertainty. If we are unable to continue as a going concern, we may have to liquidate our assets and may receive less than the value at which those assets are carried on our financial statements, and it is likely that our investors will lose all or a part of their investment.

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

We are currently only in the preclinical testing stages for our most advanced product candidates and research programs and expect to submit INDs to the FDA for FHD-286 and FHD-609 in and , respectively. We expect that it will be many years, if ever, before we have a product candidate ready for commercialization. To become and remain profitable, we must succeed in developing, obtaining marketing approval for and commercializing products that generate significant revenue. This will require us to be successful in a range of challenging activities, including completing preclinical testing and clinical trials of our current or future product candidates, establishing and maintaining arrangements with third parties for the manufacture of clinical supplies of our product candidates, obtaining marketing approval for our product candidates and manufacturing, marketing, selling and obtaining reimbursement for any products for which we may obtain marketing approval. We may never succeed in these activities and, even if we do, may never generate revenues that are significant enough to achieve profitability.

Our Loan Agreement with Comerica contains certain covenants that could adversely affect our operations and, if an event of default were to occur, we could be forced to repay the outstanding indebtedness sooner than planned and possibly at a time when we do not have sufficient capital to meet this obligation. The occurrence of any of these events could cause a significant adverse impact on our business, prospects and share price.

Pursuant to our secured loan agreement with Comerica we have agreed to certain affirmative and negative covenants that, among other things, restrict our ability to:

- dispose of any property;
- consolidate or merge;
- incur additional indebtedness;
- encumber any of our property;
- make distributions, including dividends;
- make certain investments or acquisitions; or
- repay any subordinated debt.

These covenants could prevent us from taking certain actions without the consent of our lender, which may limit our flexibility in operating our business and our ability to take actions that might be advantageous to us. The Comerica agreement also includes events of default, including, among other things, payment defaults; breaches of certain covenants or agreements; certain bankruptcy or insolvency events; the occurrence of certain events that could reasonably be expected to have a "material adverse effect;" and defaults in respect of certain other indebtedness.

If an event of default were to occur and Comerica declared all outstanding obligations immediately due and payable, we would be required to repay the outstanding indebtedness. If we are unable to repay this debt, Comerica would be able to take remedies permitted under the agreement. Even if we are able to repay the indebtedness on an event of default, the repayment of these sums may significantly reduce our working capital and impair our ability to operate as planned. The occurrence of any of these events could cause a significant adverse impact on our business, prospects and share price.

U.S. federal income tax reform could adversely affect our business and financial condition.

The rules dealing with U.S. federal, state, and local income taxation are constantly under review by persons involved in the legislative process and by the Internal Revenue Service and the U.S. Treasury Department. Changes to tax laws (which changes may have retroactive application) could adversely affect us or holders of our common stock. In recent years, many such changes have been made and changes are likely to continue to occur in the future. For example, on March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act, which included certain changes in tax law intended to stimulate the U.S. economy in light of the COVID-19 coronavirus outbreak, including temporary beneficial changes to the treatment of net operating losses, interest deductibility limitations and payroll tax matters. Additionally, on December 22, 2017, President Trump signed into law the Tax Cuts and Jobs Act, or the TCJA, which significantly reformed the Internal Revenue Code of 1986, as amended, or the Code. The TCJA included significant changes to corporate and individual taxation, some of which could adversely impact an investment in our common stock. Future changes in tax laws could have a material adverse effect on our business, cash flow, financial condition or results of operations. We urge investors to consult with their legal and tax advisers regarding the implications of potential changes in tax laws on an investment in our common stock.

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

We have incurred substantial losses during our history and we may never achieve profitability. To the extent that we continue to generate taxable losses, unused losses will carry forward to offset a portion of future taxable

income, if any, subject to expiration in the case of carryforwards generated prior to January 1, 2018 Additionally, we continue to generate business tax credits, including research and development tax credits, which generally may be carried forward to offset a portion of future taxable income, if any, subject to expiration of such credit carryforwards. Under Sections 382 and 383 of the Code, if a corporation undergoes an "ownership change," generally defined as a greater than 50 percentage point change (by value) in its equity ownership over a three-year period, the corporation's ability to use its pre-change net operating loss carryforwards, or NOLs, and other pre-change tax attributes (such as research and development tax credits) to offset its post-change income or taxes may be limited. Our prior equity offerings and other changes in our stock ownership may have resulted in such ownership changes. We may also experience ownership changes in the future as a result of this offering or subsequent shifts in our stock ownership, some of which are outside of our control. As a result, if we earn net taxable income, our ability to use our pre-change NOLs or other pre-change tax attributes to offset U.S. federal taxable income may be subject to limitations, which could potentially result in increased future tax liability to us. Additionally, for taxable years beginning after December 31, 2020, the deductibility of such U.S. federal NOLs is limited to 80% of our taxable income in any future taxable year. There is a risk that under existing tax laws, changes thereto, regulatory changes, or other unforeseen reasons, our existing NOLs or business tax credits could expire or otherwise be unavailable to offset future income tax liabilities. At the state level, there may also be periods during which the use of NOLs or business tax credits is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed. For these reasons, we may not be able to realize a tax benefit from the use of our NOLs or tax credits, even if we attain profitability.

Risks related to discovery and development

We are heavily dependent on the success of our product candidates, which are in early clinical development. We may not be successful in our efforts to identify and develop potential product candidates. If these efforts are unsuccessful, or if we experience significant delays, we may never become a commercial stage company or generate any revenues, and our business will be materially harmed.

The success of our business depends primarily upon our ability to identify, develop, and commercialize product candidates based on our platform. All of our product development programs are still in the research or preclinical stage of development. Our research programs may fail to identify potential product candidates for clinical development for a number of reasons. Our research methodology may be unsuccessful in identifying potential product candidates, our potential product candidates may be shown to have harmful side effects in preclinical *in vitro* experiments or animal model studies, they may not show promising signals of therapeutic effect in such experiments or studies or they may have other characteristics that may make the product candidates impractical to administer or market.

If any of these events occur, we may be forced to abandon our research or development efforts for a program or programs, which would have a material adverse effect on our business, financial condition, results of operations, and prospects. Research programs to identify new product candidates require substantial technical, financial, and human resources. We may focus our efforts and resources on potential programs or product candidates that ultimately prove to be unsuccessful, which would be costly and time-consuming.

The success of our product candidates will depend on several factors, including but not limited to the following:

- successful completion of preclinical studies;
- successful submission of INDs and initiation of clinical trials;
- establishing an acceptable safety profile of the products and maintaining such a profile following approval;
- achieving desirable therapeutic properties for our product candidates' intended indications;
- making arrangements with third-party manufacturers, or establishing manufacturing capabilities, both for clinical and commercial supplies of our product candidates;

- receipt and related terms of marketing approvals from applicable regulatory authorities;
- obtaining and maintaining patent and trade secret protection and regulatory exclusivity of our product candidates;
- establishing sales, marketing and distribution capabilities and launching commercial sales of our products; if and when approved, whether alone or in collaboration with others; acceptance of our products, if and when approved, by patients, the medical community and third-party payors;
- obtaining and maintaining third-party coverage and adequate reimbursement;
- effectively competing with other therapies; and
- sufficiency of our financial and other resources.

If we do not successfully achieve one or more of these factors in a timely manner, or at all, we could experience significant delays or an inability to successfully commercialize our product candidates, which could materially harm our business. Moreover, if we do not receive regulatory approvals, we may not be able to continue our operations.

We may not be able to file INDs or IND amendments to commence clinical trials of FHD-286, FHD-609, or our other product candidates on the timelines we expect, and even if we are able to, the FDA may not permit us to proceed.

We have not yet initiated clinical trials of any of our product candidates. In order to commence a clinical trial in the United States, we are required to seek FDA acceptance of an IND for each of our product candidates. We cannot be sure any IND we submit to the FDA, or any similar clinical trial application we submit in other countries, will be accepted. We may also be required to conduct additional preclinical testing prior to filing or acceptance of an IND for any of our product candidates, and the results of any such testing may not be positive. We expect to file our IND for FHD-286 in and our IND for FHD-609 in with the goal of initiating Phase 1 clinical trials in for FHD-286, with preliminary proof-of-concept data by .

Further, we may experience manufacturing delays or other delays with IND-enabling studies. Moreover, we cannot be sure that even once clinical trials have begun, issues will not arise that suspend or terminate clinical trials. Additionally, even if the FDA agrees with the design and implementation of the clinical trials set forth in an IND, we cannot guarantee that the FDA will not change its requirements in the future. These considerations also apply to new clinical trials we may submit as amendments to existing INDs or to a new IND. Any failure to file INDs on the timelines we expect or to obtain regulatory authorizations for our trials to proceed may prevent us from completing our clinical trials or commercializing our product candidates on a timely basis, if at all.

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

All of our product candidates are in preclinical development and their risk of failure is high. We are unable to predict when or if any of our product candidates will prove effective or safe in humans or will receive marketing approval. Before obtaining marketing approval from regulatory authorities for the sale of any product candidate, we must conduct extensive clinical trials to demonstrate the safety and efficacy of our product candidates in humans. Before we can commence clinical trials for a product candidate, we must complete extensive preclinical testing and studies that support our planned INDs in the United States or similar applications in other jurisdictions. We cannot be certain of the timely completion or outcome of our preclinical testing and studies and cannot predict if the FDA or similar regulatory authorities outside the United States will accept our proposed clinical programs or if the outcome of our preclinical testing and studies ultimately will support the further development of our programs.

Clinical testing is expensive, difficult to design and implement, can take many years to complete and is uncertain as to the outcome. A failure of one or more clinical trials can occur at any stage of testing. We cannot guarantee that any of our ongoing and planned clinical trials will be conducted as planned or completed on schedule, if at all. Moreover, we may experience numerous unforeseen events during, or as a result of, clinical trials, that could delay or prevent our ability to receive marketing approval or commercialize our product candidates, including:

- delays in discussions with or obtaining alignment with regulators regarding trial design;
- the supply or quality of our product candidates or other materials necessary to conduct clinical trials of our product candidates may be insufficient or inadequate, including as a result of delays in the testing, validation, manufacturing and delivery of product candidates to the clinical sites by us or by third parties with whom we have contracted to perform certain of those functions;
- we may experience delays in reaching, or may fail to reach, agreement on acceptable clinical trial contracts or clinical trial protocols with prospective trial sites;
- we may experience delays in enrolling patients or may compete with other trials to enroll patients, including due to our targeted disease having small patient populations;
- regulators or institutional review boards may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site;
- we may experience difficulty in designing clinical trials and in selecting endpoints for diseases that have not been well-studied and for which the natural history and course of the disease is poorly understood;
- the selection of certain clinical endpoints may require prolonged periods of clinical observation or analysis of the resulting data;
- the number of patients required for clinical trials of our product candidates may be larger than we anticipate, enrollment in these clinical trials may be slower than we anticipate or participants may drop out of these clinical trials at a higher rate than we anticipate;
- we may fail to perform clinical trials in accordance with the FDA's or any other regulatory authority's good clinical practices, or GCP, requirements, or regulatory guidelines in other countries;
- our product candidates may have undesirable side effects or other unexpected characteristics, or adverse events associated with the product candidate may occur which are viewed to outweigh its potential benefits, causing us or our investigators, regulators or institutional review boards to suspend or terminate the trials;
- we may have to suspend or terminate clinical trials of our product candidates for various reasons, including a finding that the participants are being exposed to unacceptable health risks;
- our third-party contractors may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all;
- regulators or institutional review boards may require that we or our investigators suspend or terminate clinical trials for various reasons, including noncompliance with regulatory requirements;
- clinical trials of our product candidates may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical trials or abandon product development programs;
- the cost of clinical trials of our product candidates may be greater than we anticipate;
- disruptions caused by the COVID-19 pandemic may increase the likelihood that we encounter such difficulties or delays in initiating, enrolling, conducting or completing our planned and ongoing clinical trials; and

- we could be required to conduct additional clinical trials or testing of our product candidates beyond those that we currently contemplate, which may result in a delay in our market approval, limitation of approval for patient populations, distribution limitations, or not obtaining marketing approval at all.

We could also encounter delays if a clinical trial is suspended or terminated by us, the IRBs of the institutions in which such trials are being conducted, or the FDA or comparable foreign regulatory authorities, or recommended for suspension or termination by the data monitoring committee for such trial. A suspension or termination may be imposed due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of the clinical trial operations or trial site by the FDA or comparable foreign 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 or treatment, failure to establish or achieve clinically meaningful trial endpoints, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. 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. Further, the FDA or comparable foreign regulatory authorities may disagree with our clinical trial design and our interpretation of data from clinical trials, or may change the requirements for approval even after they have reviewed and commented on the design for our clinical trials.

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

Any favorable preclinical results may not be predictive of results that may be observed in clinical trials.

Data obtained from preclinical activities are subject to varying interpretations and analyses, which may delay, limit or prevent regulatory approval. Many companies that have believed their product candidates performed satisfactorily in preclinical studies have nonetheless failed to demonstrate results in clinical studies. As we generate preclinical results, such results will not ensure that later preclinical studies or clinical trials will demonstrate similar results. There is a high failure rate for drugs and biologics proceeding through clinical trials. Even if FHD-286 and FHD-609 reach the clinical trial stage, these product candidates may fail to show the desired safety and efficacy in later stage of clinical development. A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in later-stage clinical trials even after achieving promising results in the preclinical and early stage clinical trials.

Our product candidates utilize novel mechanisms of action, which may result in greater research and development expenses, regulatory issues that could delay or prevent approval, or discovery of unknown or unanticipated adverse effects.

Our lead product candidates utilize novel mechanisms of action, which may result in greater research and development expenses, regulatory issues that could delay or prevent approval, or discovery of unknown or unanticipated adverse effects. For example, FHD-609 is a protein degrader. Currently there are no approved medicines using this mechanism of action. Because FHD-609 in particular utilizes a novel mechanism of action that has not been the subject of extensive study compared to more well-known product candidates, there is also an increased risk that we may discover previously unknown or unanticipated adverse effects during our preclinical studies and clinical trials. Any such events could adversely impact our business prospects, financial condition and results of operations.

In addition, a novel mechanism of action may lengthen the regulatory review process, require us to conduct additional studies or clinical trials, increase our development costs, lead to changes in regulatory positions and

interpretations, delay or prevent approval and commercialization of our product candidates or lead to significant post-approval limitations or restrictions. The novel mechanism of action also means that fewer people are trained in or experienced with product candidates of this type, which may make it more difficult to find, hire and retain personnel for research, development and manufacturing positions.

Our approach to the discovery of product candidates is unproven, and we may not be successful in our efforts to use and expand our platform to build a pipeline of product candidates with commercial value.

A key element of our strategy is to use and expand our Gene Traffic Control platform to build a pipeline of product candidates and progress these product candidates through clinical development for the treatment of various cancers and other therapeutic areas. Although our research and development efforts to date have resulted in our discovery and preclinical development of FHD-286 and FHD-609 for the treatment of cancer, FHD-286 and FHD-609 may not be safe or effective as cancer treatments, and we may not be able to develop any other product candidates. We may not be successful in identifying further targets in the chromatin regulatory system that are relevant in cancer, or other diseases, and which can be "basketed" into a group that is large enough to present a sufficient commercial opportunity or that is druggable with one chemical compound. Even if we are successful in building our pipeline of product candidates, the potential product candidates that we identify may not be suitable for clinical development or generate acceptable clinical data, including as a result of being shown to have unacceptable toxicity or other characteristics that indicate that they are unlikely to be products that will receive marketing approval from the FDA or other regulatory authorities or achieve market acceptance. If we do not successfully develop and commercialize product candidates, we will not be able to generate product revenue in the future, which likely would result in significant harm to our financial position and adversely affect our stock price.

Our clinical trials may fail to demonstrate substantial evidence of the safety and efficacy of our product candidates, which would delay or prevent regulatory approval of the product candidates, limit the commercial potential, or result in significant negative consequences following any potential marketing approval.

To obtain the requisite regulatory approvals to market and sell any of our product candidates, we must demonstrate through extensive preclinical studies and clinical trials that such product candidates are safe and effective for use in each targeted indication. Failure can occur at any time during the clinical development process. Most product candidates that begin clinical trials are never approved by regulatory authorities for commercialization. We have not evaluated any product candidates in human clinical trials. Moreover, we are not aware of any clinical trials involving products that interact with BAF complexes to affect the chromatin regulatory system in a similar manner to our products. It is impossible to predict when or if any product candidates we may develop will prove safe in humans. Our clinical trials may fail to demonstrate with substantial evidence from adequate and well-controlled trials, and to the satisfaction of the FDA or comparable foreign regulatory authorities, that such product candidates are safe and effective for their intended uses. There can be no assurance that our clinical trials will not cause undesirable side effects.

If any product candidates we develop are associated with or cause serious adverse events, undesirable side effects, or unexpected characteristics, we may need to abandon their development or limit development to certain uses or subpopulations in which the serious adverse events, undesirable side effects or other characteristics are less prevalent, less severe, or more acceptable from a risk-benefit perspective, any of which would have a material adverse effect on our business, financial condition, results of operations, and prospects. Many product candidates that initially showed promise in early stage testing for treating cancer or other diseases have later been found to cause side effects that prevented further clinical development of the product candidates. Additionally, any safety concerns observed in any one of our clinical trials in our targeted indications could limit the prospects for regulatory approval of our product candidates in those and other indications.

Moreover, if our product candidates are associated with undesirable side effects in preclinical studies or clinical trials or have characteristics that are unexpected, we may elect to abandon their development or limit their

development to more narrow uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective, which may limit the commercial expectations for the product candidate if approved.

Additionally, adverse developments in clinical trials of pharmaceutical and biopharmaceutical products conducted by others may cause the FDA or other regulatory oversight bodies to suspend or terminate our clinical trials or to change the requirements for approval of any of our product candidates.

Any of these events could prevent us from achieving or maintaining market acceptance of any product candidates we may identify and develop and could have a material adverse effect on our business, financial condition, results of operations, and prospects.

Even if our clinical trials are successfully completed, clinical data are often subject to varying interpretations and analyses, and we cannot guarantee that the FDA or comparable foreign regulatory authorities will interpret the results as we do. Results acceptable to support approval in one jurisdiction may be deemed inadequate by another regulatory authority to support regulatory approval in that other jurisdiction. Even if regulatory is secured for a product candidate, the terms of such approval may also limit its commercial potential.

We rely on third parties to manufacture our preclinical product supplies, and we will likely rely on third parties to produce and process clinical quantities of our product candidates and to assist with clinical trials

We currently rely on third parties to manufacture preclinical product supplies and expect to rely on outside vendors to manufacture clinical supplies of our product candidates. We will need to negotiate and maintain contractual arrangements with these outside vendors for the supply of our product candidates and we may not be able to do so on favorable terms. We have not yet caused any product candidates to be manufactured on a commercial scale and may not be able to do so for any of our product candidates.

The facilities used by our contract manufacturers to manufacture our product candidates must be approved by the FDA or other foreign regulatory authorities following inspections that will be conducted after we submit an application to the FDA or other foreign regulatory authorities. We will be completely dependent on our contract manufacturing partners for compliance with cGMP and any other regulatory requirements of the FDA or other regulatory authorities for the manufacture of our product candidates. Beyond periodic audits, we have no control over the ability of our contract manufacturers to maintain adequate quality control, quality assurance and qualified personnel. If the FDA or a comparable foreign regulatory authority does not approve these facilities for the manufacture of our product candidates, if it withdraws any approval in the future, or if it otherwise identifies noncompliance with cGMPs at these facilities, we may need to find alternative manufacturing facilities, which would require the incurrence of significant additional costs and significantly impact our ability to develop, obtain regulatory approval for or market our product candidates, if approved. Similarly, if any third-party manufacturers on which we will rely fail to manufacture quantities of our product candidates at quality levels necessary to meet regulatory requirements and at a scale sufficient to meet anticipated demand at a cost that allows us to achieve profitability, our business, financial condition and prospects could be materially and adversely affected.

In addition, we will rely on third-party clinical investigators, contract research organizations, or CROs, and consultants. Relying on third-party clinical investigators, CROs and consultants may force us to encounter delays that are outside of our control. We may be unable to identify and contract with a sufficient number of investigators, CROs and consultants on a timely basis or at all. There can be no assurance that we will be able to negotiate and enter into any additional master services agreement with other CROs, as necessary, on terms that are acceptable to us on a timely basis or at all.

There is substantial competition in our field, which may result in others developing or commercializing products before we do.

The biotechnology and pharmaceutical industries utilize rapidly advancing technologies and are characterized by intense competition. While we believe that our scientific knowledge and platform development expertise provide

us with competitive advantages, we face potential competition from many different sources, including major pharmaceuticals, specialty pharmaceuticals and biotechnology companies, academic institutions and government agencies, and public and private research institutes that conduct research, development, manufacturing and commercialization. Many of our competitors have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, regulatory approvals and product marketing than we do. Our competitors may compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs. Our competitors may bring a product to market before we can, or their products may have fewer or lesser side effects than our own.

Product candidates that we and our collaborators successfully develop and commercialize will compete with existing therapies and new therapies that may become available in the future. Specifically, we expect that our product candidates will compete against approved drugs, including Idhifa® by Celgene Corporation, Tibsovo® by Agios Pharmaceuticals, and Rydapt® by Novartis International AG. If our drug candidates are approved for the indications for which we are currently planning clinical trials, they will likely compete with the competitor drugs mentioned above and with other drugs that are currently in development. Key product features that would affect our ability to effectively compete with other therapeutics include the efficacy, safety and convenience of our products. Our competitors may obtain patent protection or other intellectual property rights that limit our ability to develop or commercialize our product candidates. Our competitors may also 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. For additional information regarding our competition, see “Business—Competition.”

Difficulty in enrolling patients could delay clinical trials of our product candidates.

Identifying and qualifying patients to participate in clinical studies of our product candidates is critical to our success. The timing of completion of our clinical studies depends in part on the speed at which we can recruit patients to participate in testing our product candidates, and we may experience delays in our clinical trials if we encounter difficulties in enrollment. Because we are focused on patients with specific mutations, our ability to enroll eligible patients may be limited or may result in slower enrollment than we anticipate. We cannot be certain how many patients will have each of the genetic mutations that our platform is designed to target or that the number of patients enrolled for each mutation will suffice for regulatory approval and inclusion of each such mutation in the approved label. We may not be able to initiate or continue clinical trials for our product candidates if we are unable to locate and enroll a sufficient number of eligible patients to participate in these trials as required by the FDA or similar regulatory authorities outside the United States. In addition, some of our competitors have ongoing clinical trials for product candidates that treat the same indications as our product candidates, and patients who would otherwise be eligible for our clinical trials may instead enroll in clinical trials of our competitors’ product candidates.

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

Disruptions at the FDA and other government agencies caused by funding shortages or global health concerns could hinder their ability to hire, retain or deploy key leadership and other personnel, or otherwise prevent new or modified products from being developed, approved or commercialized in a timely manner or at all, which could negatively impact our business.

The ability of the FDA to review and approve new products can be affected by a variety of factors, including government budget and funding levels, statutory, regulatory, and policy changes, the FDA's ability to hire and retain key personnel and accept the payment of user fees, and other events that may otherwise affect the FDA's ability to perform routine functions. Average review times at the agency have fluctuated in recent years as a result. In addition, government funding of other government agencies that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable. Disruptions at the FDA and other agencies may also slow the time necessary for new drugs or modifications to approved drugs to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, over the last several years, including for 35 days beginning on December 22, 2018, the U.S. government has shut down several times and certain regulatory agencies, such as the FDA, have had to furlough critical FDA employees and stop critical activities.

Separately, in response to the global COVID-19 pandemic, on March 10, 2020 the FDA announced its intention to postpone most foreign inspections of manufacturing facilities and products, and subsequently, on March 18, 2020, the FDA announced its intention to temporarily postpone routine surveillance inspections of domestic manufacturing facilities. Regulatory authorities outside the United States may adopt similar restrictions or other policy measures in response to the COVID-19 pandemic. If a prolonged government shutdown occurs, or if global health concerns continue to prevent the FDA or other regulatory authorities from conducting their regular inspections, reviews, or other regulatory activities, it could significantly impact the ability of the FDA or other regulatory authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

Risks related to employee matters, managing growth and information technology

We are highly dependent on our key personnel. If we are not successful in attracting and retaining highly qualified personnel, we may not be able to successfully implement our business strategy.

We are highly dependent on Adrian Gottschalk, our Chief Executive Officer. In addition, the loss of the services of any of our executive officers, other key employees and other scientific and medical advisors, and an inability to find suitable replacements could result in delays in product development and harm our business.

Despite our efforts to retain Mr. Gottschalk and other valuable employees, members of our management, scientific and development teams may terminate their employment with us on short notice. 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 will need to grow the size of our organization, and we may experience difficulties in managing this growth.

As of July 31, 2020, we had 85 full-time employees. We intend to hire new employees to assume activities and responsibilities within the company, including conducting our research and performing development activities in the future.

Our ability to compete in the highly competitive biotechnology and pharmaceutical industries depends upon our ability to attract and retain highly qualified managerial, scientific and medical personnel. We conduct our operations at our facilities in Cambridge, Massachusetts. The Massachusetts region is headquarters to many other biopharmaceutical companies and many academic and research institutions. Competition for skilled personnel in our market is intense and may limit our ability to hire and retain highly qualified personnel on acceptable terms or at all. Changes to U.S. immigration and work authorization laws and regulations, including those that restrain

the flow of scientific and professional talent, can be significantly affected by political forces and levels of economic activity. Our business may be materially adversely affected if legislative or administrative changes to immigration or visa laws and regulations impair our hiring processes and goals or projects involving personnel who are not U.S. citizens.

Any delay or disruption in hiring such new employees could result in delays in our research and development activities and would harm our business. As our development and commercialization plans and strategies develop, and as we transition into operating as a public company, we expect to need additional managerial, operational, sales, marketing, financial and other personnel, as well as additional facilities to expand our operations.

If we are not able to effectively expand our organization by hiring new employees and expanding our groups of consultants and contractors, or we are not able to effectively build out new facilities to accommodate this expansion, we may not be able to successfully implement the tasks necessary to further develop and commercialize our product candidates and, accordingly, may not achieve our research, development and commercialization goals.

Our internal computer systems, or those used by our third-party CROs or other contractors or consultants, may fail or suffer security breaches, which could result in a material disruption of the development programs of our product candidates.

Despite the implementation of security measures, our internal computer systems and those of our current and future CROs and other contractors and consultants are vulnerable to damage from computer viruses, unauthorized access, natural disasters, and telecommunication and electrical failures. While we have not experienced any such material system failure or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our development programs and our business operations. For example, the loss of data from completed or future preclinical studies and 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 the manufacture of our product candidates and to conduct clinical trials, 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.

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

We rely on multiple CROs to mitigate potential impacts that may affect any one of our CROs. However, CDMOs and other contractors and consultants, could be subject to earthquakes, power shortages, telecommunications failures, water shortages, floods, hurricanes, typhoons, fires, extreme weather conditions, pandemics 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 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.

Disruptions at the FDA and other government agencies caused by funding shortages or global health concerns could hinder their ability to hire, retain or deploy key leadership and other personnel, or otherwise prevent new or modified products from being developed, approved or commercialized in a timely manner or at all, which could negatively impact our business.

The ability of the FDA to review and approve new products can be affected by a variety of factors, including government budget and funding levels, statutory, regulatory, and policy changes, the FDA's ability to hire and

retain key personnel and accept the payment of user fees, and other events that may otherwise affect the FDA's ability to perform routine functions. Average review times at the agency have fluctuated in recent years as a result. In addition, government funding of other government agencies that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable. Disruptions at the FDA and other agencies may also slow the time necessary for new drugs or modifications to approved drugs to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, over the last several years, including for 35 days beginning on December 22, 2018, the U.S. government has shut down several times and certain regulatory agencies, such as the FDA, have had to furlough critical FDA employees and stop critical activities.

Separately, in response to the global pandemic of COVID-19, on March 10, 2020 the FDA announced its intention to postpone most foreign inspections of manufacturing facilities and products, and subsequently, on March 18, 2020, the FDA announced its intention to temporarily postpone routine surveillance inspections of domestic manufacturing facilities. Regulatory authorities outside the United States may adopt similar restrictions or other policy measures in response to the COVID-19 pandemic. If a prolonged government shutdown occurs, or if global health concerns continue to prevent the FDA or other regulatory authorities from conducting their regular inspections, reviews, or other regulatory activities, it could significantly impact the ability of the FDA or other regulatory authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

The continuing outbreak of COVID-19 in the United States and other countries may adversely affect our business and the market price of our common stock.

The recent global pandemic of COVID-19 is impacting worldwide economic activity, particularly economic activity in the United States, and poses the risk that we or our employees, contractors, suppliers, or other partners may be prevented or delayed from conducting business activities for an indefinite period of time, including due to shutdowns that may be requested or mandated by governmental authorities. The continued prevalence of COVID-19 and the measures taken by the governments of countries affected could disrupt the supply chain and the manufacture or shipment of both drug substance and finished drug product for our product candidates for preclinical testing or clinical trials, cause diversion of healthcare resources away from the conduct of preclinical and clinical trial matters to focus on pandemic concerns, limit travel in a manner that interrupts key trial activities, such as trial site initiations and monitoring, delay regulatory filings with regulatory agencies in affected areas or adversely affect our ability to obtain regulatory approvals. These disruptions could also affect other facets of our business, including but not limited to:

- our ability to recruit employees from outside of the United States;
- the ability of our CROs to conduct preclinical studies in countries outside of the United States;
- our ability to important materials from outside of the United States; and
- our ability to export materials to our CROs and other third-parties located outside of the United States.

The COVID-19 outbreak and mitigation measures also may have an adverse impact on global economic conditions, which could adversely impact our business, financial condition or results of operations. Additionally, the COVID-19 outbreak has resulted in significant financial market volatility and uncertainty. A continuation or worsening of the levels of market disruption and volatility seen in the recent past as a result of the COVID-19 outbreak could have an adverse effect on our ability to access capital and on the market price of our common stock.

Risks related to our intellectual property

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

Our commercial success will depend in part on our ability and the ability of our licensors to obtain and maintain proprietary or intellectual property protection in the United States and other countries for our product candidates, and our core technologies, including aspects of our Gene Traffic Control platform. We rely on trade secrets, know-how and continuing technological innovation to develop and maintain our proprietary and intellectual property position. In particular, our Gene Traffic Control platform is not the subject of patent applications.

We seek to protect our proprietary product candidates by filing patent applications in the United States and abroad related to our product candidates that are important to our business. If we or our licensors are unable to obtain or maintain patent protection with respect to our current and future product candidates, competitors and other third parties could develop and commercialize products similar or identical to ours, and our ability to successfully commercialize our product candidates and other product candidates that we may pursue may be impaired. As a result, our business, financial condition, results of operations and prospects could be materially harmed.

Currently, our patent portfolio, including our portfolio related to our product candidates FHD-286 and FHD-609, is in its earliest stages, primarily consisting of provisional patent applications, which do not themselves issue as patents, and patent applications filed pursuant to the Patent Cooperation Treaty, or PCT. We have no issued patents related to FHD-286 or FHD-609. In order to continue to pursue protection based on provisional patent applications, we will need to file PCT, foreign applications and/or U.S. non-provisional patent applications prior to applicable deadlines. In order to continue to pursue protection based on PCT applications, we will need to file national phase applications in the U.S. and ex-U.S. jurisdictions prior to applicable deadlines. Even then, patents may never issue from our patent applications, or the scope of any patent may not be sufficient to provide a competitive advantage.

The degree of patent protection we require to successfully commercialize our product candidates may be unavailable or severely limited in some cases and may not adequately protect our rights or permit us to gain or keep any competitive advantage. We cannot provide any assurances that any of our pending patent applications will issue, or that any of our pending patent applications that mature into issued patents will include claims with a scope sufficient to protect FHD-286 or FHD-609 or our other current or future product candidates. In addition, the laws of foreign countries may not protect our rights to the same extent as the laws of the United States. Furthermore, patents have a limited lifespan. In the United States, the natural expiration of a patent is generally twenty years after it is filed. Various extensions may be available; however, the life of a patent, and the protection it affords, is limited. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our owned and licensed patent portfolio may not provide us with adequate and continuing patent protection sufficient to exclude others from commercializing products similar or identical to our product candidates, including generic versions of such products.

Other parties have developed technologies that may be related or competitive to our own, and such parties may have filed or may file patent applications, or may have received or may receive patents, claiming inventions that may overlap or conflict with those claimed in our own patent applications, in either case that they may rely upon to dominate our patent position in the market. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Therefore, we cannot know with certainty whether we were the first to make the inventions claimed in our owned or licensed pending patent applications, or that we were the first to file for patent protection of such inventions. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights cannot be predicted with any certainty.

In addition, the patent prosecution process is expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. Further, with respect to most of the pending patent applications covering our product candidates, prosecution has yet to commence. Patent prosecution is a lengthy process, during which the scope of the claims initially submitted for examination by the U.S. Patent and Trademark Office, or USPTO, have been significantly narrowed by the time they issue, if at all. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection.

Even if we acquire patent protection that we expect should enable us to maintain such competitive advantage, third parties may challenge the validity, enforceability or scope thereof, which may result in such patents being narrowed, invalidated or held unenforceable. The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our owned and licensed patents may be challenged in the courts or patent offices in the United States and abroad. For example, we may be subject to a third-party submission of prior art to the USPTO challenging the priority of an invention claimed within one of our patents, which submissions may also be made prior to a patent's issuance, precluding the granting of any of our pending patent applications. We may become involved in opposition, derivation, reexamination, inter parties review, post-grant review or interference proceedings challenging our patent rights or the patent rights of others from whom we have obtained licenses to such rights. Competitors may claim that they invented the inventions claimed in our issued patents or patent applications prior to us, or may file patent applications before we do. Competitors may also claim that we are infringing on their patents and that we therefore cannot practice our technology as claimed under our patents, if issued. Competitors may also contest our patents, if issued, by showing the patent examiner that the invention was not original, was not novel or was obvious. In litigation, a competitor could claim that our patents, if issued, are not valid for a number of reasons. If a court agrees, we would lose our rights to those challenged patents.

In addition, we may in the future be subject to claims by our former employees or consultants asserting an ownership right in our patent applications or technologies, as a result of the work they performed on our behalf. Although we generally require all of our employees, consultants and advisors and any other third parties who have access to our proprietary know-how, information or technology to assign or grant similar rights to their inventions to us, we cannot be certain that we have executed such agreements with all parties who may have contributed to our intellectual property, nor can we be certain that our agreements with such parties will be upheld in the face of a potential challenge, or that they will not be breached, for which we may not have an adequate remedy.

An adverse determination in any such submission or proceeding may result in loss of exclusivity or freedom to operate or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar or identical technology and products, without payment to us, or could limit the duration of the patent protection covering our technology and product candidates. Such challenges may also result in our inability to manufacture or commercialize our product candidates without infringing third party patent rights. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future product candidates.

Even if our patent portfolio is unchallenged, it may not provide us with any meaningful protection or prevent competitors from designing around our patent claims to circumvent our owned or licensed patents by developing similar or alternative technologies or products in a non-infringing manner. For example, a third party may develop a competitive product that provides benefits similar to one or more of our product candidates but that has a different composition that falls outside the scope of our patent protection. If the patent protection provided by the patents and patent applications we hold or pursue with respect to our product candidates is not sufficiently broad to impede such competition, our ability to successfully commercialize our product candidates could be negatively affected, which would harm our business.

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

In addition to the protection afforded by patents, we rely upon unpatented trade secret protection, unpatented know-how and continuing technological innovation to develop and maintain our competitive position. With respect to the various aspects of our Gene Traffic Control platform, including our proprietary libraries, we consider trade secrets and know-how to be our primary intellectual property. We seek to protect our proprietary technology and processes, in part, by entering into confidentiality agreements with our collaborators, scientific advisors, employees and consultants, and invention assignment agreements with our consultants and employees. We may not be able to prevent the unauthorized disclosure or use of our technical know-how or other trade secrets by the parties to these agreements, however, despite the existence generally of confidentiality agreements and other contractual restrictions. Monitoring unauthorized uses and disclosures is difficult, and we do not know whether the steps we have taken to protect our proprietary technologies will be effective. If any of the collaborators, scientific advisors, employees and consultants who are parties to these agreements breaches or violates the terms of any of these agreements, we may not have adequate remedies for any such breach or violation, and we could lose our trade secrets as a result. We also seek to preserve the integrity and confidentiality of our confidential proprietary information by maintaining physical security on our premises, and physical and electronic security of our information technology systems, but it is possible that these security measures could be breached. Enforcing a claim that a third party illegally obtained and is using our trade secrets, like patent litigation, is expensive and time consuming, and the outcome is unpredictable. In addition, courts outside the United States are sometimes less willing to protect trade secrets.

Our trade secrets could otherwise become known or be independently discovered by our competitors. Competitors could purchase our product candidates and attempt to replicate some or all of the competitive advantages we derive from our development efforts, willfully infringe our intellectual property rights, design around our protected technology or develop their own competitive technologies that fall outside of our intellectual property rights. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them, or those to whom they communicate it, from using that technology or information to compete with us. If our trade secrets are not adequately protected so as to protect our market against competitors' products, our competitive position could be adversely affected, as could our business.

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

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 application process. In addition, periodic maintenance fees on issued patents often must be paid to the USPTO and foreign patent agencies over the lifetime of the patent. While an unintentional lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are 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. Non-compliance events that could result in abandonment or lapse of a patent or patent application include, but are not limited to, failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. If we fail to maintain the patents and patent applications covering our products or procedures, we may not be able to stop a competitor from marketing products that are the same as or similar to our product candidates, which would have a material adverse effect on our business.

The intellectual property landscape around our technology, including our Gene Traffic Control platform, is highly dynamic, and third parties may obtain intellectual property rights that could affect our ability to use our platform or otherwise develop and commercialize product candidates.

The field of protein modeling, especially in the area of targeting transcription factors, is still in its infancy. Due to the intense research and development that is taking place by several companies, including us and our competitors, in this field, the intellectual property landscape is evolving and in flux, and it may remain uncertain for the coming years. There may be significant intellectual property related litigation and proceedings relating to our owned and in-licensed, and other third party, intellectual property and proprietary rights in the future.

Our commercial success depends upon our ability and the ability of our collaborators and licensors to develop, manufacture, market, and sell any product candidates that we may develop and use our proprietary technologies without infringing, misappropriating, or otherwise violating the intellectual property and proprietary rights of third parties. As the biotechnology and pharmaceutical industries expand and more patents are issued, the risk increases that our Gene Traffic Control platform and related technology and product candidates may give rise to claims of infringement of the patent rights of others. Moreover, it is not always clear to industry participants, including us, which patents cover various types of therapies, products or their methods of use or manufacture. There may be third-party patents of which we are currently unaware with claims to technologies, methods of manufacture or methods for treatment related to the use or manufacture of our product candidates. Because patent applications can take many years to issue, there may be currently pending patent applications that may later result in issued patents that our product candidates may infringe. In addition, third parties may obtain patents in the future and claim that use of our technologies infringes upon these patents. We may be unable to obtain a license to such patents held by third-parties on commercially reasonable terms or at all. In the event that we are unable to obtain licenses to such patents, our ability to develop and commercialize one or more product candidates may become severely limited. Even if we were able to obtain such a license, it could be granted on non-exclusive terms, thereby providing our competitors and other third parties access to the same technologies licensed to us.

We may initiate or become involved in legal proceedings involving allegations that we are infringing a third party's intellectual property rights, the outcome of which would be uncertain and could have a material adverse effect on the success of our business.

Our commercial success depends in part upon our ability and the ability of our collaborators to develop, manufacture and sell our product candidates and use our proprietary technologies without infringing the propriety rights and intellectual property of third parties.

The biotechnology and pharmaceutical industries are characterized by extensive and frequent litigation regarding patents and other intellectual property rights. We may in the future become party to, or threatened with, adversarial proceedings or litigation regarding intellectual property rights with respect to our product candidates and technology. Our competitors or other third parties may assert infringement claims against us, alleging that our products or technologies are covered by their patents. Given the vast number of patents in our field of technology, we cannot be certain that we do not infringe existing patents or that we will not infringe patents that may be granted in the future. If a patent holder believes our product or product candidate infringes on its patent, the patent holder may sue us even if we have received patent protection for our technology. Moreover, we may face patent infringement claims from non-practicing entities that have no relevant product revenue and against whom our own patent portfolio may thus have no deterrent effect.

If we are found to infringe a third party's intellectual property rights, we could be required to obtain a license from such third party to continue developing and marketing our product candidates and technology. We may choose to obtain a license, even in the absence of an action or finding of infringement. In either case, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain such a license, it could be granted on non-exclusive terms, thereby providing our competitors and other third

parties access to the same technologies licensed to us. Without such a license, we could be forced, including by court order, to cease developing and commercializing the infringing technology or product candidates. In addition, we could be found liable for monetary damages, including treble damages and attorneys' fees if we are found to have willfully infringed such third-party patent rights. A finding of infringement could prevent us from commercializing our product candidates or force us to cease some of our business operations, which could materially harm our business. If we lose a foreign patent lawsuit, alleging our infringement of a competitor's patents, we could be prevented from marketing our products in one or more foreign countries, which would have a materially adverse effect on our business.

We may be subject to damages resulting from claims that we or our employees have wrongfully used or disclosed alleged trade secrets of our competitors or are in breach of non-competition or non-solicitation agreements with our competitors.

We could in the future also be subject to claims that we or our employees have inadvertently or otherwise used or disclosed alleged trade secrets or other proprietary information of former employers or competitors. Although we try to ensure that our employees and consultants do not use the intellectual property, proprietary information, know-how or trade secrets of others in their work for us, we may in the future be subject to claims that we caused an employee to breach the terms of his or her non-competition or non-solicitation agreement, or that we or these individuals have, inadvertently or otherwise, used or disclosed the alleged trade secrets or other proprietary information of a former employer or competitor. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial costs and could be a distraction to management. If our defenses to these claims fail, in addition to requiring us to pay monetary damages, a court could prohibit us from using technologies or features that are essential to our product candidates, if such technologies or features are found to incorporate or be derived from the trade secrets or other proprietary information of the former employers. An inability to incorporate such technologies or features would have a material adverse effect on our business, and may prevent us from successfully commercializing our product candidates. In addition, we may lose valuable intellectual property rights or personnel as a result of such claims. Moreover, any such litigation or the threat thereof may adversely affect our ability to hire employees or contract with independent sales representatives. A loss of key personnel or their work product could hamper or prevent our ability to commercialize our product candidates, which would have an adverse effect on our business, results of operations and financial condition.

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

Competitors and other third parties may infringe, misappropriate or otherwise violate our patents, if obtained, and other intellectual property rights. To counter infringement or unauthorized use, we may be required to file infringement claims. A court may disagree with our allegations, however, and may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the third-party technology in question. Further, such third parties could counterclaim that we infringe their intellectual property or that a patent we have asserted against them is invalid or unenforceable. In patent litigation in the United States, defendant counterclaims challenging the validity, enforceability or scope of asserted patents are commonplace. In addition, third parties may initiate legal proceedings against us to assert such challenges to our intellectual property rights. The outcome of any such proceeding is generally unpredictable.

An adverse result in any litigation proceeding could put one or more of our patents at risk of being invalidated or interpreted narrowly. If a defendant were to prevail on a legal assertion of invalidity or unenforceability of our patents covering one of our product candidates, we would lose at least part, and perhaps all, of the patent protection covering such product candidate. Competing products may also be sold in other countries in which our patent coverage might not exist or be as strong.

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

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

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

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

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 in developing countries. Moreover, our ability to protect and enforce our intellectual property rights may be adversely affected by unforeseen changes in foreign intellectual property laws. Additionally, the patent laws of some foreign countries do not afford intellectual property protection to the same extent as the laws of the United States. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. The legal systems of some countries, particularly developing countries, do not favor the enforcement of patents and other intellectual property rights. This could make it difficult for us to stop the infringement of our patents or the misappropriation of our other intellectual property rights. For example, many foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties. 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, if our ability to enforce our patents to stop infringing activities is inadequate. These products may compete with our product candidates, and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Proceedings to enforce our patent rights in foreign jurisdictions, whether or not successful, could result in substantial costs and divert our efforts and resources from other aspects of our business. Furthermore, while we intend to protect our intellectual property rights in the major markets for our product candidates, we cannot ensure that we will be able to initiate or maintain similar efforts in all jurisdictions in which we may wish to market our product candidates. Accordingly, our efforts to protect our intellectual property rights in such countries may be inadequate.

We may be subject to claims challenging the inventorship or ownership of any intellectual property, including any patents we may own or in-license in the future.

We may be subject to claims that former employees, collaborators or other third parties have an interest in any patents we may own or in-license in the future, trade secrets, or other intellectual property as an inventor or co-inventor. We may have inventorship disputes arise from conflicting obligations of employees, consultants or others who are involved in developing our product candidates or other technologies. We generally enter into confidentiality and intellectual property assignment agreements with our employees, consultants, and contractors. These agreements generally provide that inventions conceived by the party in the course of rendering services to us will be our exclusive property. However, those agreements may not be honored and may not effectively assign intellectual property rights to us. Moreover, there may be some circumstances where we are unable to negotiate for such ownership rights. Disputes regarding ownership or inventorship of intellectual property can also arise in other contexts, such as collaborations and sponsored research. If we are subject to an inventorship, such dispute may lead to litigation which could be expensive and time consuming. If we are unsuccessful, in addition to paying monetary damages, we could lose valuable rights in intellectual property that we regard as our own, such as exclusive ownership of, or right to use, intellectual property that is important to our product candidates and our Gene Traffic Control platform. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

If we do not obtain patent term extension and data exclusivity for any product candidates we may develop, our business may be materially harmed.

Depending upon the timing, duration and specifics of any FDA marketing approval of any product candidates we may develop, one or more of our U.S. patents, if obtained, may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Action of 1984, or Hatch-Waxman Amendments. The Hatch-Waxman Amendments permit a patent extension term of up to five years as compensation for patent term lost during the FDA regulatory review process. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval, only one patent may be extended and only those claims covering the approved drug, a method for using it or a method for manufacturing it may be extended. However, we may not be granted an extension because of, for example, failing to exercise due diligence during the testing phase or regulatory review process, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents or otherwise failing to satisfy applicable requirements. Moreover, the applicable time period or the scope of patent protection afforded could be less than we request. If we are unable to obtain patent term extension or the term of any such extension is less than we request, our business, financial condition, results of operations and prospects could be materially harmed.

Intellectual property rights do not necessarily address all potential threats.

The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations and may not adequately protect our business or permit us to maintain our competitive advantage. For example:

- aspects of our Gene Traffic Control platform are protected by trade secrets, which may be inadequate to safeguard our competitive advantage, and some aspects of our platform may not be protectable by intellectual property rights at all;
- others may be able to make products that are similar to our product candidates or utilize similar technology but that are not covered by the claims of any patents that may issue to us, our licensors or our collaborator;
- we or our licensors or collaborators, might not have been the first to make the inventions covered by our pending patent applications, or any patents that may issue in the future;

- we or our licensors or collaborators, might not have been the first to file patent applications covering certain of our or their inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing or misappropriating our intellectual property rights;
- it is possible that our present or future pending patent applications will not lead to issued patents;
- issued patents that we hold rights to may be held invalid or unenforceable, including as a result of legal challenges by our competitors or other third parties;
- our competitors or other third parties might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;
- changes to the patent law in the United States and other jurisdictions could diminish the value of patents in general, thereby impairing our ability to protect our product candidates;
- the patents of others may harm our business; and
- we may choose not to file a patent application in order to maintain certain trade secrets or know-how, and a third party may subsequently file a patent covering such intellectual property.

Should any of these events occur, they could have a material adverse effect on our business, financial condition, results of operations and prospects.

Changes to the patent law in the United States and other jurisdictions could diminish the value of patents in general, thereby impairing our ability to protect our product candidates.

As is the case with other biopharmaceutical companies, our success is heavily dependent on intellectual property, particularly patents. Obtaining and enforcing patents in the biopharmaceutical industry involve both technological and legal complexity and is therefore costly, time consuming and inherently uncertain. Recent patent reform legislation in the United States and other countries, including the Leahy-Smith America Invents Act, or Leahy-Smith Act, signed into law on September 16, 2011, could increase those uncertainties and costs. The Leahy-Smith Act includes a number of significant changes to U.S. patent law. These include provisions that affect the way patent applications are prosecuted, redefine prior art and provide more efficient and cost-effective avenues for competitors to challenge the validity of patents. In addition, the Leahy-Smith Act has transformed the U.S. patent system into a “first to file” system. The first-to-file provisions, however, only became effective on March 16, 2013. Accordingly, it is not yet clear what, if any, impact the Leahy-Smith Act will have on the operation of our business. However, the Leahy-Smith Act and its implementation could make it more difficult to obtain patent protection for our inventions and 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 harm our business, results of operations and financial condition.

The U.S. Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. Additionally, there have been recent proposals for additional changes to the patent laws of the United States and other countries that, if adopted, could impact our ability to obtain patent protection for our proprietary technology or our ability to enforce rights in our proprietary technology. Depending on future actions by the U.S. Congress, the U.S. courts, the USPTO and the relevant law-making bodies in other countries, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce any patents that we may obtain in the future.

Risks related to our reliance on third parties

We rely, and expect to continue to rely, on third parties, including independent clinical investigators, CROs, and CDMOs to conduct certain aspects of our discovery and preclinical studies and development, and clinical trials. If these third parties do not successfully carry out their contractual duties, comply with applicable regulatory requirements or meet expected deadlines, we may not be able to obtain regulatory approval for or commercialize our product candidates and our business could be substantially harmed.

We have relied upon and plan to continue to rely upon third parties, including independent clinical investigators and third-party CROs and CDMOs, as well as potential collaboration partners to conduct certain aspects of our discovery, preclinical studies and development and clinical trials and to monitor and manage data for our ongoing preclinical and clinical programs. We rely on these parties for execution of our preclinical studies and planned clinical trials, and control only certain aspects of their activities. Nevertheless, we are responsible for ensuring that each of our studies and trials is conducted in accordance with the applicable protocol, legal, regulatory and scientific standards, and our reliance on these third parties does not relieve us of our regulatory responsibilities. We and our third-party contractors, CROs and CDMOs are required to comply with GCP requirements, which are regulations and guidelines enforced by the FDA and comparable foreign regulatory authorities for all of our product candidates in clinical development. Regulatory authorities enforce these GCPs through periodic inspections of trial sponsors, principal investigators and trial sites. If we or any of these third parties, our CROs or our CDMOs fail to comply with applicable GCPs, the clinical data generated in our clinical trials may be deemed unreliable and the FDA or comparable foreign regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. Moreover, our business may be adversely affected if any of these third parties violates federal or state fraud and abuse or false claims laws and regulations or healthcare privacy and security laws.

Further, these investigators, CROs and CDMOs are not our employees and we will not be able to control, other than by contract, the amount of resources, including time, which they devote to our product candidates and clinical trials. These third parties may also have relationships with other commercial entities, including our competitors, for whom they may also be conducting clinical trials or other product development activities, which could affect their performance on our behalf. If independent investigators, CROs and CDMOs fail to devote sufficient resources to the development of our product candidates, or if CROs do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to our clinical protocols, regulatory requirements or for other reasons, our clinical trials may be extended, delayed or terminated and we may not be able to obtain regulatory approval for or successfully commercialize our product candidates. As a result, our results of operations and the commercial prospects for our product candidates would be harmed, our costs could increase and our ability to generate revenues could be delayed or precluded entirely.

If any of our relationships with these third-party CROs terminate, we may not be able to enter into arrangements with alternative CROs or to do so on commercially reasonable terms. Switching or adding additional CROs involves additional cost and requires management time and focus. In addition, there is a natural transition period when a new CRO commences work. As a result, delays occur, which can materially impact our ability to meet our desired clinical development timelines. Additionally, CROs may lack the capacity to absorb higher workloads or take on additional capacity to support our needs. Though we carefully manage our relationships with our CROs, there can be no assurance that we will not encounter similar challenges or delays in the future or that these delays or challenges will not have a material adverse impact on our business, financial condition and prospects.

We currently rely and expect to rely in the future on the use of manufacturing suites in third-party facilities or third parties to manufacture our product candidates. Our business could be harmed if we are unable to use third-party manufacturing suites or if the third-party manufacturers fail to provide us with sufficient quantities of our product candidates or fail to do so at acceptable quality levels or prices.

We do not currently own any facility that may be used as our clinical-scale manufacturing and processing facility and must currently rely on outside vendors to manufacture our product candidates in clinical quantities.

Our reliance on third parties for clinical quantities exposes us to a number of risks, including:

- our third-party manufacturers might be unable to timely manufacture our product candidates or produce the quantity and quality required to meet our clinical and commercial needs, if any;
- contract manufacturers may not be able to execute our manufacturing procedures and other logistical support requirements appropriately and incompliance with cGMP; and
- our third-party manufacturers could breach or terminate their agreements with us.

Each of these risks could delay or prevent the completion of our clinical trials or the approval of any of our product candidates by the FDA or result in higher costs. In addition, we will rely on third parties to perform certain specification tests on our product candidates prior to delivery to patients. If these tests are not appropriately done and test data are not reliable, patients could be put at risk of serious harm and the FDA could place significant restrictions on our company until deficiencies are remedied.

If 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 our third-party manufacturers. Our manufacturers are subject to numerous environmental, health and safety laws and regulations, including those governing the use, manufacture, storage, handling and disposal of medical and hazardous materials. Although we believe that our manufacturers' procedures for using, handling, 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.

Risks related to regulatory and other legal compliance matters

Our clinical trials may fail to demonstrate adequately the safety and efficacy of any of our product candidates, which would delay or prevent further clinical development of those candidates.

To obtain the requisite regulatory approvals to market and sell any of our product candidates, including FHD-286 and FHD-609, and any other future product candidates, we must demonstrate through extensive preclinical studies and clinical trials that our products are safe and effective in humans.

Clinical trials that we conduct may not demonstrate the efficacy and safety necessary to obtain regulatory approval to market our product candidates. In some instances, there can be significant variability in safety or efficacy results between different clinical trials of the same product candidate due to numerous factors, including changes in trial procedures set forth in protocols, differences in the size and type of the patient populations,

changes in and adherence to the clinical trial protocols and the rate of dropout among clinical trial participants. If the results of our ongoing or future clinical trials are inconclusive with respect to the efficacy of our product candidates, if we do not meet the clinical endpoints with statistical and clinically meaningful significance, or if there are safety concerns associated with our product candidates, we may be delayed in obtaining marketing approval, if at all.

Even if the trials are successfully completed, clinical data are often susceptible to varying interpretations and analyses, and we cannot guarantee that the FDA or other comparable foreign regulatory authorities will interpret the results as we do, and more trials could be required before we submit our product candidates for approval. We cannot guarantee that the FDA or other comparable foreign regulatory authorities will view our product candidates as having sufficient efficacy to support the indication studied in the clinical trial even if positive results are observed in early clinical trials. To the extent that the results of the trials are not satisfactory to the FDA or other comparable foreign regulatory authorities for support of a marketing application, approval of our product candidates may be significantly delayed, or we may be required to expend significant additional resources, which may not be available to us, to conduct additional trials in support of potential approval of our product candidates. Additionally, any safety or efficacy concerns observed in any tumor-specific subgroup of our clinical trials could limit the prospects for regulatory approval of our product candidates for a tumor-agnostic indication, which could have a material adverse effect on our business, financial condition and results of operations.

We may in the future seek orphan drug status for FHD-286 and FHD-609 and some of our other future product candidates, but we may be unable to obtain such designations or to maintain the benefits associated with orphan drug status, including market exclusivity, which may cause our future revenue, if any, to be reduced.

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 in the United States, or a patient population greater than 200,000 in the United States 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 an NDA. In the United States, orphan drug designation entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages and user-fee waivers. After the FDA grants orphan drug designation, the generic identity of the drug and its potential orphan use are disclosed publicly by the FDA. Orphan drug designation does not convey any advantage in, or shorten the duration of, the regulatory review and approval process.

If a product 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 an NDA, to market the same drug 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 the 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. As a result, even if one of our product candidates receives orphan exclusivity, the FDA can still approve other drugs that have a different active ingredient for use in treating the same indication or disease. Furthermore, the FDA can waive orphan exclusivity if we are unable to manufacture sufficient supply of our product.

We may seek orphan drug designation for some or all of our other future product candidates, where applicable, in addition to orphan indications in which there is a medically plausible basis for the use of these products. Even when we obtain orphan drug designation, 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, although we intend to seek orphan drug designation for other product candidates, we may never receive such designations. For example, the FDA has expressed concerns regarding the regulatory considerations for orphan drug designation as applied to tissue agnostic therapies, and the FDA may interpret the federal Food, Drug and Cosmetic Act, as amended, or the FD&C Act, and regulations promulgated thereunder in a way that limits or blocks our ability to obtain orphan drug designation or orphan drug exclusivity, if our product candidates are approved, for our targeted indications.

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

We may seek Breakthrough Therapy designation from the FDA for FHD-286 and FHD-609, and for some or all of our future product candidates. A breakthrough therapy is defined as a drug or biologic that 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 drug or biologic may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. For product candidates that have been designated as breakthrough therapies, interaction and communication between the FDA and the sponsor of the trial can help to identify the most efficient path for clinical development while minimizing the number of patients placed in ineffective control regimens. Drugs designated as breakthrough therapies by the FDA may also be eligible for other expedited approval programs, including accelerated approval.

Designation as a breakthrough therapy is within the discretion of the FDA. Accordingly, even if we believe one of our product candidates meets the criteria for designation as a breakthrough therapy, the FDA may disagree and instead determine not to make such designation. In any event, the receipt of a Breakthrough Therapy designation for a product candidate may not result in a faster development process, review or approval compared to candidate products considered for approval under non-expedited FDA review procedures and does not assure ultimate approval by the FDA. In addition, even if one or more of our product candidates qualify as breakthrough therapies, the FDA may later decide that the product no longer meets the conditions for qualification. Thus, even though we intend to seek Breakthrough Therapy designation for some or all of our future product candidates for the treatment of various cancers, there can be no assurance that we will receive breakthrough therapy designation.

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

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

- federal Anti-Kickback Statute, which prohibits, among other things, persons from offering, soliciting, receiving or providing remuneration, directly or indirectly, to induce either the referral of an individual, or the purchasing or ordering of, a good or service for which payment may be made under federal healthcare programs such as Medicare and Medicaid;
- federal false claims, false statements and civil monetary penalties laws prohibiting, among other things, any person from knowingly presenting, or causing to be presented, a false claim for payment of government funds or knowingly making, or causing to be made, a false statement material to a false claim;

- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which, in addition to privacy protections applicable to healthcare providers and other entities, prohibits executing a scheme to defraud any healthcare benefit program and making false statements relating to healthcare matters;
- the Physician Payments Sunshine Act, which requires pharmaceutical and medical device companies to report information related to certain payments and transfers of value to certain healthcare providers to the Center for Medicare & Medicaid Services, as well as ownership and investment interests held by physicians and their immediate family members; and
- analogous state and foreign laws and regulations, such as state anti-kickback, anti-bribery and false claims laws, which may apply to healthcare items or services that are reimbursed by non-governmental third-party payors, including private insurers, as well as other state laws that require companies to comply with specific compliance standards, restrict financial interactions between companies and healthcare providers and require companies to report information related to payments to health care providers or marketing expenditures.

Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. Given the breadth of the laws and regulations, limited guidance for certain laws and regulations and evolving government interpretations of the laws and regulations, governmental authorities may possibly conclude that our business practices may not comply with healthcare laws and regulations, including, without limitation, certain of our advisory board agreements with physicians who receive stock or stock options as compensation for services provided to us. If our operations are found to be in violation of any of the laws described above or any other government regulations that apply to us, we may be subject to penalties, including civil and criminal penalties, damages, fines, exclusion from participation in government health care programs, such as Medicare and Medicaid, imprisonment, and the curtailment or restructuring of our operations, any of which could adversely affect our business, financial condition, results of operations, and prospects.

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

The U.S. and many foreign jurisdictions have enacted or proposed legislative and regulatory changes affecting the healthcare system that could prevent or delay marketing approval of our current or future product candidates or any future product candidates, restrict or regulate post-approval activities and affect our ability to profitably sell a product for which we obtain marketing approval. In particular, in the U.S., there have been and continue to be a number of legislative initiatives at the federal and state level to contain healthcare costs. For example, in March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, of collectively, the ACA, was enacted, which substantially changed the way healthcare is financed by both government and private payors. Since its enactment, there have been judicial and Congressional challenges to certain aspects of the ACA, and we expect there will be additional challenges and amendments to the ACA in the future. It is unclear how any efforts to challenge, repeal, or replace the ACA will impact the ACA or our business.

Changes in regulations, statutes or the interpretation of existing regulations could impact our business in the future by requiring, for example: (i) changes to our manufacturing arrangements, (ii) additions or modifications to product labeling, (iii) the recall or discontinuation of our products or (iv) additional record-keeping requirements. Further, healthcare reform may result in changes to payment methodologies, the implementation of pharmaceutical and biological product price controls, and reductions in Medicare and other healthcare funding. If any such changes were to be imposed, they could adversely affect the operation of our business.

The successful commercialization of our product candidates will depend in part on the extent to which third-party payors establish coverage, adequate reimbursement levels and pricing policies.

Our ability to obtain coverage and adequate reimbursement for our product candidates by governmental healthcare programs, private health insurers, and other third-party payors will have an effect on our ability to successfully commercialize our product candidates. We cannot be sure that coverage and reimbursement will be available for our product candidates or any product that we may develop, and any reimbursement that may become available may not be adequate or may be decreased or eliminated in the future. No uniform policy for coverage and reimbursement for products exists among third-party payors in the United States. 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 product candidates to each payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance. If reimbursement is not available or is available only at limited levels, we may not be able to successfully commercialize our product candidates, and may not be able to obtain a satisfactory financial return on our product candidates.

We are subject to U.S. and international restrictive regulations governing the use, processing and cross-border transfer of data and personal information.

The conduct of our clinical trials may be subject to privacy restrictions based on U.S. and non-U.S. regulations. For example, we may be subject to the California Consumer Privacy Act, or CCPA. As currently written, the CCPA may impact our business activities and exemplifies the vulnerability of our business to the evolving regulatory environment related to personal data and protected health information. Additionally, the collection, use, storage, disclosure, transfer, or other processing of personal data regarding individuals in the EU, including personal health data, is subject to the EU General Data Protection Regulation, or GDPR. See "Business—Government Regulation." Compliance with the GDPR will be a rigorous and time-intensive process that may increase our cost of doing business or require us to change our business practices, and despite those efforts, there is a risk that we may be subject to fines and penalties, litigation, and reputational harm in connection with our European activities. Further, the United Kingdom's vote in favor of exiting the EU, often referred to as Brexit, has created uncertainty with regard to data protection regulation in the United Kingdom. In particular, it is unclear how data transfers to and from the United Kingdom will be regulated.

Compliance with U.S. and international data protection laws and regulations could require us to take on more onerous obligations in our contracts, restrict our ability to collect, use and disclose data, or in some cases, impact our ability to operate in certain jurisdictions. Failure to comply with U.S. and international data protection laws and regulations could result in government enforcement actions (which could include civil or criminal penalties), private litigation or adverse publicity and could negatively affect our operating results and business. Moreover, clinical trial subjects about whom we or our potential collaborators obtain information, as well as the providers who share this information with us, may contractually limit our ability to use and disclose the information. Claims that we have violated individuals' privacy rights, failed to comply with data protection laws, or breached our contractual obligations, even if we are not found liable, could be expensive and time consuming to defend and could result in adverse publicity that could harm our business.

Risks related to this offering and ownership of our common stock

We do not know whether a 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.

Before this offering, there was no public trading market for our common stock. If a market for our common stock does not develop or is not sustained, it may be difficult for you to sell your shares of common stock at an attractive price or at all. We cannot predict the prices at which our common stock will trade. It is possible that in one or more future periods our results of operations may be below the expectations of public market analysts and investors, and, as a result of these and other factors, the price of our common stock may fall.

You will incur immediate and substantial dilution as a result of this offering.

If you purchase common stock in this offering, you will incur immediate and substantial dilution of $ per share, representing the difference between the assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, and our pro forma net tangible book value per share after giving effect to this offering and the automatic conversion of all outstanding shares of our preferred stock upon the closing of this offering. Moreover, we issued options in the past that allow the holders to acquire common stock at prices significantly below the assumed initial public offering price. As of , 2020, there were shares subject to outstanding options with a weighted-average exercise price of $ per share. To the extent that these outstanding options are ultimately exercised or the underwriters exercise their option to purchase additional shares, you will incur further dilution. For a further description of the dilution you will experience immediately after this offering, see "Dilution."

The market price of our common stock may be volatile, which could result in substantial losses for investors purchasing shares in this offering.

The initial public offering price for our common stock was determined through negotiations with the underwriters. This initial public offering price may vary from the market price of our common stock after the offering. As a result, you may not be able to sell your common stock at or above the initial public offering price. Some of the factors that may cause the market price of our common stock to fluctuate include:

- the success of existing or new competitive product candidates or technologies;
- the timing and results of preclinical studies for any product candidates that we may develop;
- failure or discontinuation of any of our product development and research programs;
- results of preclinical studies, clinical trials, or regulatory approvals of product candidates of our competitors, or announcements about new research programs or product candidates of our competitors;
- commencement or termination of collaborations for our product development and research programs;
- regulatory or legal developments in the United States and other countries;
- developments or disputes concerning patent applications, issued patents, or other proprietary rights;
- the recruitment or departure of key personnel;
- the level of expenses related to any of our research programs or product candidates that we may develop;
- the results of our efforts to develop additional product candidates or products;
- actual or anticipated changes in estimates as to financial results, development timelines, or recommendations by securities analysts;
- announcement or expectation of additional financing efforts;
- sales of our common stock by us, our insiders or other stockholders;
- expiration of market stand-off or lock-up agreement;
- effects of public health crises, pandemics and epidemics, such as COVID-19;
- variations in our financial results or those of companies that are perceived to be similar to us;
- changes in estimates or recommendations by securities analysts, if any, that cover our stock;
- changes in the structure of healthcare payment systems;
- market conditions in the pharmaceutical and biotechnology sectors;

- general economic, industry, and market conditions; and
- the other factors described in this "Risk Factors" section.

In recent years, the stock market in general, and the market for pharmaceutical and biotechnology companies in particular, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to changes in the operating performance of the companies whose stock is experiencing those price and volume fluctuations. Broad market and industry factors may seriously affect the market price of our common stock, regardless of our actual operating performance. These fluctuations may be even more pronounced in the trading market for our stock shortly following this offering. Following periods of such volatility in the market price of a company's securities, securities class action litigation has often been brought against that company. Because of the potential volatility of our stock price, we may become the target of securities litigation in the future.

Securities litigation could result in substantial costs and divert management's attention and resources from our business.

If securities analysts do not publish research or reports about our business or if they publish negative evaluations of our stock, the price of our stock could decline.

The trading market for our common stock will rely in part on the research and reports that industry or financial analysts publish about us or our business. We do not currently have and may never obtain research coverage by industry or financial analysts. If no or few analysts commence coverage of us, the trading price of our stock would likely decrease. Even if we do obtain analyst coverage, if one or more of the analysts covering our business downgrade their evaluations of our stock, the price of our stock could decline. If one or more of these analysts cease to cover our stock, we could lose visibility in the market for our stock, which in turn could cause our stock price to decline.

A significant portion of our total outstanding shares is restricted from immediate resale but may be sold into the market in the near future, which could cause the market price of our common stock to decline significantly, even if our business is doing well.

Sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares of common stock intend to sell shares, could reduce the market price of our common stock. After this offering and after giving effect to the conversion of all outstanding shares of our preferred stock into shares of our common stock upon the closing of this offering, we will have shares of common stock outstanding, or shares if the underwriters exercise their option to purchase additional shares in full, in each case based on the shares of our common stock outstanding as of August 31, 2020. Of these shares, the shares (or shares if the underwriters exercise their option to purchase additional shares in full) we are selling in this offering may be resold in the public market immediately, unless purchased by our affiliates. The remaining shares are currently restricted under securities laws or as a result of lock-up or other agreements, but will be able to be sold after this offering as described in the "Shares Eligible for Future Sale" section of this prospectus. Moreover, after this offering, holders of an aggregate of shares of our common stock will have rights, subject to conditions, to require us to file registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or other stockholders. We also plan to register all shares of common stock that we may issue under our equity compensation plans or that are issuable upon exercise of outstanding options. Once we register these shares, they can be freely sold in the public market upon issuance and once vested, subject to volume limitations applicable to affiliates and the lock-up agreements described in the "Underwriting" section of this prospectus. If any of these additional shares are sold, or if it is perceived that they will be sold, in the public market, the market price of our common stock could decline.

Insiders will continue to have substantial influence over us after this offering, which could limit your ability to affect the outcome of key transactions, including a change of control.

After this offering, our directors and executive officers and their affiliates will beneficially own shares representing approximately % of our outstanding common stock. As a result, these stockholders, if they act together, will be able to influence our management and affairs and all matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions. This concentration of ownership may have the effect of delaying or preventing a change in control of our company and might affect the market price of our common stock.

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

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and may remain an emerging growth company for up to five years. For so long as we remain an emerging growth company, we are permitted and plan to rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not emerging growth companies. These exemptions include not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or SOX Section 404, 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 stockholder approval of any golden parachute payments not previously approved. As a result, the information we provide stockholders will be different than the information that is available with respect to other public companies. In this prospectus, we have not included all of the executive compensation related information that would be required if we were not an emerging growth company. We cannot predict whether investors will find our common stock less attractive if we rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock, and our stock price may be more volatile.

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. This allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected not to "opt out" of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we will adopt the new or revised standard at the time private companies adopt the new or revised standard and will do so until such time that we either (i) irrevocably elect to "opt out" of such extended transition period or (ii) no longer qualify as an emerging growth company. Therefore, the reported results of operations contained in our consolidated financial statements may not be directly comparable to those of other public companies.

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

As a public company, and particularly after we are no longer an "emerging growth company," we will incur significant legal, accounting, and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of , and other applicable securities rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. We expect that we will need to hire additional accounting, finance, and other personnel in connection with our becoming, and our efforts to comply with the requirements of being, a public company, and our management and other personnel will need to devote a substantial amount of time towards maintaining compliance with these requirements. These requirements will increase our legal and financial compliance costs and will make some

activities more time-consuming and costly. For example, we expect that the rules and regulations applicable to us as a public company may make it more difficult and more expensive for us to obtain director and officer liability insurance, which could make it more difficult for us to attract and retain qualified members of our board of directors. We are currently evaluating these rules and regulations and cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. These rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

Pursuant to SOX Section 404, we will be required to furnish a report by our management on our internal control over financial reporting beginning with our second filing of an Annual Report on Form 10-K with the SEC after we become a public company. However, while we remain an emerging growth company, we will not be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. To achieve compliance with SOX Section 404 within the prescribed period, we will be engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants, adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented, and implement a continuous reporting and improvement process for internal control over financial reporting. Despite our efforts, there is a risk that we will not be able to conclude, within the prescribed timeframe or at all, that our internal control over financial reporting is effective as required by SOX Section 404. If we identify one or more material weaknesses, it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements.

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

We cannot specify with certainty the particular uses of the net proceeds we will receive from this offering. Our management will have broad discretion in the application of the net proceeds, including for any of the purposes described in "Use of Proceeds." Accordingly, you will have to rely upon the judgment of our management with respect to the use of the proceeds, with only limited information concerning management's specific intentions. Our management may spend a portion or all of the net proceeds from this offering in ways that our stockholders may not desire or that may not yield a favorable return. The failure by our management to apply these funds effectively could harm our business, financial condition, results of operations and prospects. Pending their use, we may invest the net proceeds from this offering in a manner that does not produce income or that loses value.

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

Our results of operations could be adversely affected by general conditions in the global economy and in the global financial markets. A severe or prolonged economic downturn, or additional global financial crises, could result in a variety of risks to our business, including weakened demand for our product candidates, if approved, or our ability to raise additional capital when needed on acceptable terms, if at all. For example, the global financial crisis caused extreme volatility and disruptions in the capital and credit markets. Similarly, the recent significant volatility associated with the COVID-19 outbreak has caused significant instability and disruptions in the capital and credit markets. A weak or declining economy could also strain our suppliers, possibly resulting in supply disruption. Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the current economic climate and financial market conditions could adversely impact our business.

Provisions in our amended and restated certificate of incorporation, our amended and restated by-laws 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.

Our amended and restated certificate of incorporation, amended and restated by-laws and Delaware law contain provisions that may have the effect of discouraging, delaying or preventing a change in control of us or changes in our management that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares. Our amended and restated certificate of incorporation and by-laws, which will become effective upon the closing of this offering, include provisions that:

- authorize "blank check" preferred stock, which could be issued by our board of directors without stockholder approval and may contain voting, liquidation, dividend and other rights superior to our common stock;
- create a classified board of directors whose members serve staggered three-year terms;
- specify that special meetings of our stockholders can be called only by our board of directors;
- prohibit stockholder action by written consent;
- establish an advance notice procedure for stockholder approvals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to our board of directors;
- provide that vacancies on our board of directors may be filled only by a majority of directors then in office, even though less than a quorum;
- provide that our directors may be removed only for cause;
- specify that no stockholder is permitted to cumulate votes at any election of directors;
- expressly authorize our board of directors to modify, alter or repeal our amended and restated by-laws; and
- require supermajority votes of the holders of our common stock to amend specified provisions of our amended and restated certificate of incorporation and amended and restated by-laws.

These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our management. These provisions could also limit the price that investors might be willing to pay in the future for shares of our common stock, thereby depressing the market price of our common stock.

In addition, because we are incorporated in the State of Delaware, we are governed by the provisions of Section 203 of the General Corporation Law of the State of Delaware, or the DGCL, which prohibits a person who owns in excess of 15% of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15% of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner.

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

Our amended and restated certificate of incorporation designates the state or federal courts within the State of Delaware as the exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation provides that, subject to limited exceptions, the state or federal courts (as appropriate) within the State of Delaware will be exclusive forums for (1) any derivative action

or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (3) any action asserting a claim against us arising pursuant to any provision of the DGCL, our amended and restated certificate of incorporation or our amended and restated by-laws, (4) action against us or any of our directors or officers involving a claim or defense arising pursuant to the Exchange Act of the Securities Act or (5) any other action asserting a claim against us that is governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and to have consented to the provisions of our amended and restated certificate of incorporation described above. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and employees. Alternatively, if a court were to find these provisions of our amended and restated certificate of incorporation inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business and financial condition.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that are based on management's beliefs and assumptions and on information currently available to management. All statements other than statements of historical facts contained in this prospectus are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential" or "continue" or the negative of these terms or other similar expressions, although not all forward-looking statements contain these words. Forward-looking statements include, but are not limited to, statements concerning:

- the initiation, timing, progress and results of our research and development programs, preclinical studies and clinical trials, including the timing and clearance of our IND filings for FHD-286 and FHD-609;
- our ability to advance any product candidates that we may develop and successfully complete preclinical and clinical studies;
- our ability to leverage our initial programs to develop additional product candidates using our Gene Traffic Control platform;
- the impact of the COVID-19 pandemic on our and our collaborators' business operations, including our research and development programs and preclinical studies;
- developments related to our competitors and our industry;
- our ability to expand the target populations of our programs and the availability of patients for clinical testing;
- our ability to obtain regulatory approval for FHD-286, FHD-609 and any future product candidates from the FDA and other regulatory authorities;
- our ability to identify and enter into future license agreements and collaborations;
- our ability to continue to rely on our CDMOs and CROs for our manufacturing and research needs;
- regulatory developments in the United States and foreign countries;
- our ability to attract and retain key scientific and management personnel;
- the scope of protection we are able to establish, maintain and enforce for intellectual property rights covering FHD-286, FHD-609, our future products and our Gene Traffic Control platform; and
- our use of proceeds from this offering, estimates of our expenses, capital requirements and needs for additional financing.

The forward-looking statements in this prospectus are only predictions and are based largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. These forward-looking statements speak only as of the date of this prospectus and are subject to a number of known and unknown risks, uncertainties and assumptions, including those described under the sections in this prospectus entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this prospectus. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified and some of which are beyond our control, you should not rely on these forward-looking statements as predictions of future events. Moreover, we operate in an evolving environment. New risks and uncertainties may emerge from time to time, and it is not possible for management to predict all risks and uncertainties. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

USE OF PROCEEDS

We estimate that the net proceeds to us from the sale of the shares of common stock in this offering will be approximately $ million, or approximately $ million if the underwriters exercise their option to purchase additional shares in full, based upon an assumed initial price to the public of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting 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 to us from this offering by approximately $, assuming 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 1,000,000 shares in the number of shares offered by us would increase (decrease) the net proceeds to us from this offering by approximately $, assuming that the assumed initial public offering price remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

We currently expect to use the net proceeds from this offering, together with our existing cash and cash equivalents, as follows:

- approximately $ to advance FHD-286, including our planned Phase 1 clinical trials for AML and uveal melanoma;
- approximately $ to advance FHD-609, including our planned Phase 1 clinical trial for synovial sarcoma;
- approximately $ for other research and development activities, including continued development of our Gene Traffic Control platform; and
- the remainder, if any, for working capital and other general corporate purposes.

Based on our planned use of the net proceeds from this offering and our existing cash and cash equivalents, we estimate that such funds will be sufficient to fund our operating expenses, capital expenditure requirements and debt service payments into . We have based this estimate on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we expect. The expected net proceeds from this offering, together with our existing cash and cash equivalents, will not be sufficient for us to fund any of our product candidates through regulatory approval, and we will need to raise additional capital to complete the development and commercialization of our product candidates.

We may also use a portion of the net proceeds from this offering to acquire, in-license or invest in products, technologies or businesses that are complementary to our business. The amounts and timing of our actual expenditures will depend on numerous factors, including the progress of our preclinical development efforts, our operating costs and other factors described under “Risk Factors” in this prospectus.

Our expected use of net proceeds from this offering represents our current intentions based upon our present plans and business condition. As of the date of this prospectus, we cannot predict with complete certainty all of the particular uses for the net proceeds to be received upon the completion of this offering or the actual amounts that we will spend on the uses set forth above.

We may find it necessary or advisable to use the net proceeds for other purposes, and we will have broad discretion in the application of the net proceeds. Pending the uses described above, we plan to invest the net proceeds from this offering in short-term, interest-bearing obligations, investment-grade instruments, certificates of deposit or direct or guaranteed obligations of the U.S. government.

DIVIDEND POLICY

We have never declared or paid any cash dividends on our capital stock. We intend to retain future earnings, if any, to finance the operation and expansion of our business and do not anticipate paying any cash dividends in the foreseeable future. In addition, pursuant to our loan and security agreement with Comerica Bank, or Comerica, we are prohibited from paying cash dividends without the prior written consent of Comerica and future debt instruments may materially restrict our ability to pay dividends on our common stock. Any future determination related to our dividend policy will be made at the discretion of our board of directors after considering our financial condition, results of operations, capital requirements, business prospects and other factors our board of directors deems relevant, and subject to the restrictions contained in our current and any future financing instruments. Our ability to pay cash dividends on our capital stock in the future may also be limited by the terms of any preferred securities we may issue or agreements governing any indebtedness we may incur.

CAPITALIZATION

The following table summarizes our cash and cash equivalents and capitalization as of June 30, 2020:

- on an actual basis;
- on a pro forma basis to give effect to (i) our issuance and sale in July and August 2020 of 5,600,000 shares of Series B preferred stock for gross proceeds of $42.0 million, (ii) outstanding warrants to purchase shares of preferred stock becoming warrants to purchase shares of common stock upon the closing of this offering, (iii) the automatic conversion of all outstanding shares of our preferred stock into an aggregate of 40,623,413 shares of common stock upon the closing of this offering, and (iv) the filing and effectiveness of our amended and restated certificate of incorporation; and
- on a pro forma as adjusted basis to give further effect to (i) our issuance and sale of shares of our common stock in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us and (ii) payment of the final payment fee of $0.5 million related to our loan and security agreement, as amended, which amount is due and payable upon the closing of this offering.

You should read the information in this table together with the consolidated financial statements and related notes to those statements, as well as the information set forth under the headings "Selected Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	As of June 30, 2020		
	Actual	Pro Forma	Pro Forma As Adjusted
	(in thousands, except share and per share data)		
Cash and cash equivalents	$ 36,563	$ 78,563	$
Preferred stock warrant liability	$ 44	$ —	$
Long-term debt, net of discount, including current portion	15,238	15,238	
Convertible preferred stock (Series A and B), $0.0001 par value; 36,629,622 shares authorized, 35,023,413 shares issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	134,480	—	
Stockholders' equity (deficit)			
Preferred stock, par value; no shares authorized, issued or outstanding, actual; shares authorized and no shares issued or outstanding, pro forma and pro forma as adjusted	—	—	
Common stock, $0.0001 par value; 55,000,000 shares authorized, 10,879,152 shares issued and 10,054,151 shares outstanding, actual; shares authorized, 51,502,565 shares issued and 50,677,564 shares outstanding, pro forma; shares authorized, shares issued and shares outstanding, pro forma as adjusted	1	5	
Additional paid-in capital	7,399	183,919	
Accumulated deficit	(123,811)	(123,811)	
Total stockholders' equity (deficit)	(116,411)	60,113	
Total capitalization	$ 33,351	$ 75,351	$

The pro forma as adjusted information above is illustrative only, and our capitalization following the closing of this offering will depend on the actual initial public offering price and other terms of this offering determined at

pricing. Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease the pro forma as adjusted amount of each of cash and cash equivalents, additional paid-in capital, total stockholders' equity (deficit), and total capitalization by $ 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 estimated underwriting discounts and commissions and estimated offering expenses payable by us. Each increase or decrease of 1,000,000 shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase or decrease the pro forma as adjusted amount of each of cash and cash equivalents, additional paid-in capital, total stockholders' equity (deficit), and total capitalization by $ million, assuming no change in the assumed initial public offering price per share and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The outstanding share information in the table above excludes as of June 30, 2020:

- 7,382,504 shares of common stock issuable upon the exercise of stock options outstanding as of June 30, 2020 under the 2016 Plan at a weighted average exercise price of $1.37 per share (which does not include options to purchase an aggregate of 2,301,000 shares of common stock, at an exercise price of $4.74 per share, that were granted subsequent to June 30, 2020);
- 14,076 shares of common stock issuable upon the exercise of warrants outstanding as of June 30, 2020 to purchase shares of preferred stock that will become warrants to purchase shares of common stock, at an exercise price of $1.00 per share, in connection with this offering;
- 84,548 shares of common stock available for future issuance as of June 30, 2020 under our 2016 Plan, which will become available for issuance under our 2020 Plan, and will no longer be available for issuance under our 2016 Plan, at the time our 2020 Plan becomes effective; and
- shares of common stock that will become available for future issuance under the 2020 Plan upon the effectiveness of the registration statement of which this prospectus is a part.

DILUTION

If you invest in our common stock in this offering, you will experience immediate and substantial dilution in the pro forma as adjusted net tangible book value of your shares of common stock. Dilution in pro forma as adjusted net tangible book value represents the difference between the assumed initial price to the public per share of our common stock and the pro forma as adjusted net tangible book value per share of our common stock immediately after this offering.

Our historical net tangible book value (deficit) as of June 30, 2020 was $(116.5) million, or $(10.71) per share of common stock. Our historical net tangible book value (deficit) is the amount of our total tangible assets less our total liabilities and the carrying value of our preferred stock, which is not included within stockholders' equity (deficit). Historical net tangible book value (deficit) per share represents historical net tangible book value (deficit) divided by the 10,879,152 shares of common stock outstanding as of June 30, 2020, which includes 825,001 shares of unvested restricted stock subject to repurchase by us.

Our pro forma net tangible book value as of June 30, 2020 was $60.0 million, or $1.17 per share of common stock. Pro forma net tangible book value represents the amount of our total tangible assets less our total liabilities, after giving effect to (i) our issuance and sale in July and August 2020 of 5,600,000 shares of Series B preferred stock for gross proceeds of $42.0 million, (ii) the automatic conversion of all outstanding shares of our preferred stock into an aggregate of 40,623,413 shares of common stock upon the closing of this offering, and (iii) outstanding warrants to purchase shares of preferred stock becoming warrants to purchase shares of common stock upon the closing of this offering. Pro forma net tangible book value per share represents pro forma net tangible book value divided by the total number of shares outstanding as of June 30, 2020, after giving effect to the pro forma adjustments described above.

After giving further effect to (i) our issuance and sale of shares of our common stock in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus and (ii) payment of the final payment fee of $0.5 million related to our loan and security agreement, as amended, which amount is due and payable upon the closing of this offering, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of June 30, 2020 would have been $ million, or $ per share. This represents an immediate increase in pro forma as adjusted net tangible book value per share of $ to existing stockholders and immediate dilution of $ in pro forma as adjusted net tangible book value per share to new investors purchasing common stock in this offering. Dilution per share to new investors is determined by subtracting pro forma as adjusted net tangible book value per share after this offering from the assumed initial public offering price per share paid by new investors.

The following table illustrates this dilution on a per share basis to new investors:

Assumed initial public offering price per share		$
Historical net tangible book value (deficit) per share as of June 30, 2020	$(10.71)	
Increase per share attributable to the pro forma adjustments described above	11.88	
Pro forma net tangible book value per share as of June 30, 2020	1.17	
Increase in pro forma as adjusted net tangible book value per share attributable to new investors purchasing common stock in this offering		
Pro forma as adjusted net tangible book value per share after this offering		
Dilution per share to new investors purchasing common stock in this offering		$

The dilution information discussed above is illustrative only and will change based on the actual initial public offering price and other terms of this offering determined at pricing. A $1.00 increase (decrease) in the assumed

initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) our pro forma as adjusted net tangible book value per share after this offering by $ and dilution per share to new investors purchasing common stock 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 estimated underwriting discounts and commissions and estimated offering expenses payable by us. An increase of 1,000,000 shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase our pro forma as adjusted net tangible book value per share after this offering by $ and decrease the dilution per share to new investors purchasing common stock in this offering by $, assuming no change in the assumed initial public offering price per share and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. A decrease of 1,000,000 shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would decrease our pro forma as adjusted net tangible book value per share after this offering by $ and increase the dilution per share to new investors purchasing common stock in this offering by $, assuming no change in the assumed initial public offering price and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters exercise their option to purchase additional shares in full, our pro forma as adjusted net tangible book value per share after this offering would be $, representing an immediate increase in pro forma as adjusted net tangible book value per share of $ to existing stockholders and immediate dilution in pro forma as adjusted net tangible book value per share of $ to new investors purchasing common stock in this offering, assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The following table summarizes, as of June 30, 2020, on the pro forma as adjusted basis described above, the total number of shares of common stock purchased from us on an as converted to common stock basis, the total consideration paid or to be paid and the average price per share paid or to be paid by existing stockholders and by new investors in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. As the table shows, new investors purchasing common stock in this offering will pay an average price per share substantially higher than our existing stockholders paid.

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percentage	
Existing stockholders		%	$	%	$
Investors participating in this offering					$
Total		100.0%	$	100.0%	

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the total consideration paid by new investors by $ million and, in the case of an increase, would increase the percentage of total consideration paid by new investors by percentage points and, in the case of a decrease, would decrease the percentage of total consideration paid by new investors by percentage points, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same. An increase (decrease) of 1,000,000 shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase (decrease) the total consideration paid by new investors by $ million and, in the case of an increase, would increase the percentage of total consideration paid by new investors by percentage points and, in the case of a decrease, would decrease the percentage of total consideration paid by new investors by percentage points, assuming no change in the assumed initial public offering price.

The table above assumes no exercise of the underwriters' option to purchase additional shares in this offering. If the underwriters' option to purchase additional shares is exercised in full, the number of shares of our common stock held by existing stockholders would be reduced to % of the total number of shares of our common stock outstanding after this offering, and the number of shares of common stock held by new investors purchasing common stock in this offering would be increased to % of the total number of shares of our common stock outstanding after this offering.

The tables and discussion above are based on the number of shares of our common stock outstanding as of June 30, 2020, and exclude:

- 7,382,504 shares of common stock issuable upon the exercise of stock options outstanding as of June 30, 2020 under the 2016 Plan at a weighted average exercise price of $1.37 per share (which does not include options to purchase an aggregate of 2,301,000 shares of common stock, at an exercise price of $4.74 per share, that were granted subsequent to June 30, 2020);
- 14,076 shares of common stock issuable upon the exercise of warrants outstanding as of June 30, 2020 to purchase shares of preferred stock that will become warrants to purchase shares of common stock, at an exercise price of $1.00 per share, in connection with this offering;
- 84,548 shares of common stock available for future issuance as of June 30, 2020 under the 2016 Plan, which will become available for issuance under our 2020 Plan, and will no longer be available for issuance under our 2016 Plan, at the time our 2020 Plan becomes effective; and
- shares of common stock that will become available for future issuance under the 2020 Plan upon the effectiveness of the registration statement of which this prospectus is a part.

To the extent that outstanding stock options or warrants are exercised, new stock options or warrants are issued, or we issue additional shares of common stock in the future, there will be further dilution to new investors. In addition, we may choose to raise additional capital because of market conditions or strategic considerations, even if we believe that we have sufficient funds for our current or future operating plans. If we raise additional capital through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our stockholders.

SELECTED FINANCIAL DATA

The following tables set forth our selected financial data for the periods indicated. We have derived the consolidated statements of operations data for the years ended December 31, 2018 and 2019, and the consolidated balance sheet data as of December 31, 2018 and 2019, from our audited consolidated financial statements included elsewhere in this prospectus and the consolidated statements of operations data for the six months ended June 30, 2019 and 2020, and the consolidated balance sheet data as of June 30, 2020, from our unaudited consolidated financial statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that should be expected for any future period. You should read the following selected consolidated financial data together with our consolidated financial statements and the related notes included elsewhere in this prospectus and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of this prospectus.

	Year Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
	(in thousands, except share and per share data)			
Consolidated Statement of Operations Data:				
Operating expenses:				
Research and development	$ 21,225	$ 44,362	$ 19,550	$ 25,131
General and administrative	4,824	6,722	3,248	4,132
Total operating expenses	26,049	51,084	22,798	29,263
Loss from operations	(26,049)	(51,084)	(22,798)	(29,263)
Other income (expense):				
Interest expense	(371)	(540)	(249)	(456)
Interest income and other expense, net	113	495	303	43
Change in fair value of preferred stock warrant liability	(30)	1	—	1
Total other income (expense), net	(288)	(44)	54	(412)
Net loss	$ (26,337)	$ (51,128)	$ (22,744)	$ (29,675)
Net loss per share attributable to common stockholders—basic and diluted(1)	$ (4.83)	$ (6.59)	$ (3.19)	$ (3.03)
Weighted average common shares outstanding—basic and diluted(1)	5,452,123	7,754,818	7,125,540	9,780,095
Pro forma net loss per share attributable to common stockholders—basic and diluted(1)		$ (1.41)		$ (0.72)
Pro forma weighted average common shares outstanding—basic and diluted(1)		36,314,474		40,935,661

(1) See Note 12 to our audited consolidated financial statements and Note 8 to our unaudited consolidated financial statements appearing elsewhere in this prospectus for details on the calculation of basic and diluted net loss per share attributable to common stockholders and the calculation of unaudited pro forma net loss per share attributable to common stockholders.

	December 31, 2018	December 31, 2019	June 30, 2020
		(in thousands)	
Consolidated Balance Sheet Data:			
Cash and cash equivalents	$ 40,019	$ 14,981	$ 36,563
Working capital(1)	36,943	4,233	23,102
Total assets	43,058	22,342	94,314
Long-term debt, net of discount, including current portion	7,029	15,112	15,238
Preferred stock warrant liability	46	45	44
Convertible preferred stock	71,250	86,544	134,480
Total stockholders' deficit	(39,273)	(88,016)	(116,411)

(1) We define working capital as current assets less current liabilities.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes to those statements included 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. Some of the numbers included herein have been rounded for the convenience of presentation. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those discussed under "Risk Factors" and elsewhere in this prospectus.

Overview

We are pioneering the discovery and development of a new class of medicines targeting genetically determined dependencies within the chromatin regulatory system, an untapped opportunity for therapeutic intervention. Our proprietary Gene Traffic Control platform gives us an integrated, mechanistic understanding of how the various components of the chromatin regulatory system interact, allowing us to identify, validate and potentially drug targets within the system. Breakdowns in the chromatin regulatory system are associated with over 50 percent of all cancers. Addressing these breakdowns could potentially provide therapies for over 2.5 million patients. Consequently we are initially focused in oncology. We are developing FHD-286, a selective, allosteric ATPase inhibitor, and FHD-609, a protein degrader, to treat hematologic cancers and solid tumors, for which we plan to file INDs in and in , respectively. Our vision is to use our Gene Traffic Control platform to discover and develop drugs in oncology and other therapeutic areas, including virology, autoimmune disease and neurology.

Since our inception in October 2015, we have focused substantially all of our resources on building our Gene Traffic Control platform, organizing and staffing our company, business planning, raising capital, conducting discovery and research activities, protecting our trade secrets, filing patent applications, identifying potential product candidates, undertaking preclinical studies and establishing arrangements with third parties for the manufacture of initial quantities of our product candidates and component materials. We do not have any products approved for sale and have not generated any revenue from product sales. To date, we have funded our operations with proceeds from sales of preferred stock, our $15.0 million term loans and an upfront payment of $15.0 million we received in July 2020 under our collaboration agreement with Merck Sharp & Dohme Corp., or Merck. Through June 30, 2020, we had received gross proceeds of $134.8 million from sales of preferred stock. In July and August 2020, we received additional gross proceeds of $42.0 million from sales of Series B preferred stock.

We have incurred significant operating losses since our inception. For the year ended December 31, 2019, we reported net losses of $51.1 million, and for the six months ended June 30, 2020, we reported net losses of $29.7 million. As of June 30, 2020, we had an accumulated deficit of $123.8 million. We expect to continue to incur significant expenses and increasing operating losses for at least the next several years. Our ability to generate any product revenue or product revenue sufficient to achieve profitability will depend on the successful development and eventual commercialization of one or more product candidates we may develop.

We expect that our expenses and capital requirements will increase substantially in connection with our ongoing activities, particularly if and as we:

- advance our FHD-286 and FHD-609 product candidates into Phase 1 clinical development and continue our preclinical development of product candidates from our current research programs;
- identify additional research programs and additional product candidates;
- initiate preclinical testing for any new product candidates we identify and develop;
- obtain, maintain, expand, enforce, defend and protect our trade secrets and intellectual property portfolio and provide reimbursement of third-party expenses related to our patent portfolio;

- hire additional clinical, regulatory and scientific personnel;
- add operational, legal, compliance, financial and management information systems and personnel to support our research, product development and operations as a public company;
- expand the capabilities of our platform;
- acquire or in-license product candidates, intellectual property and technologies;
- operate as a public company;
- seek marketing approvals for any product candidates that successfully complete clinical trials; and
- ultimately establish a sales, marketing and distribution infrastructure to commercialize any products for which we may obtain marketing approval.

We will not generate revenue from product sales unless and until we successfully commercialize one of our product candidates, after completing clinical development and obtaining regulatory approval. If we obtain regulatory approval for any of our product candidates, we expect to incur significant expenses related to developing our commercialization capability to support product sales, marketing, and distribution. Further, following the completion of this offering, we expect to incur additional costs associated with operating as a public company.

As a result, we will need substantial additional funding to support our continuing operations and pursue our growth strategy. Until such time as we can generate significant revenue from product sales, if ever, we expect to finance our operations through a combination of equity offerings, debt financings and collaborations or licensing arrangements. We may be unable to raise additional funds or enter into such other agreements or arrangements when needed on favorable terms, or at all. If we fail to raise capital or enter into such agreements as, and when, needed, we may have to significantly delay, scale back our development or commercialization plans for one or more of our product candidates.

Because of the numerous risks and uncertainties associated with pharmaceutical product development, we are unable to accurately predict the timing or amount of increased expenses or when, or if, we will be able to achieve or maintain profitability. Even if we are able to generate product sales, we may not become profitable. If we fail to become profitable or are unable to sustain profitability on a continuing basis, then we may be unable to continue our operations at planned levels and be forced to reduce or terminate our operations.

COVID-19

In March 2020, COVID-19 was declared a global pandemic by the World Health Organization and to date, the COVID-19 pandemic continues to present a substantial public health and economic challenge around the world. The length of time and full extent to which the COVID-19 pandemic will directly or indirectly impact our business, results of operations and financial condition will depend on future developments that are highly uncertain, subject to change and are difficult to predict. While we continue to conduct our research and development activities, the COVID-19 pandemic may cause disruptions that affect our ability to initiate and complete preclinical studies, future clinical trials or to procure items that are essential for our research and development activities.

We plan to continue to closely monitor the ongoing impact of the COVID-19 pandemic on our employees and our business operations. In an effort to provide a safe work environment for our employees, we have, among other things, increased the cadence of sanitization of our office and lab facilities, implemented various social distancing measures in our office and labs including replacing in-person meetings with virtual interactions, and are providing personal protective equipment for our employees present in our office and lab facilities. We expect to continue to take actions as may be required or recommended by government authorities or as we determine are in the best interests of our employees and other business partners in light of the pandemic.

Components of Our Results of Operations

Operating Expenses

Our operating expenses are comprised of research and development expenses and general and administrative expenses.

Research and Development Expenses

Research and development expenses consist primarily of costs incurred for our research activities, including our discovery efforts, and progressing our programs, which include:

- personnel-related costs, including salaries, benefits and stock-based compensation expense, for employees engaged in research and development functions;
- expenses incurred in connection with our research programs, including under agreements with third parties, such as consultants and contractors and contract research organizations, or CROs;
- the cost of manufacturing drug substance and drug product for use in our research and preclinical studies and future clinical trials under agreements with third parties, such as consultants and contractors and contract development and manufacturing organizations, or CDMOs;
- laboratory supplies and research materials;
- facilities, depreciation and amortization and other expenses, which include direct and allocated expenses for rent and maintenance of facilities and insurance; and
- payments made under third-party licensing agreements.

We track our direct external research and development expenses on a program-by-program basis. These consist of costs that include fees, reimbursed materials, and other costs paid to consultants, contractors, CDMOs, and CROs in connection with our preclinical and manufacturing activities. We do not allocate employee costs, costs associated with our discovery efforts, laboratory supplies, and facilities expenses, including depreciation or other indirect costs, to specific product development programs because these costs are deployed across multiple programs and our platform and, as such, are not separately classified.

We expect that our research and development expenses will increase substantially as we advance our programs into clinical development and expand our discovery, research and preclinical activities in the near term and in the future. At this time, we cannot accurately estimate or know the nature, timing and costs of the efforts that will be necessary to complete the preclinical and clinical development of any product candidates we may develop. A change in the outcome of any number of variables with respect to product candidates we may develop could significantly change the costs and timing associated with the development of that product candidate. We may never succeed in obtaining regulatory approval for any product candidates we may develop.

General and Administrative Expenses

General and administrative expenses consist primarily of personnel-related costs, including salaries, benefits and stock-based compensation, for employees engaged in executive, legal, finance and accounting and other administrative functions. General and administrative expenses also include professional fees for legal, patent, consulting, investor and public relations and accounting and audit services as well as direct and allocated facility-related costs.

We anticipate that our general and administrative expenses will increase in the future as we increase our headcount to support our continued research activities and development of our programs and platform. We also anticipate that we will incur increased accounting, audit, legal, regulatory, compliance, director and officer insurance costs and investor and public relations expenses associated with operating as a public company.

Other Income (Expense)

Interest Expense

Interest expense consists of interest expense associated with outstanding borrowings under our existing loan agreement with Comerica Bank, or Comerica, as well as the amortization of debt discount associated with such agreement.

Interest Income and Other Expense, Net

Interest income consists of interest earned on our invested cash balances. Other expense consists of miscellaneous expense unrelated to our core operations.

Income Taxes

Since our inception, we have not recorded any income tax benefits for the net losses we have incurred or for the research and development tax credits earned in each period, as we believe, based upon the weight of available evidence, that it is more likely than not that all of our net operating loss carryforwards and tax credit carryforwards will not be realized.

As of December 31, 2019, we had federal and state net operating loss carryforwards of $87.6 million and $84.9 million, respectively, which may be available to offset future taxable income. The federal net operating loss carryforwards include $12.5 million which expire at various dates beginning in 2035 and $75.1 million which carryforward indefinitely but in some circumstances may be limited to offset 80% of annual taxable income. The state net operating loss carryforwards expire at various dates beginning in 2036. As of December 31, 2019, we also had federal and state research and development tax credit carryforwards of $1.5 million and $1.2 million, respectively, which may be available to reduce future tax liabilities and expire at various dates beginning in 2036 and 2031, respectively. Due to our history of cumulative net losses since inception and uncertainties surrounding our ability to generate future taxable income, we have recorded a full valuation allowance against our net deferred tax assets at each balance sheet date.

Results of Operations

Comparison of the Six Months Ended June 30, 2019 and 2020

The following table summarizes our results of operations for the six months ended June 30, 2019 and 2020:

	Six Months Ended June 30,		
	2019	2020	Change
		(in thousands)	
Operating expenses:			
Research and development	$ 19,550	$ 25,131	$ 5,581
General and administrative	3,248	4,132	884
Total operating expenses	22,798	29,263	6,465
Loss from operations	(22,798)	(29,263)	(6,465)
Other income (expense):			
Interest expense	(249)	(456)	(207)
Interest income and other expense, net	303	43	(260)
Change in fair value of preferred stock warrant liability	—	1	1
Total other income (expense), net	54	(412)	(466)
Net loss	$ (22,744)	$ (29,675)	$(6,931)

Research and Development Expenses

The following table summarizes our research and development expenses for the six months ended June 30, 2019 and 2020:

	Six Months Ended June 30,		
	2019	2020	Change
	(in thousands)		
Research and development program expenses:			
FHD-286	$ 2,843	$ 3,069	$ 226
FHD-609	2,337	1,969	(368)
Platform, research and discovery, and unallocated expenses:			
Platform and other early stage research external costs	5,507	6,386	879
Personnel related (including stock-based compensation)	5,642	8,278	2,636
Facility related and other	3,221	5,429	2,208
Total research and development expenses	$ 19,550	$ 25,131	$5,581

Research and development expenses were $25.1 million for the six months ended June 30, 2020, compared to $19.6 million for the six months ended June 30, 2019. The increase in our FHD-286 program costs of $0.2 million was due to an increase in preclinical and manufacturing costs, partially offset by a decrease in research costs as we progressed our candidate into IND-enabling studies. FHD-609 program costs decreased by $0.4 million as a result of a decrease in research costs, partially offset by an increase in preclinical and manufacturing costs as we progressed our candidate into IND-enabling studies. Platform and other early stage research external costs, which include our selective BRM and selective ARID 1B early-stage programs, increased by $0.9 million, primarily as a result of an increase in selective BRM costs as a result of our ongoing hit-to-lead efforts. Personnel-related costs increased by $2.6 million due to increased headcount in our research and development function. The increase in facility-related expenses and other of $2.2 million was due to the increased costs of supporting a larger group of research and development personnel and their research efforts, including increased rent expense related to our new facility lease, which commenced in January 2020.

General and Administrative Expenses

The following table summarizes our general and administrative expenses for the six months ended June 30, 2019 and 2020:

	Six Months Ended June 30,		
	2019	2020	Change
	(in thousands)		
Personnel related (including stock-based compensation)	$ 1,713	$ 2,472	$ 759
Professional and consultant	1,170	1,217	47
Facility related and other	365	443	78
Total general and administrative expenses	$ 3,248	$ 4,132	$ 884

General and administrative expenses were $4.1 million for the six months ended June 30, 2020, compared to $3.2 million for the six months ended June 30, 2019. The increases in personnel-related costs of $0.8 million was a result of an increase in headcount in our general and administrative function to support our business.

Other Income (Expense)

Interest expense was $0.5 million for the six months ended June 30, 2020, compared to $0.2 million for the six months ended June 30, 2019. The increase was due to increased borrowings under our loan facility.

Interest income and other expense, net was less than $0.1 million for the six months ended June 30, 2020, compared to $0.3 million for the six months ended June 30, 2019 and consisted primarily of interest earned on invested cash balances. Interest income decreased as a result of lower invested balances and lower interest rates on invested balances.

Comparison of the Years Ended December 31, 2018 and 2019

The following table summarizes our results of operations for the years ended December 31, 2018 and 2019:

	Year Ended December 31,		
	2018	2019	Change
		(in thousands)	
Operating expenses:			
Research and development	$ 21,225	$ 44,362	$ 23,137
General and administrative	4,824	6,722	1,898
Total operating expenses	26,049	51,084	25,035
Loss from operations	(26,049)	(51,084)	(25,035)
Other income (expense):			
Interest expense	(371)	(540)	(169)
Interest income and other expense, net	113	495	382
Change in fair value of preferred stock warrant liability	(30)	1	31
Total other income (expense), net	(288)	(44)	244
Net loss	$ (26,337)	$ (51,128)	$(24,791)

Research and Development Expenses

The following table summarizes our research and development expenses for the years ended December 31, 2018 and 2019:

	Year Ended December 31,		
	2018	2019	Change
		(in thousands)	
Direct research and development expenses by program:			
FHD-286	$ 2,520	$ 5,458	$ 2,938
FHD-609	821	5,266	4,445
Platform, research and discovery, and unallocated expenses:			
Platform and other early stage research external costs	6,218	13,522	7,304
Personnel related (including stock-based compensation)	6,379	13,176	6,797
Facility related and other	5,287	6,940	1,653
Total research and development expenses	$ 21,225	$ 44,362	$23,137

Research and development expenses were $44.4 million for the year ended December 31, 2019, compared to $21.2 million for the year ended December 31, 2018. The increase in our FHD-286 program costs of $2.9 million was due to an increase in research costs as our program advanced from hit-to-lead to lead optimization. Preclinical costs also increased as a result of initiating toxicology studies in 2019. The increase in our FHD-609 program costs of $4.4 million were due to an increase in research costs as our program advanced from hit-to-lead to lead optimization. Preclinical costs also increased as a result of initiating toxicology studies towards the end of 2019. Platform and other early stage research external costs, which includes our selective BRM and selective ARID1B early-stage research programs, increased by $7.3 million, as a result of our target validation, assay development and hit-validation efforts for our discovery programs. Personnel-related costs increased by

$6.8 million due to increased headcount in our research and development function. The increase in facility-related expenses and other of $1.7 million was due to the increased costs of supporting a larger group of research and development personnel and their research efforts.

General and Administrative Expenses

The following table summarizes our general and administrative expenses for the years ended December 31, 2018 and 2019:

	Year Ended December 31,		
	2018	2019	Change
	(in thousands)		
Personnel related (including stock-based compensation)	$ 2,666	$ 3,732	$1,066
Professional and consultant	1,632	2,235	603
Facility related and other	526	755	229
Total general and administrative expenses	$ 4,824	$ 6,722	$1,898

General and administrative expenses were $6.7 million for the year ended December 31, 2019, compared to $4.8 million for the year ended December 31, 2018. The increase in personnel-related costs of $1.1 million was a result of an increase in headcount in our general and administrative function to support our business. Professional and consultant fees increased by $0.6 million due to increased patent costs and professional fees relating to accounting, audit and legal services as well as costs associated with ongoing business activities and our preparations to operate as a public company.

Other Income (Expense)

Interest expense was $0.5 million for the year ended December 31, 2019 compared to $0.4 million for the year ended December 31, 2018. The increase was due to increased borrowings under our loan facility.

Interest income and other expense, net was $0.5 million for the year ended December 31, 2019, compared to $0.1 million and consisted primarily of interest earned on invested cash balances. Interest income increased primarily as a result of higher invested balances.

Other expense was not significant for either of the years ended December 31, 2019 or 2018.

Liquidity and Capital Resources

Since our inception in October 2015, we have incurred significant operating losses. We expect to incur significant expenses and operating losses for the foreseeable future as we support our continued research activities and development of our programs and platform. Through June 30, 2020, we have funded our operations with proceeds from sales of preferred stock and debt financing. Through June 30, 2020, we had received gross proceeds of $134.8 million from sales of preferred stock and gross proceeds of $15.0 million from our secured term loan facility with Comerica.

As of June 30, 2020, we had cash and cash equivalents of $36.6 million. In July and August 2020, we received additional gross proceeds of $42.0 million from sales of Series B preferred stock. We also received an upfront payment of $15.0 million in July 2020 under our collaboration agreement with Merck.

Cash Flows

The following table summarizes our sources and uses of cash for each of the periods presented:

	Year Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
	(in thousands)			
Cash used in operating activities	$ (22,648)	$ (46,335)	$ (20,861)	$ (23,357)
Cash used in investing activities	(1,541)	(964)	(794)	(3,269)
Cash provided by financing activities	51,770	23,969	15,331	48,210
Net increase (decrease) in cash, cash equivalents and restricted cash	$ 27,581	$ (23,330)	$ (6,324)	$ 21,584

Operating Activities

During the six months ended June 30, 2020, operating activities used $23.4 million of cash, resulting from our net loss of $29.7 million, partially offset by net non-cash charges of $3.3 million and net cash provided by changes in our operating assets and liabilities of $3.0 million. Net cash provided by changes in our operating assets and liabilities for the six months ended June 30, 2020 consisted primarily of a $3.3 million increase in operating lease liabilities resulting from our landlord incentives and an increase of $0.5 million in accounts payable and accrued expenses and other current liabilities, both partially offset by an increase of $0.8 million in prepaid expenses and other current assets.

During the six months ended June 30, 2019, operating activities used $20.9 million of cash, resulting from our net loss of $22.7 million, partially offset by net non-cash charges of $1.5 million and net cash provided by changes in our operating assets and liabilities of $0.3 million. Net cash provided by changes in our operating assets and liabilities for the six months ended June 30, 2019 consisted primarily of a $0.9 million increase in accounts payable and accrued expenses and other current liabilities, partially offset by a $0.5 million decrease in operating lease liabilities.

During the year ended December 31, 2019, operating activities used $46.3 million of cash, resulting from our net loss of $51.1 million, partially offset by net non-cash charges of $3.6 million and net cash provided by changes in our operating assets and liabilities of $1.2 million. Net cash provided by changes in our operating assets and liabilities for the year ended December 31, 2019 consisted primarily of a $3.3 million increase in accounts payable and accrued expenses and other current liabilities, partially offset by a $1.2 million decrease in operating lease liabilities and a $1.0 million increase in prepaid expenses and other current assets.

During the year ended December 31, 2018, operating activities used $22.6 million of cash, resulting from our net loss of $26.3 million, partially offset by net non-cash charges of $1.3 million and net cash provided by changes in our operating assets and liabilities of $2.4 million. Net cash provided by changes in our operating assets and liabilities for the year ended December 31, 2018 consisted primarily of a $2.4 million increase in accounts payable and accrued expenses and other current liabilities.

Changes in accounts payable, accrued expenses and other current liabilities and prepaid expenses and other current assets in all periods were generally due to growth in our business, the advancement of our research programs and the timing of vendor invoicing and payments.

Investing Activities

During the six months ended June 30, 2020 and 2019, net cash used in investing activities was $3.3 million and $0.8 million, respectively, due to the acquisition of property and equipment during the periods. Property and equipment purchases for the six months ended June 30, 2020 were primarily related to leasehold improvements for our new facility in Cambridge, Massachusetts.

During the years ended December 31, 2019 and 2018, net cash used by investing activities was $1.0 million and $1.5 million, respectively, due to the acquisition of property and equipment during the year.

Financing Activities

During the six months ended June 30, 2020, net cash provided by financing activities was $48.2 million, consisting of proceeds from the sale of our Series B preferred stock of $47.9 million and proceeds from the exercise of common stock options.

During the six months ended June 30, 2019, net cash provided by financing activities was $15.3 million, consisting of proceeds from the sale of our Series B preferred stock of $15.3 million and proceeds from the exercise of common stock options.

During the year ended December 31, 2019, net cash provided by financing activities was $24.0 million, consisting of proceeds from the sale of our Series B preferred stock of $15.3 million, proceeds from borrowings under our loan and security agreement of $8.0 million and proceeds from the exercise of common stock options.

During the year ended December 31, 2018, net cash provided by financing activities was $51.8 million, consisting of proceeds from the sale of our Series B preferred stock of $40.4 million, proceeds from convertible notes of $5.0 million, proceeds from borrowings under our loan and security agreement of $7.0 million and proceeds from the exercise of common stock options, all partially offset by repayments of notes payable of $0.8 million.

Loan and Security Agreement

In February 2018, we entered into a loan and security agreement with Comerica Bank, or Comerica, for up to $7.0 million in available debt financing to be used toward funding our operations, or the Loan, and an option for an additional $1.0 million pending receipt of a term sheet for a qualified financing as defined in the agreement.

In March 2019, we amended the Loan to increase the maximum borrowing capacity available to $15.0 million. Under the Loan, as amended, $7.0 million was drawn down as Term Loan A and $8.0 million was drawn down as Term Loan B. Borrowings under both Term Loan A and Term Loan B were repayable in monthly payments of interest-only through February 2020 to be followed by monthly payments of equal principal plus interest until the loan maturity date of February 1, 2023. Interest for Term Loan A is the greater of 1) Comerica's Prime Rate or 2) LIBOR plus 2.5%, and for Term Loan B, 1.0% plus the greater of 1) Comerica's Prime Rate or 2) LIBOR plus 2.5%. A final payment fee of 3.0% of the aggregate amounts drawn under Term Loan A and 4.0% under Term Loan B, which amounts to $0.5 million, is due upon the earlier of the maturity date, the repayment date if paid early, whether voluntary or upon acceleration due to default, the sale of substantially all of our assets, or our initial public offering, or IPO. In April 2020 and June 2020, we further amended the Loan to extend the interest-only period first to May 31, 2020 and then to August 31, 2020. Borrowings under both Term Loan A and Term Loan B are repayable in monthly payments of interest-only through August 31, 2020 to be followed by monthly payments of equal principal plus interest until the loan maturity date of February 1, 2023. As of June 30, 2020, the interest rate applicable to outstanding borrowings under the Loan, as amended, are 3.8%.

Borrowings under the Loan, as amended, are collateralized by substantially all of our assets, other than our intellectual property. There are no financial covenants associated with the Loan, as amended; however, we are subject to certain affirmative and negative covenants restricting our activities, including limitations on dispositions, mergers or acquisitions; encumbering our intellectual property; incurring indebtedness or liens; paying dividends; making certain investments; and engaging in certain other business transactions. The obligations under the Loan, as amended, are subject to acceleration upon the occurrence of specified events of default, including a material adverse change in our business, operations or financial or other condition. Upon the occurrence of an event of default and until such event of default is no longer continuing, the annual interest rate will be 5.0% above the otherwise applicable rate. We believe an event of default would be remote.

Funding Requirements

We expect our expenses to increase substantially in connection with our ongoing activities, particularly as we advance the preclinical activities and initiate clinical trials for our product candidates in development. We believe that the net proceeds from this offering, together with our existing cash and cash equivalents, will enable us to fund our operating expenses, capital expenditure requirements and debt service payments into . We have based our estimates as to how long we expect we will be able to fund our operations on assumptions that may prove to be wrong. We could use our available capital resources sooner than we currently expect, in which case we would be required to obtain additional financing, which may not be available to us on acceptable terms, or at all. Our failure to raise capital as and when needed would have a negative impact on our financial condition and our ability to pursue our business strategy. We will be required to obtain further funding through public or private equity offerings, debt financings, collaborations and licensing arrangements or other sources.

Without giving effect to the anticipated net proceeds from this offering, we expect that our existing cash and cash equivalents will not be sufficient to fund our planned operating expenses and capital expenditure and debt service requirements beyond one year from the issuance date of our consolidated financial statements. To finance our operations, we will need to raise additional capital, which cannot be assured. We have concluded that this circumstance raises substantial doubt about our ability to continue as a going concern. See Notes 1 to our consolidated financial statements and unaudited consolidated financial statements included elsewhere in this prospectus for additional information on our assessment.

Similarly, in its report on our consolidated financial statements for the year ended December 31, 2019, our independent registered public accounting firm included an explanatory paragraph stating that our recurring losses from operations since inception and required additional funding to finance our operations raise substantial doubt about our ability to continue as a going concern.

If we are unable to raise sufficient capital as and when needed, we may be required to significantly curtail, delay or discontinue one or more of our research or development programs or the commercialization of any product candidate we may develop, or be unable to expand our operations or otherwise capitalize on our business opportunities. If we raise additional funds through collaborations or licensing arrangements with third parties, we may have to relinquish valuable rights to future revenue streams or product candidates or grant licenses on terms that may not be favorable to us.

See “Risk Factors” for additional risks associated with our substantial capital requirements.

Contractual Obligations and Commitments

The following table summarizes our contractual obligations as of June 30, 2020 and the effects that such obligations are expected to have on our liquidity and cash flows in future periods:

	Payments Due By Period				
	Total	Less Than 1 Year	1 to 3 Years	3 to 5 Years	More Than 5 Years
			(in thousands)		
Operating leases(1)	$83,361	$ 6,810	$ 20,008	$ 20,716	$ 35,827
Notes payable obligations(2)	16,322	5,488	6,259	4,575	—
Total	$99,683	$ 12,298	$ 26,267	$ 25,291	$ 35,827

(1) Amounts in table reflect payments due for our leases of office and laboratory space in Cambridge, Massachusetts and equipment under three operating lease agreements.

(2) Amounts in table reflect the contractually required principal, final payment fee and interest payments payable under the Loan and Security Agreement, as amended, under which borrowings bear interest in part

at a variable rate. For purposes of this table, the interest due under the Loan and Security Agreement was calculated using an assumed weighted average interest rate of 3.8% per annum, which was the stated interest rate in effect as of June 30, 2020.

We enter into contracts in the normal course of business with CROs, CDMOs and other third parties for preclinical research studies and manufacturing services. These contracts do not contain minimum purchase commitments and are cancelable by us upon prior written notice. Payments due upon cancellation consist only of payments for services provided or expenses incurred, including noncancelable obligations of our service providers, up to the date of cancellation. These payments are not included in the table of contractual obligations above as the amount and timing of such payments are not known.

We have also entered into license agreements under which we are obligated to make specified milestone and royalty payments. We have not included future payments under these agreements in the table of contractual obligations above since the payment obligations under these agreements are contingent upon future events such as regulatory milestones or generating product sales. We are unable to estimate the timing or likelihood of achieving these milestones or generating future product sales. For additional information about our licenses agreements and amounts that could become payable in the future under such agreements, see our consolidated financial statements appearing elsewhere in this prospectus.

Critical Accounting Policies and Significant Judgments and Estimates

Our consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States, or GAAP. The preparation of our consolidated financial statements and related disclosures requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue, costs and expenses and the disclosure of contingent assets and liabilities in our consolidated financial statements. We base our estimates on historical experience, known trends and events and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are described in more detail in Note 2 to our consolidated financial statements appearing elsewhere in this prospectus, we believe that the following accounting policies are those most critical to the judgments and estimates used in the preparation of our consolidated financial statements.

Accrued Research and Development Expenses

As part of the process of preparing our consolidated financial statements, we are required to estimate certain accrued research and development expenses. This process involves estimating the level of service performed and the associated cost incurred for the service when we have not yet been invoiced or otherwise notified of actual costs. We make estimates of our accrued expenses as of each balance sheet date in our consolidated financial statements based on facts and circumstances known to us at that time. We periodically confirm the accuracy of the estimates with the service providers and make adjustments if necessary. Examples of estimated accrued research and development expenses include those related to fees paid to:

- vendors in connection with discovery and preclinical development activities;
- CROs in connection with preclinical studies and testing; and
- CDMOs in connection with the process development and scale up activities and the production and manufacturing of materials.

We base the expense recorded related to contract research and manufacturing on our estimates of the services received and efforts expended pursuant to quotes and contracts with multiple CROs and CDMOs that conduct

services and produce and supply materials. The financial terms of these agreements are subject to negotiation, vary from contract to contract and may result in uneven payment flows. In accruing service fees, we estimate the time period over which services will be performed and the level of effort to be expended in each period. If the actual timing of the performance of services or the level of effort varies from the estimate, we adjust the accrual accordingly. Although we do not expect our estimates to be materially different from amounts actually incurred, our understanding of the status and timing of services performed relative to the actual status and timing of services performed may vary and may result in reporting amounts that are too high or too low in any particular period. While the majority of our service providers invoice us in arrears for services performed, on a pre-determined schedule or when contractual milestones are met; some require advance payments. There may be instances in which payments made to our vendors will exceed the level of services provided and result in a prepayment of the expense. We record these as prepaid expenses on our consolidated balance sheet.

Stock-based Compensation

We measure all stock-based awards granted to employees, non-employees and directors based on their fair value on the date of the grant using the Black-Scholes option-pricing model for options or the difference between the purchase price, if any, and the fair value of our common stock for restricted stock awards. Compensation expense for awards with service-based vesting is generally recognized over the vesting period of the award using the straight-line method to record the expense. We use the graded-vesting method to record the expense of awards with both service-based and performance-based vesting conditions, commencing once achievement of the performance condition becomes probable. We account for forfeitures of share-based awards as they occur. The Black-Scholes option-pricing model uses as inputs the fair value of our common stock and assumptions we make for the expected volatility of our common stock, the expected term of stock options, the risk-free interest rate for a period that approximates the expected term of our common stock options and our expected dividend yield.

Determination of fair value of common stock

As there has been no public market for our common stock to date, the estimated fair value of our common stock has been determined by our board of directors as of the date of each option grant, with input from management, considering our most recently available third-party valuations of common stock, and our board of directors' assessment of additional objective and subjective factors that it believed were relevant and which may have changed from the date of the most recent valuation through the date of the grant. These third-party valuations were performed in accordance with the guidance outlined in the American Institute of Certified Public Accountants' Accounting and Valuation Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*. Our common stock valuations were prepared using a hybrid method which used market approaches to estimate our enterprise value. The hybrid method is a probability-weighted expected return method, or PWERM, where the equity value in one or more scenarios is allocated using an option pricing method, or OPM. The OPM treats common stock and preferred stock as call options on the total equity value of a company, with exercise prices based on the value thresholds at which the allocation among the various holders of a company's securities changes. Under this method, the common stock has value only if the funds available for distribution to stockholders exceeded the value of the preferred stock liquidation preferences at the time of the liquidity event, such as a strategic sale or a merger. A discount for lack of marketability of the common stock is then applied to arrive at an indication of value for the common stock. The PWERM is a scenario-based methodology that estimates the fair value of common stock based upon an analysis of future values for the company, assuming various outcomes. The common stock value is based on the probability-weighted present value of expected future investment returns considering each of the possible outcomes available as well as the rights of each class of stock. The future value of the common stock under each outcome is discounted back to the valuation date at an appropriate risk-adjusted discount rate and probability weighted to arrive at an indication of value for the common stock. These third-party valuations were performed at various dates, which resulted in valuations of our common stock of $2.01 per share as of December 15, 2018, $2.12 per share as of April 15, 2020 and $4.74 as of August 4, 2020. In addition to considering the results of these third-party valuations, our

board of directors considered various objective and subjective factors to determine the fair value of our common stock as of each grant date, including:

- the prices at which we sold shares of preferred stock and the superior rights and preferences of the preferred stock relative to our common stock at the time of each grant;
- the progress of our research and development programs, including the status and results of preclinical studies in our programs;
- our stage of development and our business strategy;
- external market conditions affecting the biotechnology industry and trends within the biotechnology industry;
- our financial position, including cash on hand, and our historical and forecasted performance and operating results;
- the lack of an active public market for our common stock and our preferred stock;
- the likelihood of achieving a liquidity event, such as an IPO, or sale of our company in light of prevailing market conditions; and
- the analysis of IPOs and the market performance of similar companies in the biotechnology industry.

The assumptions underlying these valuations represented management's best estimate, which involved inherent uncertainties and the application of management's judgment. As a result, if we had used significantly different assumptions or estimates, the fair value of our common stock and our stock-based compensation expense could have been materially different.

Once a public trading market for our common stock has been established in connection with the completion of this offering, it will no longer be necessary for our board of directors to estimate the fair value of our common stock in connection with our accounting for granted stock options and other such awards we may grant, as the fair value of our common stock will be determined based on the quoted market price of our common stock.

Awards granted

The following table summarizes by grant date the number of stock-based awards, consisting of common stock options, granted between January 1, 2019 and August 28, 2020, the per share exercise price of options, the per share fair value of common stock on each grant date, and the per share estimated fair value of the options:

Grant Date	Number of Shares Subject to Option	Per Share Exercise Price of Options	Per Share Fair Value of Common Stock on Grant Date	Per Share Estimated Fair Value of Options on Grant Date
February 13, 2019	933,150	$2.01	$2.01	$1.38
February 20, 2019	1,533,187	$2.01	$2.01	$1.38
June 5, 2019	254,750	$2.01	$2.01	$1.37
September 17, 2019	1,587,050	$2.01	$2.01	$1.36
June 4, 2020	649,500	$2.12	$2.12	$1.36
August 18, 2020	2,101,000	$4.74	$4.74	$3.19
August 20, 2020	200,000	$4.74	$4.74	$3.19

Off-balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined in the rules and regulations of the Securities and Exchange Commission.

Recently Issued Accounting Pronouncements

A description of recently issued accounting pronouncements that may potentially impact our financial position and results of operations is disclosed in Note 2 to our consolidated financial statements appearing elsewhere in this prospectus.

Quantitative and Qualitative Disclosures about Market Risks

As of December 31, 2019 and June 30, 2020, we had cash and cash equivalents of $15.0 million and $36.6 million, respectively, which consisted of cash and money market funds. Interest income is sensitive to changes in the general level of interest rates; however, due to the nature of these investments, an immediate 10% change in market interest rates would not have a material effect on the fair market value of our investment portfolio.

As of December 31, 2019 and June 30, 2020, we had $15.0 million of borrowings outstanding under our loan and security agreement, as amended, with Comerica. Outstanding borrowings bear interest at a variable rate based on the bank's prime rate and LIBOR. An immediate 10% change in the prime rate or LIBOR would not have had a material impact on our debt-related obligations, financial position or results of operations.

We are not currently exposed to significant market risk related to changes in foreign currency exchange rates. Our operations may be subject to fluctuations in foreign currency exchange rates in the future.

We do not believe that inflation had a material effect on our business, financial condition or results of operations during the year ended December 31, 2019 or the six months ended June 30, 2020.

JOBS Act

We qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. As an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable generally to public companies, including reduced disclosure about our executive compensation arrangements, exemption from the requirements to hold non-binding advisory votes on executive compensation and golden parachute payments and exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting.

We may take advantage of these exemptions until the last day of the fiscal year following the fifth anniversary of this offering or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company earlier if we have more than $1.07 billion in annual revenue, we have more than $700.0 million in market value of our stock held by non-affiliates (and we have been a public company for at least 12 months and have filed one annual report on Form 10-K) or we issue more than $1.0 billion of non-convertible debt securities over a three-year period. For so 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. We may choose to take advantage of some, but not all, of the available exemptions.

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. This allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected not to "opt out" of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we will adopt the new or revised standard at the time private companies adopt the new or revised standard and will do so until such time that we either (i) irrevocably elect to "opt out" of such extended transition period or (ii) no longer qualify as an emerging growth company. Therefore, the reported results of operations contained in our consolidated financial statements may not be directly comparable to those of other public companies.

BUSINESS

Overview

The chromatin regulatory system orchestrates gene expression–the turning on and off of genes–which is fundamental to how all our cells function. Breakdowns in this system lead to a wide range of diseases impacting millions of patients. Understanding the mechanism of how this system works could lead to an entirely new class of therapeutics. To our knowledge, we are the only company with the ability to study and drug the chromatin regulatory system at scale, in context, and in an integrated way.

We are pioneering the discovery and development of a new class of medicines targeting genetically determined dependencies within the chromatin regulatory system, an untapped opportunity for therapeutic intervention. Our proprietary Gene Traffic Control platform gives us an integrated, mechanistic understanding of how the various components of the chromatin regulatory system interact, allowing us to identify, validate and potentially drug targets within the system. Breakdowns in the chromatin regulatory system are associated with over 50 percent of all cancers. Addressing these breakdowns could potentially provide therapies for over 2.5 million patients. Consequently we are initially focused in oncology. We are developing FHD-286, a selective, allosteric ATPase inhibitor, and FHD-609, a protein degrader, to treat hematologic cancers and solid tumors, for which we plan to file INDs in and in , respectively. Our vision is to use our Gene Traffic Control platform to discover and develop drugs in oncology and other therapeutic areas, including virology, autoimmune disease and neurology.

How the Chromatin Regulatory System Orchestrates Gene Expression

In order for DNA to fit in the nucleus of each human cell, DNA is densely packed into what is called chromatin, which needs to be unpacked as a necessary first step to allow for gene expression. Cells have evolved a system known as the chromatin regulatory system that can locate and unpack particular regions of chromatin, thereby enabling and orchestrating gene expression. Two of the major components of the chromatin regulatory system are chromatin remodeling complexes and transcription factors, and these components work in concert to orchestrate gene expression.

Our Gene Traffic Control Platform

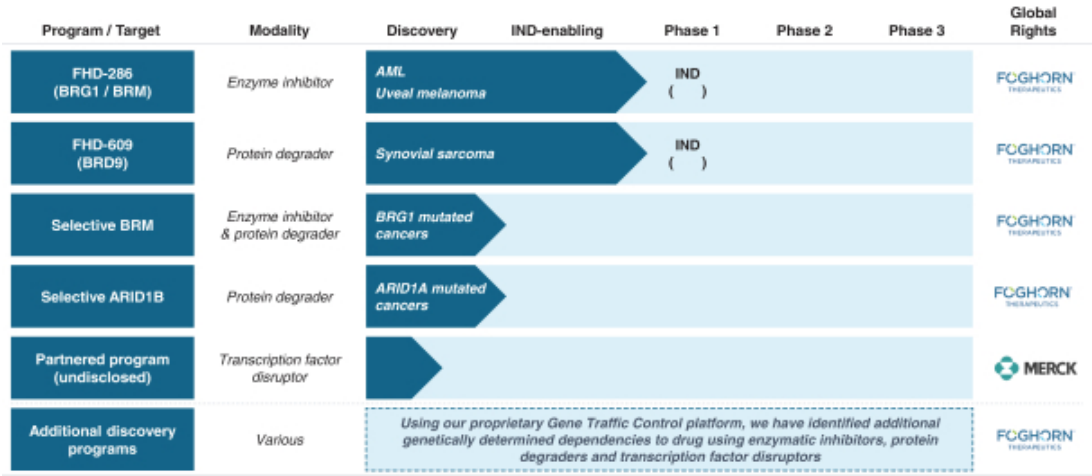
We have built our proprietary Gene Traffic Control platform to give us an integrated and mechanistic understanding of how the various components of the chromatin regulatory system interact, allowing us to identify, validate and potentially drug targets within the system. We are initially using our Gene Traffic Control platform in oncology. In cancer, the mutations that are in or impinge on the chromatin regulatory system create genetically determined dependencies, on which the cancer cells rely for survival. These genetic dependencies result in diseased cell vulnerabilities, creating potential opportunities to selectively drug and kill diseased cells while minimizing impact to healthy cells. With our platform, we are able to produce components of the chromatin regulatory system at scale, thereby allowing us to identify these genetic dependencies, understand their mechanism and target their vulnerabilities. We combine our genomic and epi-genomic tools, our proprietary high throughput screening technology and our expertise in medicinal chemistry to develop enzymatic inhibitors, protein degraders and transcription factor disruptors that target the chromatin regulatory system. While initially focused in oncology, we believe our platform is broadly applicable across other disease areas.

Our Gene Traffic Control platform encompasses the following:

- **Target Identification and Validation—**We use genomic screens, and a suite of epi-genome sequencing and computational tools, including aspects of AI and machine learning, to characterize, identify, and validate targets within the chromatin regulatory system. Our epi-genome sequencing tools allow us to understand the mechanisms of how our drugs are modifying the chromatin structure. Our platform allows for rapid identification of genetically determined dependencies associated with the chromatin regulatory system.

- **Production of Chromatin Regulatory System Components at Scale and Proprietary Assays**—We have built unique capabilities to purify and synthesize chromatin remodeling complexes and transcription factors. These capabilities allow us to study the chromatin regulatory system at scale and in a context that, to our knowledge, is unavailable to others, and yields unique insights that are critical to systematically drugging this system.
- **Discovery and Optimization of Chemical Matter**—We perform proprietary high throughput screens that leverage our ability to produce the chromatin regulatory system components at scale. For example, we are able to screen for inhibitors of chromatin remodeling complex activity, for binders that we can turn into degraders, and for disruptors of transcription factor-chromatin remodeling complex interactions. Once we find hits from our screens, we use our unique suite of assays involving the relevant component of the chromatin regulatory system to characterize, validate, and optimize our chemical matter.
- **Targeted Protein Degradation**—In cases where our drugging efforts are directed at targets that have no enzymatic activity, we seek to degrade the protein of interest. We have built extensive protein degrader capabilities encompassing linkers and E3 ligase binders, assays to measure protein degradation and guide optimization, and ternary complex modeling. After completing screens and finding small molecule binders to the target of interest, we use our protein degradation know-how to convert binders into selective protein degraders.
- **Translation to Clinic and Identification of Biomarkers**—Early in the drug discovery process, we use various genome and epi-genome analyses to understand the mechanism of the genetic dependency of the disease on the chromatin regulatory system. Our understanding of the mechanism of the dependency enables us to identify biomarkers for patient identification and treatment. We seek to enrich our clinical studies with the genetically relevant patient populations that are most likely to benefit from treatment.

Using our proprietary Gene Traffic Control platform, we are developing a broad pipeline of product candidates that target genetically determined dependencies within the chromatin regulatory system. Our current pipeline of product candidates and discovery programs is focused on oncology and is shown below, along with anticipated milestones.



Within the chromatin regulatory system, we have initially focused our development efforts on the BAF chromatin remodeling complex, or the BAF complex, the most mutated amongst a family of chromatin remodeling complexes, and its interactions with transcription factors. Our precision approach consists of

designing novel small molecules to inhibit the ATPase activity of BAF complexes, to selectively degrade mutated or dependent subunits, or to disrupt the interaction between the BAF complex and associated transcription factors. We believe our platform is broadly applicable to other chromatin remodeling complexes and transcription factors.

Our first product candidate, FHD-286, is a highly potent, selective, allosteric and orally available, small-molecule, enzymatic inhibitor of BRG1 and BRM, that we are initially developing for the potential treatment of AML and uveal melanoma. BRG1 and BRM are two highly similar proteins that are the ATPases, or the catalytic engines, across all forms of BAF. In our preclinical studies, we have observed in both AML and uveal melanoma animal xenograft models anti-tumor effects that we believe support filing an IND and progressing FHD-286 into clinical studies. We have successfully completed our GLP toxicology studies for FHD-286. We plan to file our IND for FHD-286 in and, if cleared, expect to initiate separate clinical studies in AML and uveal melanoma in parallel during . As FHD-286 progresses through clinical testing, our intention is to expand into other indications beyond AML and uveal melanoma.

Our second product candidate, FHD-609, is a highly potent, selective and intravenous, small molecule protein degrader of BRD9, a component of a form of the BAF complex. Nearly all synovial sarcoma cancers contain a translocation, a type of mutation, between a BAF subunit gene, SS18, and another set of genes, SSX1, SSX2 and SSX4. These mutations render the cancer genetically dependent upon BRD9. FHD-609 has two domains: one that binds with high potency and selectivity to BRD9 and the other that binds to a receptor on the E3 ligase complex that directs proteins for destruction. In our preclinical studies in synovial sarcoma animal xenograft models, we have observed anti-tumor effects that we believe support filing an IND and progressing FHD-609 into clinical studies. We have completed the in-life portion of our GLP toxicology studies for FHD-609. We plan to file our IND for FHD-609 in and, if cleared, expect to initiate a clinical study in synovial sarcoma during . As FHD-609 progresses through clinical testing, our intention is to expand into other indications beyond synovial sarcoma.

We have used our Gene Traffic Control platform to generate additional programs targeting both large and small patient populations. Examples of programs targeting large populations include selective BRM and selective ARID1B modulators, which have potential implications in over 100,000 cancer patients and 175,000 cancer patients that harbor BRG1 and ARID1A mutations respectively. We are pursuing other programs with genetically determined dependencies on other chromatin remodeling complexes beyond the BAF complex.

In addition, we are developing compounds that disrupt the interactions between the transcription factors and BAF complexes. We believe that there are more than 100 transcription factors that could be amenable to our approach, one that disrupts the interaction of the transcription factor with the BAF complex. Preclinical activities of these early programs are underway.

Our approach to disrupting the interactions between transcription factors and the BAF complex is the basis of a collaboration signed with Merck in July 2020. In this collaboration, we intend to apply our Gene Traffic Control platform to identify disruptors of a single predetermined transcription factor. As part of the collaboration, we received an upfront payment of $15.0 million, and are also eligible to receive up to $245.0 million upon first achievement of specified research, development and regulatory milestones by any product candidate generated by the collaboration, and up to $165.0 million upon achievement of specified sales-based milestones.

Our Team

We have assembled a team with deep scientific, clinical, manufacturing, business, and leadership expertise in biotechnology, platform research, drug discovery, and development. Our management team has extensive experience discovering, developing, and commercializing drugs to treat patients with serious diseases. Adrian Gottschalk, our President and Chief Executive Officer, has more than 15 years of experience as a

biopharmaceutical executive. Prior to joining Foghorn, Mr. Gottschalk served in various roles at Biogen, Inc., where he was most recently Senior Vice President and Neurodegeneration Therapeutic Area Head. In this role, he was responsible for late-stage development and commercialization of drugs to treat Alzheimer's disease, Parkinson's disease, and amyotrophic lateral sclerosis. Our Chief Medical Officer, Samuel Agresta, MD, MPH & TM, previously served as Chief Medical Officer at Infinity Pharmaceuticals and led the development of the marketed oncology drugs TIBSOVO® and IDHIFA® at Agios. Carl P. Decicco, PhD, our Chief Scientific Officer previously served as Senior Vice President, Head of Discovery at Bristol-Myers Squibb and has been involved in over 200 drug candidates transitioning into the clinic. Our research efforts are also guided by world-class scientists and physicians on our Scientific Advisory Board, including David Schenkein, M.D., formerly the chief executive officer of Agios and presently a general partner and co-leader of Google Ventures life science team, Tony Kouzarides, Ph.D., F.Med.Sci., FRS, professor of cancer biology at the University of Cambridge and deputy director of the Gurdon Institute, United Kingdom, Gerald Crabtree, M.D., founder of Ariad Pharmaceuticals, a Howard Hughes Medical Institute investigator and professor at Stanford University, and Charles Sawyers, M.D., chair of the Human Oncology and Pathogenesis Program at Memorial Sloan Kettering Cancer center, a Howard Hughes Medical Institute investigator, and past president of the American Association for Cancer Research, or AACR. We have assembled an exceptional team of approximately 85 employees, approximately 80 percent of whom hold Ph.D., M.D., J.D., or Master's degrees.

Our Beginnings: Foghorn Therapeutics and Flagship Pioneering

Flagship Pioneering founded Foghorn Therapeutics in 2015. Co-founder and Chairman, Dr. Douglas Cole (Managing Partner, Flagship Pioneering), working in conjunction with academic co-founders Dr. Cigall Kadoch (Dana Farber Cancer Institute, Harvard, Broad Institute) and Dr. Gerald Crabtree (Stanford, Howard Hughes Medical Institute) created Foghorn to develop a new category of first-in-class therapeutics to treat patients with cancer and other serious diseases. Our platform was inspired by work in the academic co-founders' laboratories at the Dana Farber Cancer Institute and Stanford. This seminal work made it possible to understand how mutations cause disease by disrupting the machinery—the chromatin regulatory system—that orchestrates how cells turn genes on and off. Such mutations are associated with up to 50 percent of cancer and play roles in many other diseases. A Flagship Labs innovation team at Flagship Pioneering, led by Dr. Cole, and, subsequently, Foghorn's research and development team, established a fully integrated drug discovery platform based on this seminal work, which we call our Gene Traffic Control platform.

Our Strategy

Our mission is to leverage our unique insights into the chromatin regulatory system to pioneer the discovery, development and commercialization of a new class of therapies that transform the lives of patients suffering from a wide spectrum of diseases with high unmet need.

Our approach is to identify and drug genetically determined dependencies within the chromatin regulatory system. Our initial focus is in cancer with a precision oncology approach. Every program we pursue is based on a genetic dependency on the chromatin regulatory system.

To achieve our mission, we are executing a strategy with the following key elements:

- **Rapidly advance our lead precision oncology product candidates, FHD-286 and FHD-609, through clinical development in patients with select solid tumors and hematological cancers.** FHD-286 and FHD-609 are a highly selective and potent enzymatic inhibitor and protein degrader, respectively, that target two different components of a chromatin remodeling complex. We believe our lead product candidates have the potential to address significant unmet medical needs across multiple oncology indications. We plan to file an IND for FHD-286 in for the treatment of AML and uveal melanoma and, if cleared, expect to initiate separate Phase 1 clinical trials in with preliminary clinical proof-of-concept data expected by . We also plan to file an IND for

FHD-609 in for the treatment of synovial sarcoma and, if cleared, expect to initiate a Phase 1 clinical trial in with preliminary clinical proof-of-concept data expected by .

- **Expand our precision oncology pipeline by developing proprietary enzymatic inhibitors, degraders and disruptors that target genetically defined dependencies within the chromatin regulatory system.** Based on our unique insights and understanding of the chromatin regulatory system, we continue to develop proprietary selective inhibitors, protein degraders and disruptors that modulate both chromatin remodeling complexes and transcription factors, two key components of the chromatin regulatory system. For example, using our proprietary platform, we are pursuing two distinct targets BRM and ARID1B that have genetically determined dependencies within the chromatin regulatory system with combined potential impact in over 275,000 cancer patients. We plan to begin IND-enabling studies for a selective BRM modulator in . We plan to continue our preclinical efforts of our selective ARID1B program. We intend to utilize our platform to consistently develop novel product candidates to further deepen our precision oncology pipeline.
- **Harness our platform to develop novel product candidates to address therapeutic areas beyond oncology.** As the orchestrator of gene expression, the chromatin regulatory system has implications in a large array of diseases. Based on academic literature and our research efforts, we believe our platform has significant potential across multiple therapeutic areas. We are committed to applying our Gene Traffic Control platform to additional therapeutic areas including virology, autoimmune diseases and neurology. We believe our platform will allow us to continue to build a long-term pipeline of novel product candidates to address areas of high unmet medical need.
- **Continue to enhance our platform to extend our leading position in developing novel therapeutics targeting the chromatin regulatory system.** Our platform and unique understanding of the chromatin regulatory system is built upon the groundbreaking work of our academic co-founders and has been further developed by our experienced team. We are committed to continuously integrating new insights, tools, technologies and capabilities to enhance our platform.
- **Selectively enter into additional strategic partnerships to maximize the potential of our pipeline and our platform.** Given the breadth of opportunities that are implicated by the chromatin regulatory system and the versatility of our platform, we may opportunistically enter into strategic collaborations intended to advance and accelerate our development programs, expand into new therapeutic areas and enhance the capabilities of our platform. In July 2020, we entered into a collaboration with Merck to discover and develop novel oncology therapeutics against a transcription factor target.

Chromatin Regulatory System: An Untapped Opportunity for Therapeutic Intervention

The chromatin regulatory system orchestrates gene expression. In order for DNA to fit in the nucleus of each human cell, it is densely packed into what is called chromatin. This packing of DNA occurs by winding it around a core of proteins called histones to form what is known as a nucleosome, having the appearance of thread (the DNA) wrapped around a spool (the histones). Multiple nucleosomes cluster further to form more densely packed chromatin. Before DNA can be transcribed to RNA and then translated into protein, chromatin needs to be “unpacked” to allow access for the cellular machinery responsible for DNA transcription. Cells have therefore evolved a system known as the chromatin regulatory system that can locate and unpack particular regions of the chromatin to orchestrate and allow for gene expression.

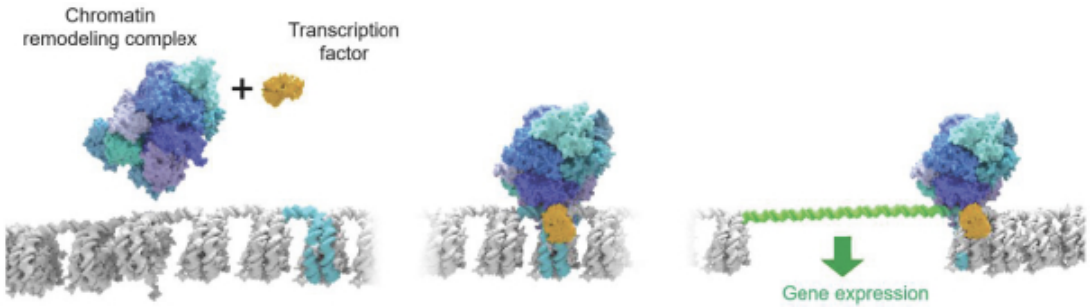


Figure 1: Chromatin Regulatory System Biology: Chromatin remodeling complexes and transcription factors work in concert to unpack chromatin to enable gene expression. The left portion of the figure shows "packed" or closed chromatin and the right portion of the figure shows "unpacked" or open chromatin with DNA highlighted in green.

Two of the major components of the chromatin regulatory system are chromatin remodeling complexes and transcription factors. Transcription factors specify the locations of genes to be transcribed by binding to specific locations on DNA. Chromatin remodeling complexes, guided by transcription factors, unpack the chromatin to expose DNA for transcription. These two components work in concert in both healthy and diseased cells. While chromatin remodeling complexes have been known in the scientific community for decades, disease relevance was not initially recognized, and consequently chromatin remodeling complexes were underappreciated as a set of relevant drug targets. Transcription factors, on the other hand, while linked decades ago to cancer and understood as relevant targets, have led to few approved oncology drugs, as companies seeking to drug these targets have lacked a systematic approach to doing so. Recently, ground-breaking work by our academic co-founders has revealed that alterations in chromatin remodeling complexes as well as their interactions with transcription factors are strongly associated with various cancers. Broad cancer sequencing initiatives have shown that mutations in the chromatin regulatory system are found in over 50 percent of all cancers, potentially impacting over 2.5 million cancer patients across the United States, Europe and Japan. Further work in the field by our founders and others has highlighted the association of this system in other therapeutic areas, including virology, autoimmune disease and neurology, implying even greater potential for therapeutic intervention.

Vulnerabilities in Cancer Created by Genetic Dependencies on the Chromatin Regulatory System

Cancer cells often contain many different mutations that lead to their abnormal growth and proliferation. Within cancer cells, these mutations give rise to genetically determined dependencies, upon which the cancer cells rely upon for their survival. The creation of these dependencies can be directly related to the mutation or to other cellular biology, thereby creating vulnerabilities for cancer cells and the opportunity for therapeutic intervention. In contrast, healthy cells, which lack these mutations and therefore these dependencies, are less susceptible to a therapeutic that targets these genetically determined dependencies.

There are three primary mechanisms by which genetically determined dependencies on the chromatin regulatory system arise. They are:

1. Mutations in chromatin remodeling complexes
2. Mutations or overexpression of transcription factors
3. Mutations elsewhere in the cell that impinge on chromatin remodeling complexes and/or transcription factors

Our platform enables us to identify these genetic dependencies and thereby discover the cancer cells' vulnerability within the chromatin regulatory system. We believe these vulnerabilities create opportunities to

selectively drug and kill cancer cells while minimizing impact to healthy cells. These genetically determined dependencies enable us to select specific patient populations and enrich our clinical trials using a precision approach. Every program we pursue is based on a genetically determined dependency on the chromatin regulatory system.

Our Initial Focus—BAF Complexes and Associated Transcription Factors

There are 28 types of chromatin remodeling complexes. All types of chromatin remodeling complexes use ATP as an energy source for opening and closing chromatin. These remodeling complexes contain a catalytic subunit that is capable of breaking down ATP, known as the ATPase. The ATPase serves as the catalytic engine that drives the function of each chromatin remodeling complex. The breakdown or hydrolysis of each ATP molecule by the ATPase creates energy that, in turn, drives chromatin remodeling. These chromatin remodeling complexes are mutated in approximately 25 percent of cancers.

BAF, which stands for BRG1/BRM-associated factors, one type of chromatin remodeling complex, is mutated in approximately 20 percent of cancers, thus being the most mutated in the family of ATPase chromatin remodelers and among the most mutated targets in cancer. Given the breadth of mutations in cancer, the BAF complex is our initial focus among the ATPase dependent chromatin remodeling complexes.

The BAF complex is a multicomponent protein structure containing twelve to fifteen protein subunits taken from a larger set of a possible 29 subunits. Three common forms of BAF are known as canonical BAF, or cBAF; non-canonical BAF, or ncBAF; and polybromo BAF, or PBAF. While the exact compositions of these forms of BAF are different, each form contains a number of common subunits, one such being the ATPase catalytic subunit. Each BAF complex contains one of two possible ATPases, either ATPase known as BRM, also known as SMARCA2, or ATPase known as BRG1, also known as SMARCA4.

Different cell types and tissues contain different forms of BAF. This cell and tissue specificity gives rise to the possibility of additional pharmacological selectivity when drugging potential targets.

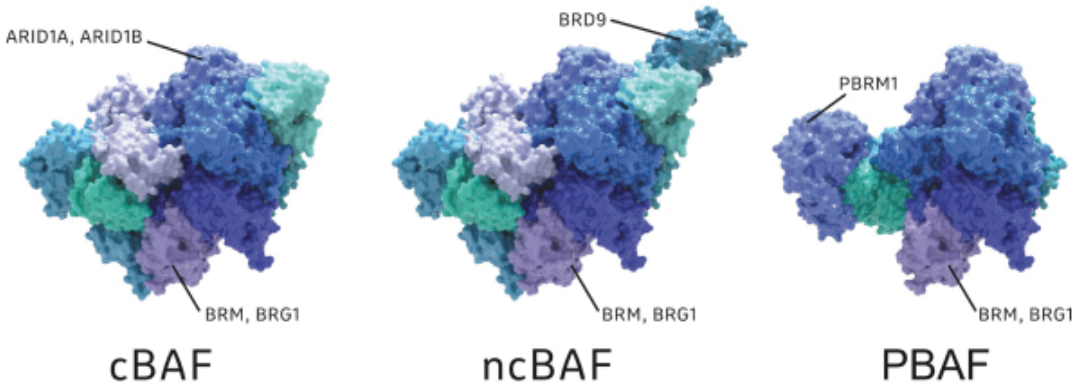


Figure 2. Schematic depicting biochemical subunit compositions of mammalian BAF, ncBAF and PBAF complexes.

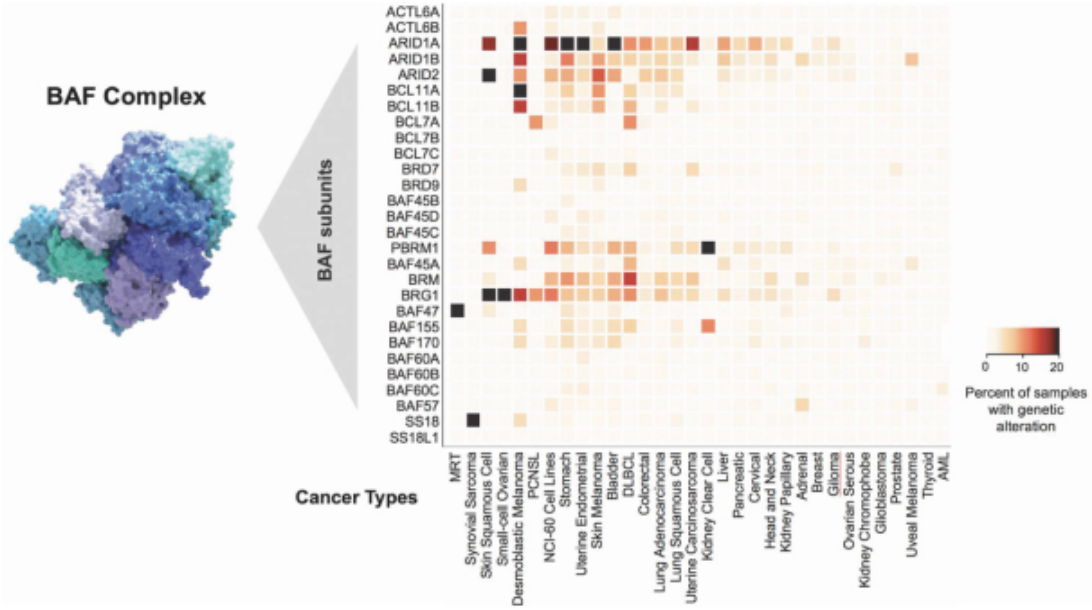


Figure 3. Genetic alterations are commonly found in subunits of the BAF complex in tumors.

The BAF complex, when aggregating mutations across all of its subunits, is the second most mutated target to the well-known cancer target TP53. Genetic alterations of various subunits of the BAF complex have been observed in a wide range of cancers. These include but are not limited to the following:

- More than 90 percent of ovarian cancer patients;
- 34 percent of uterine endometrial patients;
- 34 percent of stomach cancer patients;
- 29 percent of bladder cancer patients;
- 28 percent of non-small cell lung cancer, or NSCLC, patients; and
- 27 percent of skin cancer patients.

The following mechanistic insights provide strategies to target the BAF complex in cancer:

- Dependency exists between BAF complex subunits;

  One example is:

  - In some cancer cells, the gene encoding BRG1, a catalytic subunit of the BAF complex, is mutated causing a loss of function in BRG1
  - Often this loss of function leads to a dependency on BRM, a similar protein to BRG1 that is the other catalytic subunit of the BAF complex
  - This loss of BRG1 and subsequent dependency on BRM creates a vulnerability by rendering these cancer cells highly sensitive to targeting BRM

- Mutations elsewhere in the cell confer a dependency on the BAF complex;

  One example is:

  - Mutations in G-protein coupled receptors (GNAQ/GNA11) are found in 85 percent to 95 percent of uveal melanoma, a cancer of the eye
  - In uveal melanoma cell lines with these mutations, we have established a dependency on two transcription factors, MITF and SOX10.
  - These two transcriptions interact with the BAF complex
  - Targeting the BAF complex then inhibits MITF and SOX10 mediated transcription

Transcription factors, the proteins that guide the chromatin remodeling complexes, help determine which genes are expressed and have long been desirable but elusive targets for drug discovery efforts. Work by our academic co-founder Cigall Kadoch, as well as others in the field, revealed that transcription factors work in concert with chromatin remodeling complexes, BAF as one example, to orchestrate gene expression. A transcription factor recognizes specific guidepost-like sequences, or locations, on DNA. The transcription factor binds to the chromatin remodeling complex and in doing so directs the remodeling complex to the appropriate location on chromatin. Once recruited to the appropriate location, the chromatin remodeling complex unpacks the chromatin, exposing the DNA and allowing transcription machinery to transcribe the corresponding gene.

Some transcription factors, such as the estrogen receptor, or ER, have long been the targets of approved and efficacious drugs for the treatment of cancers such as breast cancer. However, the majority of transcription factors have not been amenable to traditional small molecule drug inhibition. While directly blocking the DNA binding site on transcription factors would be an effective way of inhibiting their activity, it is usually not possible to find small molecules that can bind to these sites with the potency and selectivity needed to advance as therapeutics.

Different healthy cell types, such as heart, brain, or muscle cells, use different types of transcription factors. In cancer cells, mutated and/or abnormal levels of specific transcription factors are found. Because many transcription factors are cell and tissue specific, there is the possibility of additional pharmacological selectivity when drugging potential transcription factor-chromatin remodeling complex interactions. We believe that there are more than 100 transcription factors that could be amenable to our approach of disrupting the interactions of transcription factors with the BAF complex.

Our Approach to Drugging the Chromatin Regulatory System

We are focused on developing small molecule product candidates that target the chromatin regulatory system through the use of enzyme inhibitors, protein degraders and transcription factor disruptors.

- **Enzyme inhibitors**. These candidates have the potential to act on targets such as the ATPases BRG1 and BRM of the BAF complex. Our screening capabilities enable us to find allosteric inhibitors which afford additional selectivity over orthosteric, or direct, inhibitors.
- **Protein degraders**. These candidates are bifunctional degraders in which one portion of the molecule specifically recognizes the target while the other portion is able to direct the destruction of the target by the cell's protein degradation system
- **Transcription factor disruptors**. These candidates will be direct small-molecule disruptors of the protein-protein interactions between transcription factors and chromatin remodeling complexes.

We leverage the appropriate mechanism based on the target in the chromatin regulatory system. In some cases, we may take multiple approaches and remain modality agnostic in order to ensure we achieve the best approach and most appropriate molecule.

The two main approaches that we are taking to drugging chromatin remodeling complexes are inhibiting its ATPase activity and degrading mutated or dependent subunits within the chromatin remodeling complex. We are taking a different approach to modulating the activity of transcription factors than previously attempted by the field. We believe this approach can be applied across the broad set of chromatin remodeling complexes and transcription factors with which they interact, as illustrated by the BAF complex. Because transcription factors require collaboration with the BAF complex, disrupting the interaction between the two shuts down the ability of the transcription factor to drive transcription. Our approach is to find small molecule disruptors that bind to either the transcription factor or the BAF complex in order to break the interaction between the two. In order to understand whether it is possible to selectively drug these interactions, there are two important aspects that need to be understood. One is where specifically the transcription factor binds to the BAF complex and the second is how tightly it binds.

Based on our work, we have observed that individual transcription factors bind to the BAF complex at specific sites rather than all binding to a single site, implying that it should be possible to specifically interfere with the binding of one transcription factor to the BAF complex without affecting the binding of every other transcription factor. This is a critical success factor for the specificity of drug candidates binding to the BAF complex. We have also observed that the potencies of these interactions are roughly equivalent to those observed in other protein-protein interactions that have been successfully disrupted by small molecule drugs. Because many transcription factors are cell and tissue specific, there is the possibility of additional pharmacological selectivity when drugging potential transcription factor-chromatin remodeling complex interactions. We believe these findings provide the opportunity to systematically discover and develop a novel class of product candidates that are specific, selective and that will be designed to disrupt the interaction between transcription factors and the BAF complex.

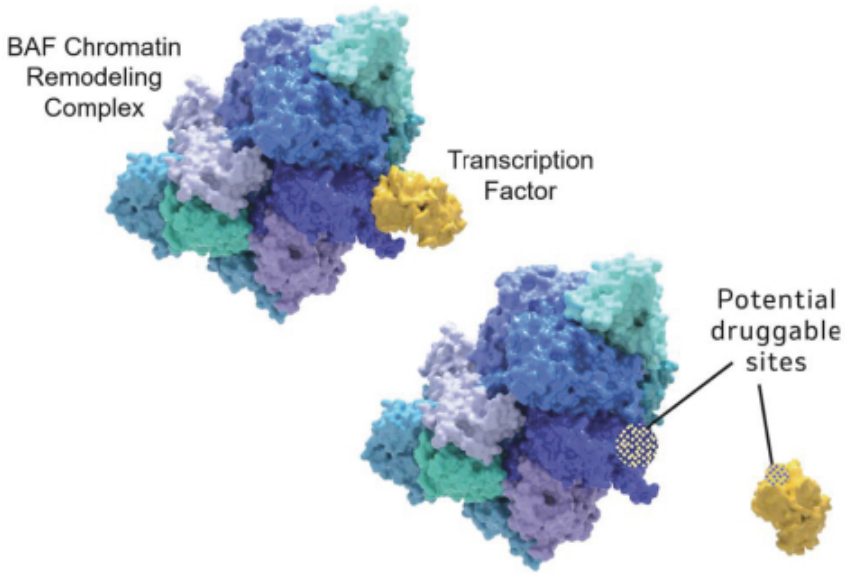


Figure 4. We are disrupting transcription factor activity by blocking interactions with the BAF complex.

Our Gene Traffic Control Platform

The chromatin regulatory system has remained an untapped opportunity for therapeutic intervention due to the inability to systematically characterize and study the chromatin remodeling complexes and associated transcription factors. Building upon the groundbreaking discoveries of our academic co-founders, we have

developed our proprietary Gene Traffic Control platform which allows us to identify and validate targets within the chromatin regulatory system. We have unique capabilities to isolate, synthesize, characterize, and interrogate the BAF complex at a level of scale, precision, and efficiency, that to our knowledge, no others have achieved. We have unique capabilities to understand how transcription factors interact with the BAF complex and have generated unique insights into where and how transcription factors bind. We believe our platform is broadly applicable to other chromatin remodeling complexes and transcription factors.

Our capabilities and insights have allowed for the development of a suite of unique biochemical, biophysical, structural, and functional assays. We use these assays to discover and optimize novel small molecule chemical matter which include enzymatic inhibitors, protein degraders, and transcription factor disruptors to various targets within the chromatin regulatory system. To our knowledge, we are the only company that has the ability to study and drug the chromatin regulatory system at scale, in context, and in an integrated way.

Our Gene Traffic Control platform encompasses the following:

- Target Identification and Validation
- Production of Chromatin Regulatory System Components at Scale & Proprietary Assays
- Discovery and Optimization of Chemical Matter
- Targeted Protein Degradation
- Translation to Clinic and Identification of Biomarkers

The key features and capabilities of our platform are described below:

Target Identification and Validation

We use genomic screens and a suite of epi-genome sequencing and computational tools to characterize, identify and validate targets within the chromatin regulatory system. Our epi-genome sequencing tools allow us to understand the mechanisms of how our drugs are modifying the chromatin structure. Our platform allows for rapid identification of genetically determined dependencies associated with the chromatin regulatory system. Specifically, we:

- **Conduct and leverage genomic screens to identify dependencies and relationships.** We utilize both broad and specific genomic screens to identify dependencies and relationships associated with the chromatin regulatory system. We use a mix of internal and external data sets that apply CRISPR and shRNA technology to understand relationships across and within a range of cancer cell lines.
- **Perform broad epi-genome sequencing to validate dependencies *in vitro*.** We apply cutting edge epi-genome sequencing tools in combination with proprietary tool compounds to further validate targets and enhance our understanding of the impact of drugging the chromatin regulatory system. These tools allow us to rapidly understand the gene expression profiles of specific cancer cell lines, the open / closed state of chromatin, and give us mechanistic understanding of how components of the system work together.
- **Apply machine learning & artificial intelligence to enhance discovery efforts.** We have built tools that allow us to mine and interpret external and internal datasets that aid in our discovery efforts yielding unbiased and unsupervised computer analyses to identify targets and genetic dependencies on the chromatin regulatory system and to further understand mechanism of action. Examples of external data sets include data from The Cancer Genome Atlas (TCGA) and the Broad Institute. Internal data sets include data from cell lines, data from xenograft models and epi-genomic information (RNA-seq, ATAC-seq, CHiP-seq, SNAP-seq). We also use these tools in the preclinical stage to evaluate cancer cell lines & patient samples to identify biomarkers for patient stratification and patient population identification.

- **Validate dependencies *in vivo*.** Where possible, we endeavor to validate targets in various animal models with implanted cancer cells relevant to the disease we are aiming to treat. Specifically, we use mouse xenograft models with inducible CRISPR / shRNA to validate that knockdown of our target of interest results in tumor growth inhibition. We also apply epi-genome sequencing tools in the animal model setting to identify potential biomarkers.

Production of Chromatin Regulatory System Components at Scale & Proprietary Assays

We have built unique capabilities to purify and synthesize the BAF complex and transcription factors. These capabilities allow us to study the chromatin regulatory system at scale and in context that, to our knowledge, is unavailable to others, and yields insights that are critical to systematically drugging this system. Specifically, we:

- **Purify and synthesize chromatin remodeling complexes and transcription factors at scale.** Our platform has the unique ability to purify and synthesize the BAF complex with potential applications to other chromatin remodeling complexes. Importantly, we are able to purify disease relevant and mutated forms of BAF directly from the cancer cell lines of interest. To our knowledge, we are the only company that has developed the ability to purify and manipulate BAF, sub-complexes of BAF, as well as its host of subunits, in quantities that enable us both to generate structural data to identify potential binding sites for drug candidates and to conduct high throughput screens of small molecule drug candidates against these sites.
- **Study chromatin remodeling complexes in context leading to relevant insights into the impact of drug intervention.** We have found that the properties of subunits of BAF, such as BRG1 or BRM, are different when they are incorporated into the BAF complex than when we test them in isolation. For example, the catalytic activity of these subunits using nucleosomes is increased by over 15-fold when they are incorporated into the BAF complex compared to their activities in isolation (see Figure 5 below). This is the biologically relevant activity of the complex. Additionally, the ability to screen the full complex greatly improves the potential of finding allosteric modulators which may afford additional pharmacological selectivity. These examples underscore the importance of assaying and screening the full complex.
- **Utilize advanced analytical methods to develop and understand critical insights into how transcription factors interact with chromatin remodeling complexes.** We integrate multiple technologies and methodologies, including high-throughput-screening, biophysics, affinity screening, and surface mapping to gain unparalleled insights into the chromatin regulatory system and how its primary two components, transcription factors and chromatin remodeling complexes, interact. Based on our protein-protein interaction mapping technology, we have determined precisely the binding sites of multiple transcription factors to the BAF complex, providing us with critical insights into how these factors bind to the BAF complex, and details on how these binding interactions can be disrupted using small, drug-like molecules.

We believe that our unique capabilities as applied to the BAF complex and associated transcription factors can be applied to other chromatin remodeling complexes and transcription factors. It is our intention to further leverage our capabilities on other chromatin remodeling complex targets.

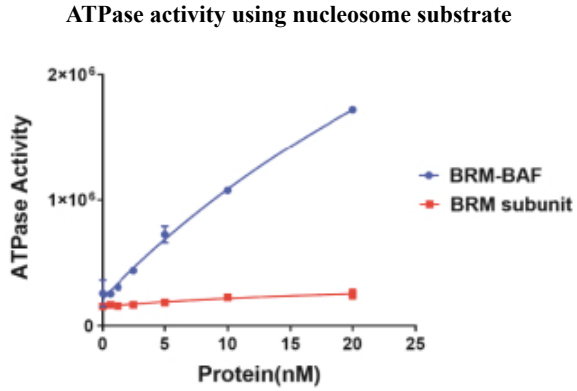


Figure 5. ATPase activity of full BAF complex underscores the importance of assaying in the appropriate biological context.

Discovery and Optimization of Chemical Matter

We perform proprietary high throughput screens that leverage our ability to produce the chromatin regulatory system components at scale. An example screen is the use of the fully assembled BAF complex which is specific to its mutated or disease relevant form (e.g., screening the BRM form of BAF which corresponds to BRG1 mutated cancer). Furthermore, we are able to screen the BAF complex when bound to a relevant transcription factor. We utilize both proprietary and publicly available chemical libraries in our screens.

Once we find hits from our screens, we use our unique suite of assays involving the relevant component of the chromatin regulatory system to characterize, validate, and optimize our chemical matter. These assays provide us with biologically relevant insights that guide our medicinal chemistry efforts.

Targeted Protein Degradation

In cases where our drugging efforts are directed at targets that have no enzymatic activity, we seek to degrade the protein of interest through targeted protein degraders. Protein degraders are bifunctional small molecules in which one portion of the molecule specifically recognizes the target while the other portion directs the destruction of the target by harnessing the cell's proteasome-based degradation system. The two chemical functionalities of the molecule are connected by a variable linker. This approach affords a general method of degrading protein targets of interest.

After completing screens, as described above, and finding small molecule binders to the target of interest, we use our protein degradation know-how to convert binders into selective protein degraders. This know-how and capabilities include:

- Proprietary library of linkers and E3 ligase binders
- Biochemical, biophysical, and cellular assays that measure protein degradation and guide optimization, including protein synthesis and degradation kinetics
- Ternary complex modeling and characterization
- Genome wide proteomic analysis of degradation to measure selectivity

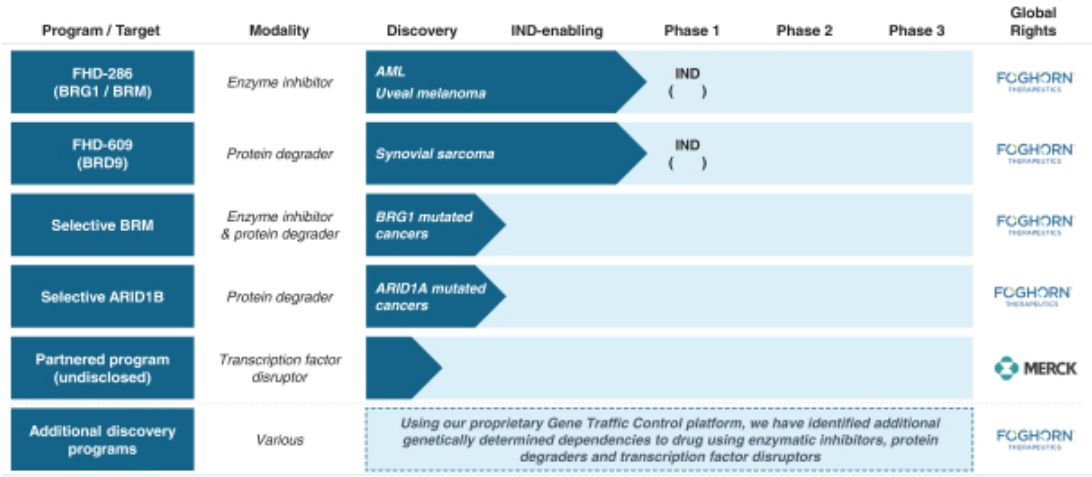
Translation to Clinic and Identification of Biomarkers

We seek to enrich our clinical studies with the genetically relevant patient populations that are most likely to benefit from treatment. Early in the drug discovery process, we use various genome and epi-genome analyses to understand the genetic dependency of the cancer on the chromatin regulatory system. Our intent is to have clear genetic markers for patients whom we seek to potentially treat.

As we progress a drug candidate, we analyze tumor models and where available direct patient samples to understand biomarkers of response (e.g., change in expression level of a particular gene or set of genes, change in protein level of a component of the chromatin regulatory system). We intend to use these biomarkers in our clinical studies to understand tumor response to our drug candidates. Additionally, we will retrospectively analyze our clinical studies for any other biomarkers that will further enhance patient stratification and response.

Our Product Candidates

We are developing a broad pipeline of product candidates that target genetically determined dependencies within the chromatin regulatory system. Our programs consist of enzyme inhibitors, protein degraders and transcription factor disruptors. We plan to file an IND for our lead product candidate, FHD-286, in , and for our second product candidate, FHD-609, in . Our pipeline is as follows:



FHD-286

Overview

We are currently advancing our lead product candidate, FHD-286, a highly potent, selective, allosteric and orally available, small-molecule, enzymatic inhibitor of BRG1 and BRM, for the potential treatment of AML and uveal melanoma. BRG1 and BRM are two highly similar proteins that each serves as the ATPases, or the catalytic engines, across all forms of BAF. Our preclinical data in both AML and uveal melanoma animal xenograft models have demonstrated anti-tumor effects that we believe support filing an IND and progressing FHD-286 into clinical studies. We have successfully completed our GLP toxicology studies for FHD-286. We plan to file our IND for FHD-286 in and, if cleared, expect to initiate separate clinical studies in AML and uveal melanoma in parallel during . These multi-center Phase 1 studies will primarily assess the safety and tolerability of FHD-286 in adults with AML and uveal melanoma. Secondary endpoints are expected to include the pharmacokinetic and pharmacodynamic properties of FHD-286 as well as clinical activity. Proof of mechanism will be based on indicators of target engagement in association with FHD-286 treatment. As we

further understand the therapeutic potential of FHD-286 in the course of these initial clinical studies, we may pursue additional clinical studies in these and other indications as a single agent and/or in combination with novel or standard of care agents.

AML Disease Overview

Acute myeloid leukemia, or AML, is a heterogeneous group of hematologic cancers characterized by a proliferation of myeloid precursors, commonly known as blasts, with limited ability to differentiate into more mature myeloid cells. These blasts replace normal hematopoietic tissue in the bone marrow, resulting in decreased hematologic cell numbers, or pancytopenia, and the morbidities associated with the cancer.

AML is the second most common subtype of leukemia in adults. In major markets (United States, EU5 and Japan) AML has an incidence of approximately 35,000 cases annually and is generally a disease of elderly people, with more than 60 percent of diagnosed patients being older than 60 years. The average five-year survival rate for patients with AML is 20 percent, and there are significant differences in prognosis depending on several factors, including the age of the patient and co-morbidities at diagnosis. For patients under the age of 60, the five-year survival rate is approximately 33 percent, while for those over the age of 60 it is less than 15 percent. There are likely multiple reasons for this discrepancy, including the ability of younger patients to tolerate more aggressive therapies.

Current first-line treatments for patients with AML typically involve aggressive combination chemotherapy regimens with or without hematopoietic stem cell transplantation (HSCT). Older patients or patients who cannot tolerate HSCT, typically those with comorbidities, are often treated with cytarabine and daunorubicin induction followed by high-dose cytarabine consolidation. Patients who cannot tolerate combination chemotherapy receive low dose cytarabine, azacitidine, and/or enroll in clinical trials. There is a single biologic, gemtuzumab ozogamicin or Mylotarg™, approved by the FDA for newly diagnosed and relapsed-refractory AML. Other, more recently approved therapeutics for AML target subsets of patients with tumors containing specific mutations such as midostaurin marketed as Rydapt® by Novartis for those with FLT3 mutations, enasidenib marketed as Idhifa® by Celgene for those with mutations in IDH2, and ivosidenib, marketed as Tibsovo® by Agios for those with mutations in IDH1.

Despite these advances, patients who do achieve remission, five-year disease-free survival is only 30-40 percent because the majority of patients relapse. Patients in the elderly population have a relapse rate of 80-90 percent. Younger patients have a relapse rate of between 60-80 percent. There remains a significant need for safe, durable and broadly effective AML treatments.

Uveal Melanoma Overview

Uveal melanoma is the most frequent type of ocular cancer with approximately 5,000 cases each year in the major markets (United States, EU5 and Japan), typically presenting upon a routine eye exam in patients without specific symptoms. Local treatment, primarily with radiation therapy, is effective in preventing local recurrence in over 95 percent of cases. Due to the asymptomatic nature of uveal melanoma, at the time of the diagnosis, a considerable portion of these patients already have metastatic disease, typically in the liver. Roughly half of all patients will eventually develop metastases. For those diagnosed with metastatic disease, the one-year survival is only 15 percent. The poor prognosis associated with metastatic disease and the lack of any effective therapy highlights the need for novel therapeutic approaches that specifically target metastatic uveal melanoma.

Between 85 percent and 95 percent of uveal melanoma tumors contain mutations in one of two G-protein-coupled receptor subunits: GNAQ or GNA11. We have established through uveal melanoma cell lines with the GNAQ/GNA11 mutations that there is a dependency of these cell lines on two over expressed transcription factors, MITF and SOX10. In uveal melanoma, these two transcription factors abnormally interact with the BAF complex.

Our Solution: FHD-286

FHD-286 is a highly potent, selective, allosteric and orally available, small molecule inhibitor of the enzymatic activity of both BRG1 and BRM. In established AML cell line-derived xenograft, or CDX, models MV4-11 and OCI-AML2, we observed robust tumor growth inhibition. In established uveal melanoma CDX models, specifically MP-46 and 92-1, we observed significant tumor growth inhibition and tumor regression, respectively. We have completed GLP-toxicology studies with FHD-286 and we believe the data support filing an IND with the FDA. We plan to file an IND in .

Either BRG1 or BRM can serve as the primary ATPase, or catalytic engine, of the BAF complex. BAF complexes will contain only BRG1 or BRM, as they are mutually exclusive subunits, as shown in the figure below. BRG1 or BRM are two proteins which are 76 percent identical at the amino acid level over their entire length and over 90 percent identical in the catalytic region.

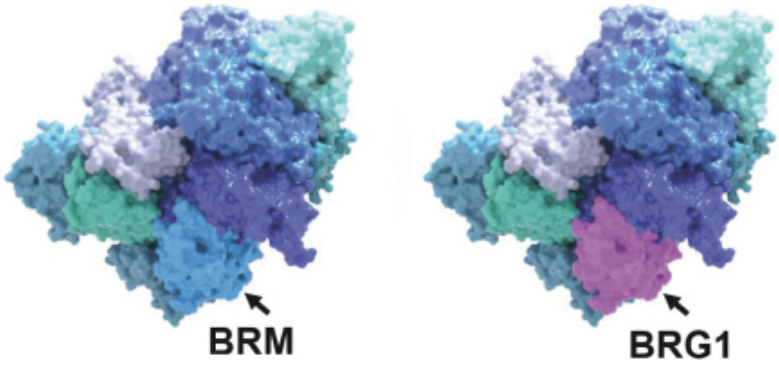


Figure 6. The enzymatic activity of the BAF complex is provided by the BRM or BRG1 subunits.

When we conducted compound screening against a panel of tumor cell lines, a number of these tumor cell lines were shown to be highly sensitive to BRG1 or BRM inhibition over a three-day period. These cell lines include nineteen of twenty-one of the hematopoietic malignancy cell lines tested, all four of the uveal melanoma cell lines, three out of four prostate tumor cell lines, and three out of seven breast tumor cell lines. We observed additional sensitivity in other tumor cell lines tested over a seven-day period.

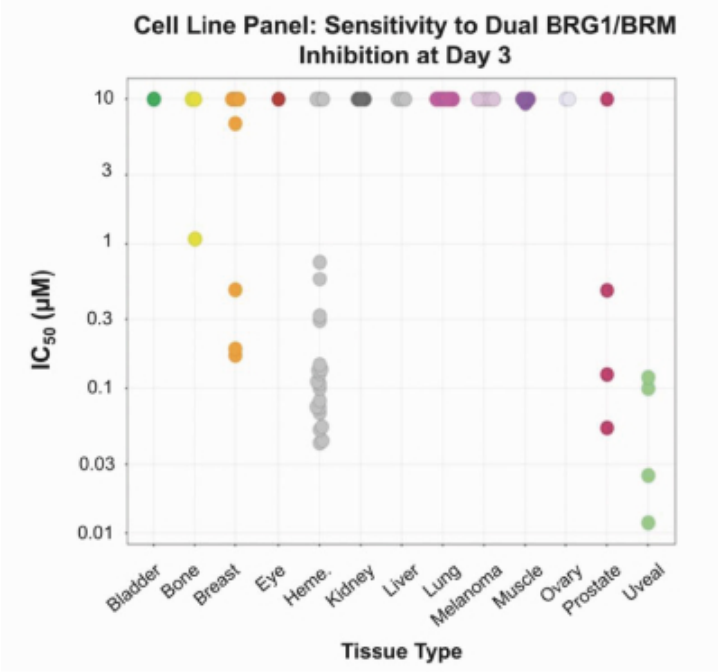


Figure 7. Certain cell lines, including those derived from uveal melanoma, hematological cancers, prostate cancer, and breast cancer were highly sensitive to BRG1/BRM inhibition.

Our Preclinical Data for AML

Genetic studies have identified a critical role of BRG1 in the maintenance of the undifferentiated state of AML cells. Knockdown of the expression of BRG1 was found both to inhibit the expression of genes associated with high proliferation and to induce the expression of genes associated with mature myeloid cells. In a mouse model of AML, partial genetic inactivation of BRG1 led to a greater than two-fold increase in overall survival. These data suggest that pharmacological inhibition of BRG1 may provide a therapeutic benefit.

We have generated *in vivo* proof of concept data that demonstrates antitumor activity of FHD-286 in AML patient samples as well as multiple AML CDX models. Using tumor cells isolated from AML patients, we demonstrated that treatment with FHD-286 allowed for appropriate differentiation of AML cells. We treated these tumor cells with a single dose of FHD-286 at increasing exposures and assessed the effects on both myeloid cellular differentiation and cell death. We observed myeloid cellular differentiation at a lower nanomolar exposure relative to where we observed cell death. The data support that pharmacologic inhibition of BRG1 can release the differentiation block associated with BRG1 overexpression in AML. Targeted treatment that releases a differentiation block has been observed to be clinically meaningful with ATRA treatment in acute promyelocytic leukemia as well as IDH1 and IDH2 inhibition in IDH-mutated AML. The cell killing observed was comparable to the effect of standard of care combinations: cytarabine plus daunorubicin and azacytidine plus venetoclax.

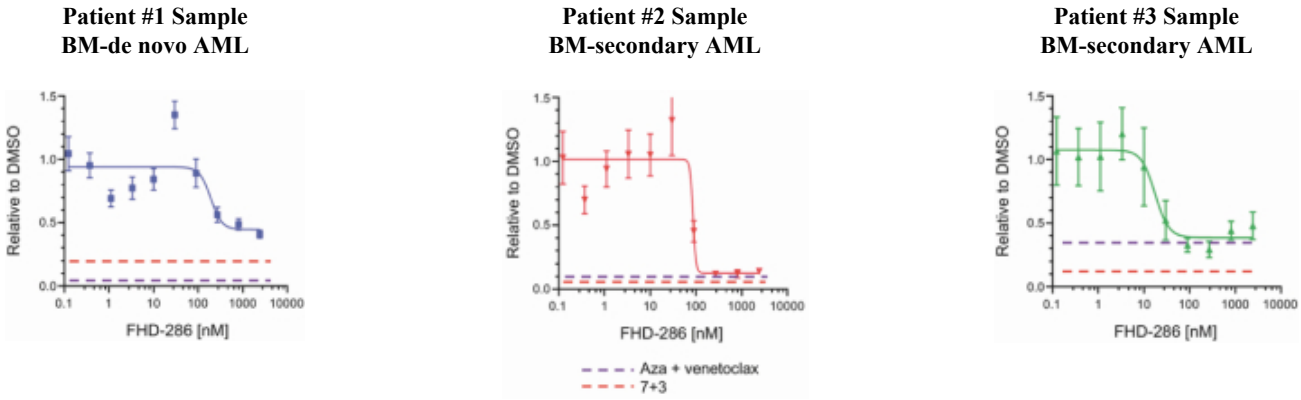


Figure 8. Treatment of patient-derived AML tumor samples with FHD-286 stimulated differentiation and cell death. Dose-dependent reduction of blast counts in samples from three patients. The blast count was normalized and plotted as relative to the level in vehicle DMSO-treated samples. The level of blast count reduction achieved by standards of care (Aza + venetoclax and "7+3") are indicated by the dashed lines. BM = Bone Marrow.

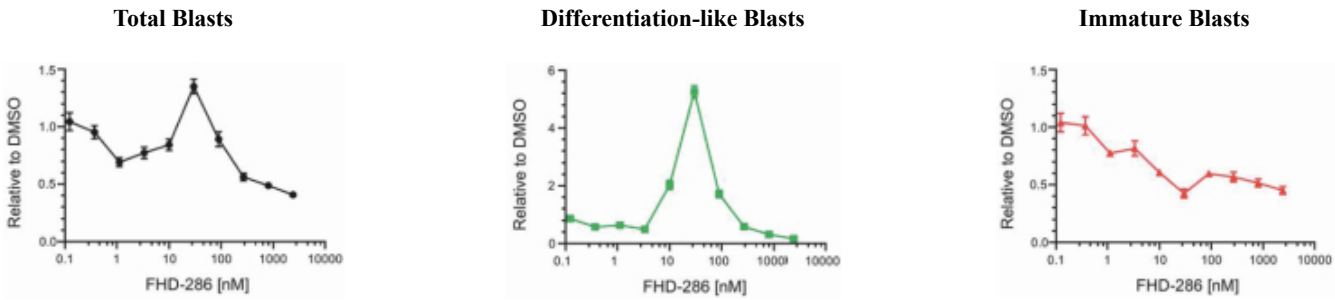
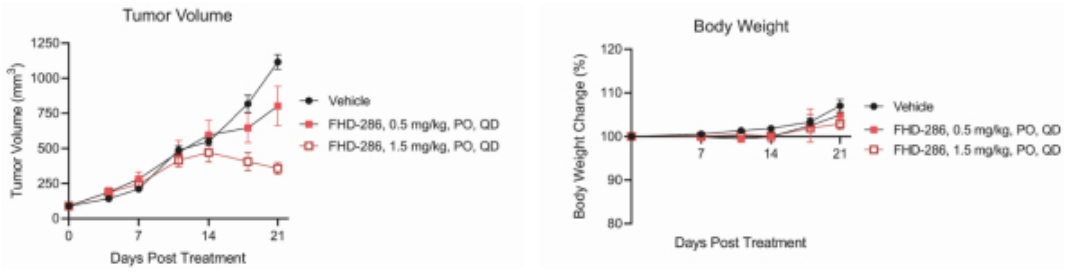


Figure 9: Evidence of a dose-dependent differentiation effect in patient #1 sample.

We have confirmed the sensitivity observed in our three-day cell line panel in CDX models created using OCI-AML2 and MV4-11, two AML cell lines with different underlying genetic mutations. In addition, we have observed robust dose response in further evaluation of FHD-286 in MV4-11 CDX models. We have also observed synergy of FHD-286 in combination with cytarabine.

MV4-11 AML CDX Model
FLT3 ITD, MLL-AF4



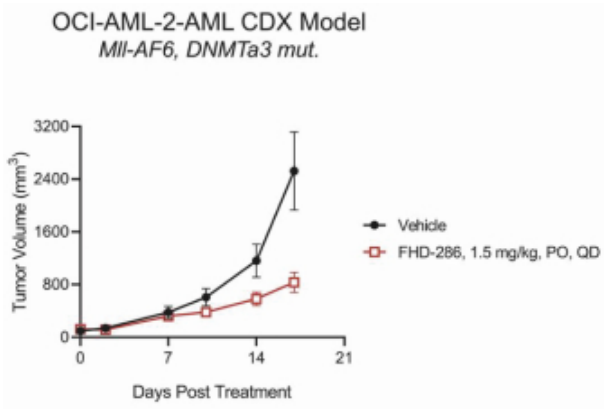


Figure 10. FHD-286, dosed as monotherapy, led to tumor growth inhibition in two AML xenograft models MV4-11 and OCI-AML-2.

Our Preclinical Data for Uveal Melanoma

In uveal melanoma cell lines that contain GNAQ/GNA11 mutations, genetic studies have revealed that these cells overexpress two transcription factors, MITF and SOX10. Our data demonstrate that the MITF and SOX10 transcription factors abnormally over-interact with the BAF complex in uveal melanoma cell lines. By inhibiting the ATPase activity, both BRG1 and BRM, of the BAF complex, we observed anti-tumor effects in several CDX and patient-derived xenograft, or PDX, uveal melanoma models.

We established the genetic dependency of uveal melanoma cell lines on MITF and SOX10 by analyzing data from the Project Achilles, a functional genomics screen conducted by the Broad Institute. We found that established uveal melanoma cell lines such as 92-1 and OMM1 were highly dependent on MITF or SOX10.

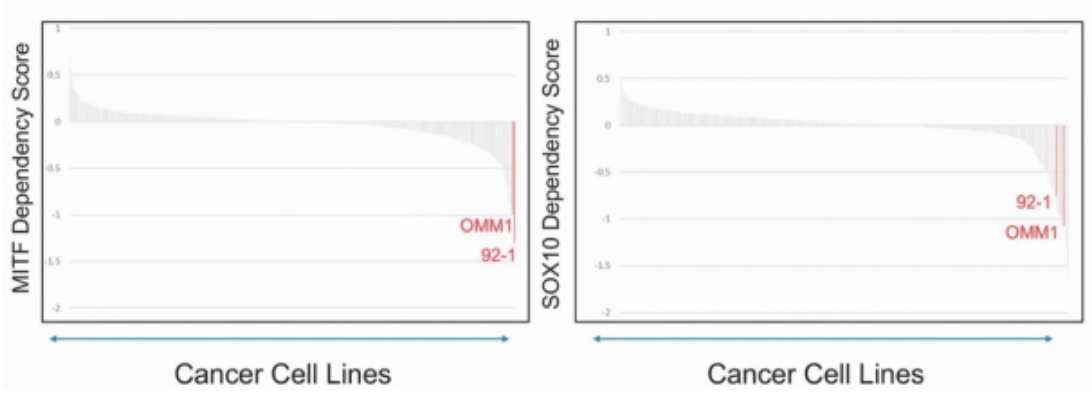


Figure 11. Uveal melanoma cell lines, such as 92-1 and OMM1, were highly dependent on MITF or SOX10.

We found that inhibition of BRG1 and BRM led to suppression of gene expression from several MITF and SOX10-dependent genes. A broader measure of the effect of dual inhibition of BRG1 and BRM on transcription of MITF and SOX10-dependent genes was obtained using a technique known as chromatin immunoprecipitation sequencing, or ChIP-seq. ChIP-seq allows us to find where particular proteins, in this case transcription factors, are binding to chromatin. Treatment of uveal melanoma cells with a research compound with similar properties to that of FHD-286 resulted in decreased binding of both MITF and SOX10 transcription factors to their respective chromatin binding sites. These results validate the mechanism of action of FHD-286 in uveal melanoma cells.

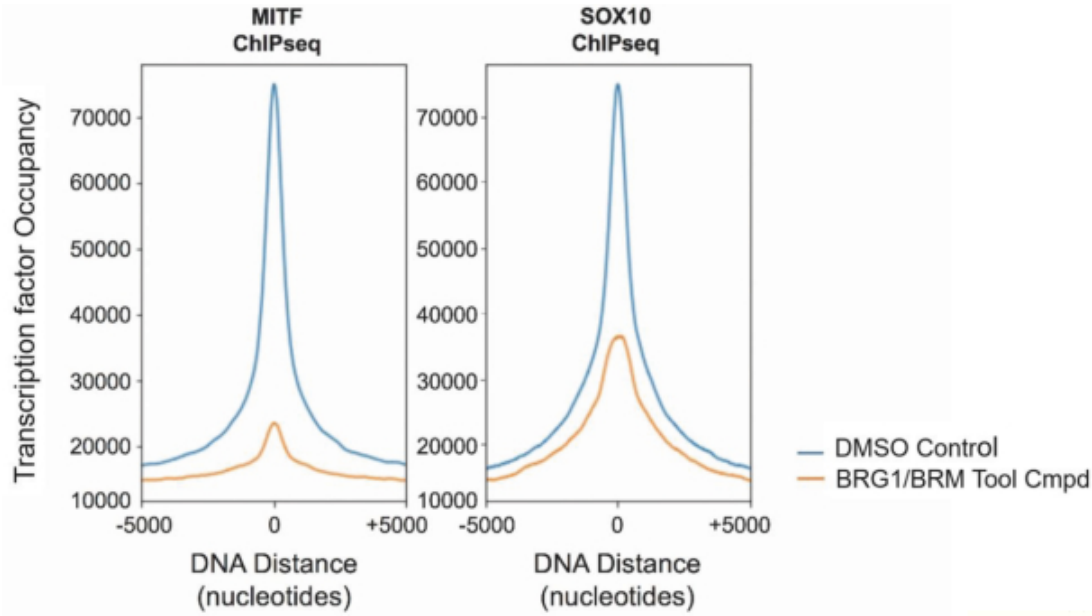
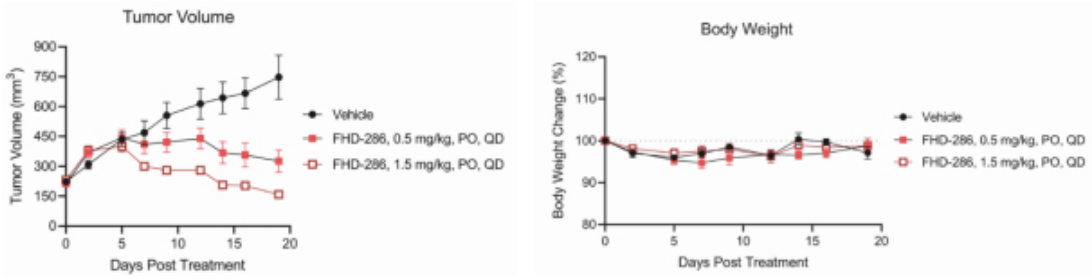


Figure 12. BRG1/BRM inhibitor blocked the ability of MITF and SOX10 to bind to their target sequences as determined by ChIP-seq.

We have generated *in vivo* proof of concept data that demonstrates antitumor activity of FHD-286 in multiple uveal melanoma CDX and PDX models. In two uveal melanoma models, 92-1 and MP-46, oral dosing of FHD-286 at 1.5 mg/kg as monotherapy resulted in significant tumor growth inhibition. Importantly, the doses of FHD-286 were well-tolerated and did not lead to significant changes in body weight compared to controls, a commonly used measure of safety.

92-1 Uveal Melanoma Model



MP-46 Uveal Melanoma Model

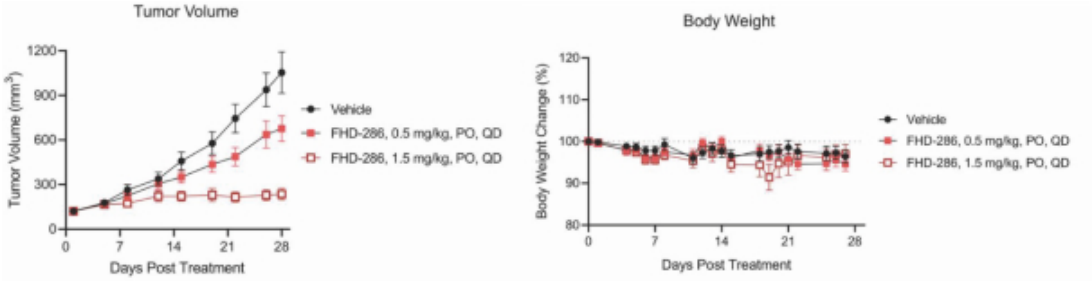


Figure 13. FHD-286 led to dose-dependent tumor growth inhibition in two uveal melanoma xenograft models 92-1 and MP-46.

Clinical Plans for FHD-286 in AML and Uveal Melanoma

We intend to file an IND with the FDA for FHD-286 in , and, if cleared, expect to initiate two separate Phase 1 clinical trials of FHD-286 in in patients with AML and uveal melanoma.

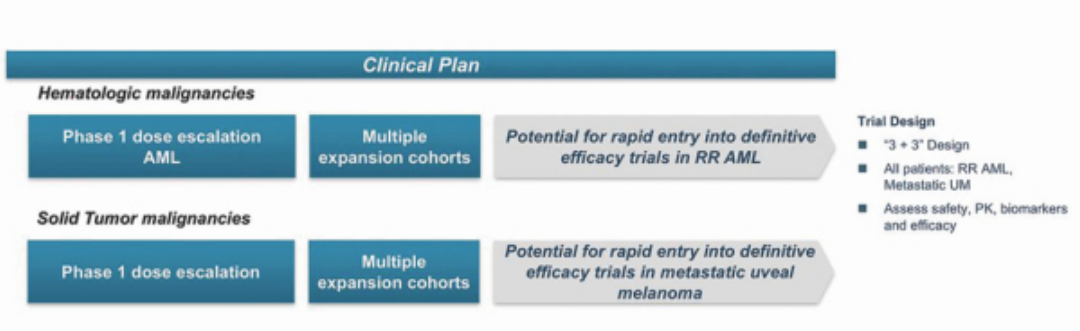
The first in human study Phase 1 in AML will include a standard dose escalation and expansion phase. The dose escalation portion will evaluate once daily oral, multiple ascending doses of FHD-286, with a starting dose determined by our GLP toxicology studies. Dose escalation may include patients with relapsed and/or refractory AML. The expansion phase may include multiple distinct cohorts of patients with AML, informed by findings from the dose escalation phase. Initially, biomarkers, such as the association of clinical activity and BRG1 expression levels, will be evaluated retrospectively.

The primary endpoints of this first-in-human study will be safety, the identification of any dose-limiting toxicities, the maximum tolerated dose, and the evaluation of pharmacokinetics and pharmacodynamics. The secondary endpoints are expected to include an evaluation of clinical activity: overall response rate, complete response rate, minimal residual disease (MRD) status, duration of response and time to event analyses. Biomarkers will be evaluated in an exploratory fashion, evaluating target engagement as well as markers associated with response and/or resistance. Prospective enrollment based on biomarker findings may be included in the expansion phase of the study.

The first human Phase 1 study in uveal melanoma will include a standard dose escalation and expansion phase. The dose escalation portion will evaluate once daily, multiple ascending doses of FHD-286 with a starting dose determined by our GLP toxicology studies. Dose escalation may include patients with metastatic uveal melanoma. The expansion phase may include multiple distinct cohorts of uveal melanoma patients, informed by findings from the dose escalation phase.

The primary endpoints will be safety, the identification of any dose-limiting toxicities, the maximum tolerated dose, the recommended Phase 2 dose, and the evaluation of pharmacokinetics and pharmacodynamics. The secondary endpoints are expected to include an evaluation of clinical activity: overall response rate, duration of response and time to event analyses. Biomarkers will be evaluated in an exploratory fashion, evaluating target engagement as well as markers associated with response and/or resistance. Prospective enrollment based on biomarker findings may be included in the expansion phase of the study.

These two Phase 1 studies are expected to be conducted in parallel. We intend to explore the potential value of multiple biomarkers to further understand and accelerate drug development. Biomarkers will include assessment of various tumor mutations, as well as expression levels of BRG1 and BRM. These biomarkers may be used for future patient selection, measurements of target engagement and biochemical and cellular measures associated with efficacy.



FHD-609

Overview

We are currently advancing FHD-609, a highly potent, selective and intravenous, small molecule protein degrader of BRD9, a subunit of a form of the BAF complex. Nearly all synovial sarcoma cancers harbor SS18-SSX mutations. These mutations render the cancer genetically dependent upon BRD9. FHD-609 has two domains: one that binds with high potency and selectivity to BRD9 and the other that binds to a receptor on the E3 ligase complex that directs proteins for destruction. Our preclinical data in synovial sarcoma animal xenograft models demonstrate anti-tumor effects that we believe support filing an IND and progressing FHD-609 into clinical studies. We have completed the dosing portion of our GLP toxicology studies for FHD-609. We plan to file our IND for FHD-609 in and, if cleared, expect to initiate a clinical study in synovial sarcoma during . This multi-center Phase 1 study will primarily assess the safety and tolerability of FHD-609 in patients with synovial sarcoma. Secondary endpoints are expected to include the pharmacokinetic and pharmacodynamic properties of FHD-609 as well as clinical activity. Proof of mechanism will be based on indicators of target engagement in association with FHD-609 treatment. As we further understand the therapeutic potential of FHD-609 in the course of these initial clinical studies, we may pursue additional clinical studies in these and other indications as a single agent and/or in combination with novel or standard of care agents.

Synovial Sarcoma Overview

Synovial sarcoma is a cancer of the connective tissue and most commonly originates in the arms or legs. Synovial sarcoma occurs most frequently in adolescents and young adults. There is an incidence over 1,800 new cases of synovial sarcoma in the United States, EU5 and Japan. Approximately 30 percent of synovial sarcomas occur in patients under 20 years of age with 84 percent of cases occurring in patients under 50 years of age.

Delay in diagnosis and treatment of synovial sarcoma is common because it is recognized simply by a lump that gradually grows over time. The primary treatment for synovial sarcoma is surgical excision of the tumor and surrounding normal tissue with the goal of sparing the limb if possible. Failure to adequately excise a sufficient area of tissue surrounding the tumor leads to recurrence rates of over 70 percent. Surgical resection is then followed by adjuvant chemotherapy or radiation therapy or both. However, there appears to be minimal benefit of these post-surgical treatments other than for palliative reasons. Radiation and chemotherapy are used in the neoadjuvant setting, or before surgery, to improve the chances of a successful limb sparing surgery.

Approximately ten percent of cases originally present as metastatic disease, and half of all cases eventually develop into metastatic disease. Eighty percent of metastases are localized in the lungs. Five-year survival rates for younger patients with early stage disease are approximately 76 percent; however, this decreases to approximately 20 percent in patients over age 30 with advanced disease.

There are no therapies specifically approved by the FDA for synovial sarcoma patients with metastatic disease. Pazopanib, marketed as Votrient® by Novartis has been approved by the FDA for treatment of soft tissue sarcoma in patients who had received prior chemotherapy. In a Phase 3 soft tissue sarcoma trial that included a total of 369 patients, the progression-free survival time for the subset of patients with synovial sarcoma was 4.1 months (N=25) compared to 0.9 months for those who received placebo (N=13). Other chemotherapeutic agents that may be used for palliative purposes include ifosfamide.

Synovial sarcomas are characterized by a chromosomal translocation that results in the fusion of the SS18 gene to one of three genes: SSX1, SSX2 and SSX4, creating SS18-SSX gene fusions. These gene fusions are unique in synovial sarcoma and create a protein not found in healthy patients that fuels the growth and proliferation of the cancer cells. In the scientific literature, the process has been described as the gene fusion “hijacking” the BAF complex, altering its function and causing it to unpack chromatin at wrong locations.

SS18 is a component of the BAF complex. The SS18-SSX fusion protein can also be incorporated into the BAF complex, leading to synovial sarcoma. Genomic screening in synovial sarcoma cells has identified a genetic dependency between synovial sarcoma cells containing SS18-SSX fusions and BRD9, a subunit of the ncBAF complex.

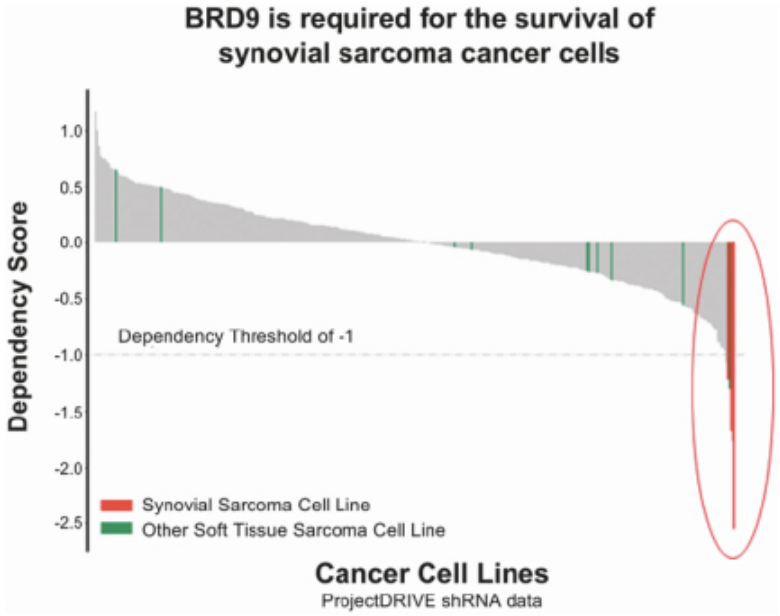


Figure 14. Synovial sarcoma cell lines were highly dependent on BRD9.

Our Solution: FHD-609

FHD-609 is a highly potent, selective and intravenous, small molecule protein degrader of BRD9. Unlike many traditional intracellular drug targets, BRD9 is not an enzyme and does not exhibit enzymatic activity. We therefore designed FHD-609 as a protein degrader, a molecule with two binding domains connected by a linker that drives the removal of targeted proteins by the cell's protein degradation system. In cells, these protein degrader molecules bring their target into proximity of the E3 ligase which marks these target proteins for destruction by the cell's proteasome system

One domain of FHD-609 is a potent and selective binder of BRD9. This is chemically linked to a domain that binds to a receptor on the E3 ligase complex. FHD-609 led to the specific degradation of BRD9 in multiple synovial sarcoma tumor cell lines, with a DC50 of less than 1 (one) nM. This resulted in the elimination of detectable BRD9 protein and the concomitant inhibition of proliferation of these synovial sarcoma cell lines.

Our Preclinical Data for Synovial Sarcoma

We have generated *in vivo* proof of concept data that demonstrates antitumor activity of FHD-609 in synovial sarcoma CDX models. In the synovial sarcoma SYO1 CDX model containing the SS18-SSX2 mutation, dosing with FHD-609 led to potent inhibition of tumor growth. Intravenous doses of FHD-609 yielded similar antitumor activity whether dosing was delivered as a once weekly (every 7 days) infusion or an equivalent drug amount delivered daily over seven days (3.5 mg/kg delivered every week versus 0.5 mg/kg delivered daily over 7 days). This suggests that sustained tumor regression can occur with a less frequent dosing regimen, which will be explored in clinical development. In the model, tumor growth inhibition levels were associated with levels of BRD9 degradation as indicated below.

SYO-1 Synovial Sarcoma CDX Model

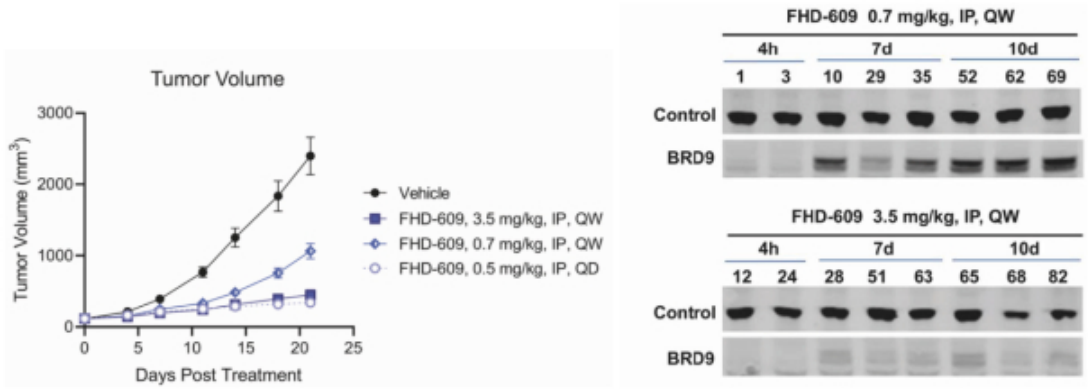


Figure 15. FHD-609 led to dose-dependent tumor growth inhibition of synovial sarcoma tumors equivalently at a once weekly or daily treatment schedule. On the right, the western blot shows dose-dependent BRD9 degradation correlating with the anti-tumor activity.

In the synovial sarcoma ASKA CDX model containing the SS18-SSX1 mutation, the antitumor activity of FHD-609 was comparable and superior to that observed for other systemic therapeutic agents. In this model FHD-609 was dosed intravenously twice per week, ifosfamide intravenously on days one through three every three weeks, and pazopanib orally once daily. FHD-609 led to robust tumor suppression, with complete suppression observed for over 40 days at the highest studied dose of 2 mg/kg.

ASKA Synovial Sarcoma CDX Model

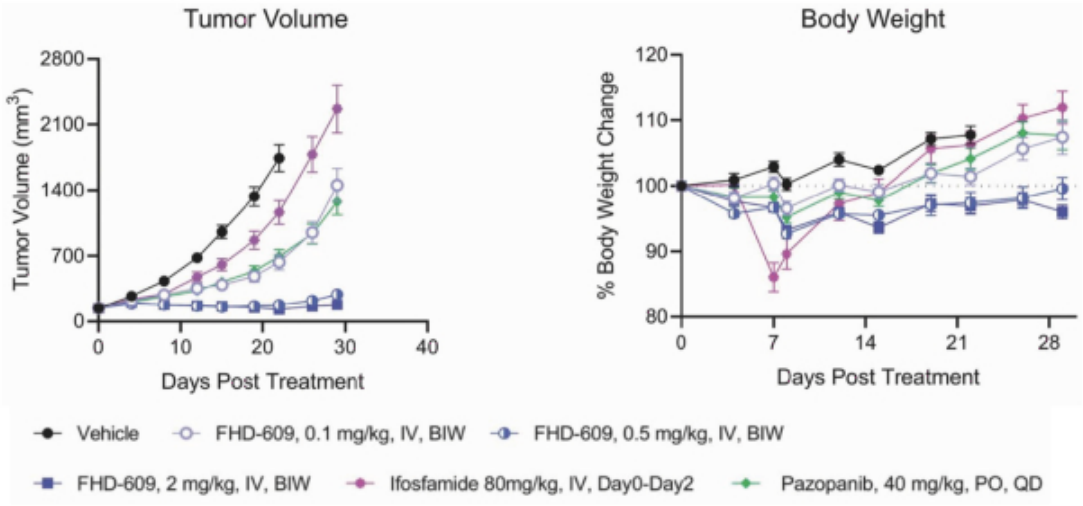


Figure 16. FHD-609 resulted in tumor regression in the ASKA synovial sarcoma xenograft model. FHD-609 demonstrated significant tumor growth inhibition compared to either ifosfamide or pazopanib.

Importantly, after discontinuation of FHD-609, treatment with FHD-609 is associated with sustained tumor growth inhibition. Following discontinuance of FHD-609 treatment at 2 mg/kg FHD-609 at approximately day 35, tumor regrowth was not detectable for at least another 15 days. We believe these results support the targeted degradation of BRD9 and its importance in synovial sarcoma.

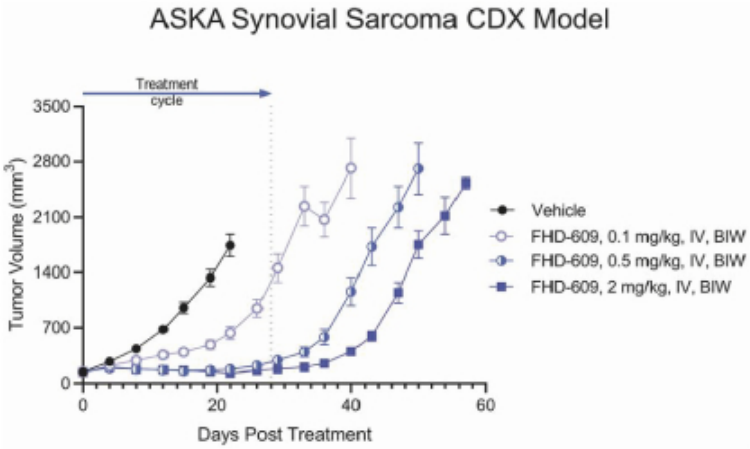


Figure 17. FHD-609 treatment was associated with sustained tumor suppression after treatment withdrawal.

Clinical Plans for FHD-609 in Synovial Sarcoma

The first-in-human study in synovial sarcoma will include a standard dose escalation and expansion phase. The dose escalation portion is a Phase 1 design with a starting dose determined by the GLP toxicology studies. Dose

escalation may include treatment-naïve or treatment-experienced patients with metastatic synovial sarcoma. The expansion phase may include multiple distinct cohorts of synovial sarcoma patients, informed by findings from the dose escalation phase. Initially, biomarkers such as the association of clinical activity and SS18-SSX mutational status will be evaluated retrospectively.

The primary endpoints of this first-in-human study will be safety, the identification of any dose-limiting toxicities, the maximum tolerated dose, the recommended Phase 2 dose, and the evaluation of pharmacokinetics and pharmacodynamics. The secondary endpoints are expected to include an evaluation of clinical activity: overall response rate, duration of response and additional time to event analyses. Biomarkers will be evaluated in an exploratory fashion, evaluating target engagement as well as markers associated with response and/or resistance. Prospective enrollment based on biomarker findings may be included in the expansion phase of the study.

BRM-Selective Modulators

Overview

Broad cancer sequencing initiatives have shown that BRG1 is one of the most highly mutated subunits of the BAF complex. BRG1 was found to be mutated in approximately five percent of tumors sequenced as part of the Memorial Sloan Kettering Cancer Center MSK-IMPACT study, and in up to ten percent of NSCLC tumors. Beyond NSCLC, the MSK-IMPACT study highlighted BRG1 mutations in over thirty different types of tumors. In many cases, these mutations lead to a loss of enzymatic activity in the BRG1 subunit, creating a genetically determined dependency on BRM. This loss of BRG1 and subsequent dependency on BRM leads to a drugging opportunity. We are currently developing selective modulators of BRM to target this genetic dependency in BRG1 mutated cancers.

12 Tumor Types with Highest Prevalence of BRG-1 Mutations

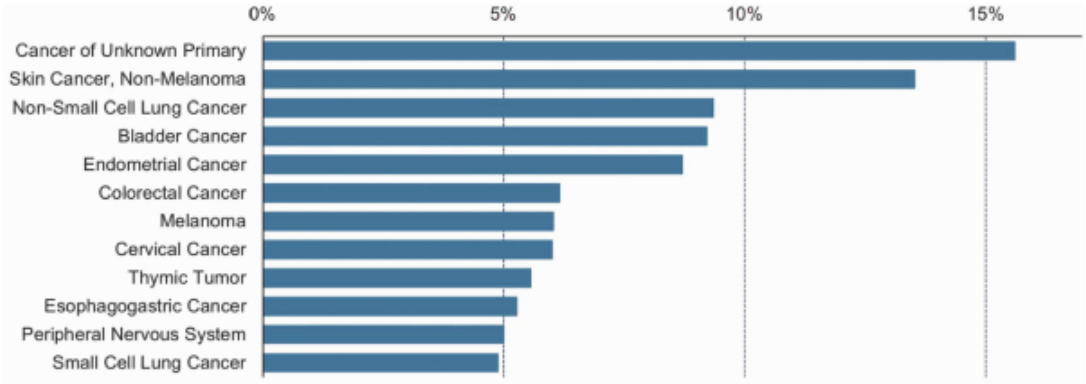


Figure 18. The above chart highlights the cancers with the highest prevalence of BRG1 mutations from the MSK-IMPACT study.

Non-Small Cell Lung Cancer (NSCLC) Overview

Lung cancer is the leading cause of cancer-related death, accounting for approximately 18 percent of all cancer deaths globally or an estimated 1.8 million deaths per year. There are an estimated 228,000 new cases of lung cancer diagnosed and 135,000 deaths in the United States annually. NSCLC accounts for 80 to 85 percent of lung cancer cases. Genetic profiling of tumors has identified a number of genes that are altered in NSCLC. The standard of care for NSCLC has included conventional chemotherapy with or without a checkpoint inhibitor. Targeted therapies developed for the proteins encoded by some of these genes such as the epidermal growth factor receptor, or EGFR, and anaplastic lymphoma kinase gene, or ALK, have been approved and are now part of the standard of care of patents with NSCLC. However, less than 30 percent of NSCLC patients have alterations in these two genes. Up to two thirds of NSCLC patients who are ineligible for or resistant to treatment with EGFR or ALK targeted therapies have tumors that express PD-L1 and are candidates for checkpoint inhibitor therapies, which lead to significant improvements in progression free survival and overall survival compared to standard chemotherapy. Despite the availability of both targeted and conventional therapies, the prognosis in NSCLC remains poor, with an overall five-year survival for all patients diagnosed with NSCLC of 19 percent.

An analysis of genomic data in NSCLC cancer patients, collected as part of MSK-IMPACT, revealed that gene alterations in BRG1 were found in ten percent of NSCLC samples. In a retrospective analysis conducted by MSKCC it was observed that among patients with BRG1-deficient NSCLC who received first-line platinum doublet chemotherapy or chemotherapy plus immunotherapy, median progression-free survival was 38 days and 35 days, respectively. Prognosis is poor in patients with BRG1-deficient NSCLC, highlighting the importance of developing novel therapeutics that address this unmet need.

MSK-IMPACT: BRG-1 Mutated in 10% of NSCLC

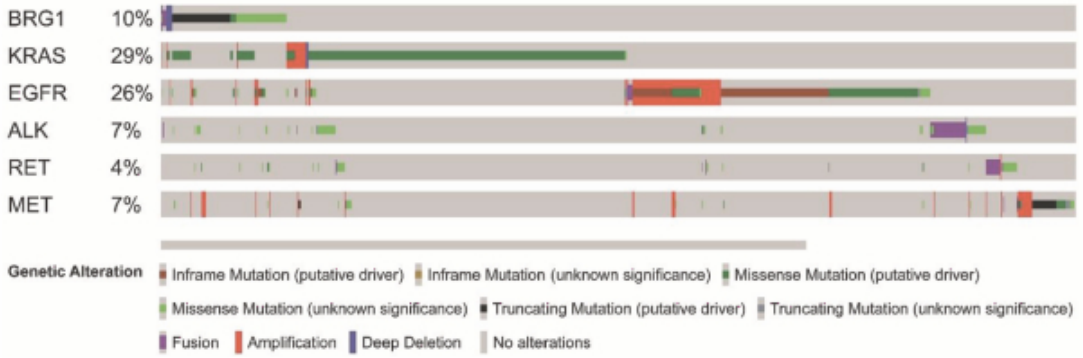


Figure 19. BRG1 gene alterations are found in 10 percent of NSCLC tumors and have minimal overlap with other actionable mutations present in NSCLC, such as EGFR and ALK.

Genomic screening of over 400 cancer cell lines that remove BRM via CRISPR revealed a genetic dependency of certain BRG1-mutated cancers on BRM. This finding suggests that selective inhibition of BRM has the potential to be therapeutically meaningful in certain cancers with BRG1 mutations.

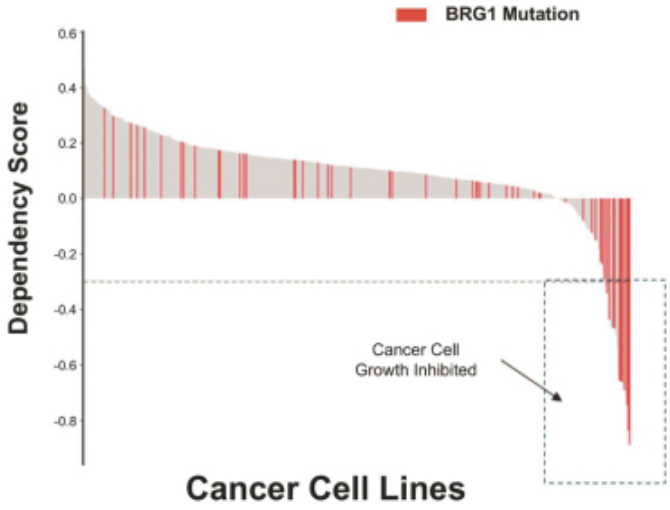


Figure 20. In a screen of over 400 cancer cell lines, inactivation of the BRM gene resulted in selective inhibition of cell lines containing mutations in BRG1.

Our Solution: Selective BRM Modulators

We are advancing two classes of molecules, an enzymatic inhibitor and a protein degrader, as selective modulators of BRM.

One class consists of selective, allosteric inhibitors of the ATPase activity of BRM. We are designing these inhibitors to be more selective for BRM than the very similar ATPase BRG1. Through our proprietary methods of isolating and screening BAF complexes that contain either BRG1 or BRM, we have identified small molecule inhibitors that are over 10 times more selective for BRG1 or BRM. We have shown that this selectivity is also observed in cellular assays. Pharmacokinetic profiles of these molecules are consistent with the ability to potently inhibit BRM while having minimal inhibitory activity against BRG1.

Enzyme assay using BRG1 and BRM subunits

Enzyme assay using BRG1 and BRM containing full BAF complexes

Cellular assays for BRG1 and BRM

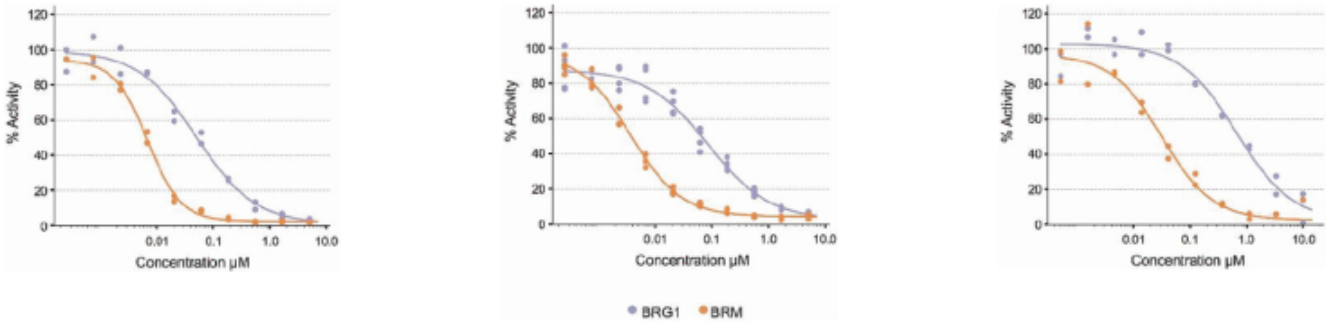


Figure 21. This panel demonstrated biochemical (percent of ATPase activity) and cellular selectivity of a 20X selective inhibitor of BRG1 versus BRM.

Our other approach to selective BRM modulation consists of protein degrader molecules that activate the cell's protein degradation system to selectively destroy BRM. One domain of the BRM degrader molecule is a potent and selective binder of BRM. This is chemically linked to a domain that binds to a receptor on the E3 ligase complex. In cells, these protein degrader molecules bring their target into proximity of the E3 ligase which marks these target proteins for destruction by the cell's protein degradation system. We have shown that it is possible to identify protein degraders that lead to the destruction of BRM while leaving BRG1 untouched. We anticipate nominating a drug candidate in .

Selective Degradation of BRM

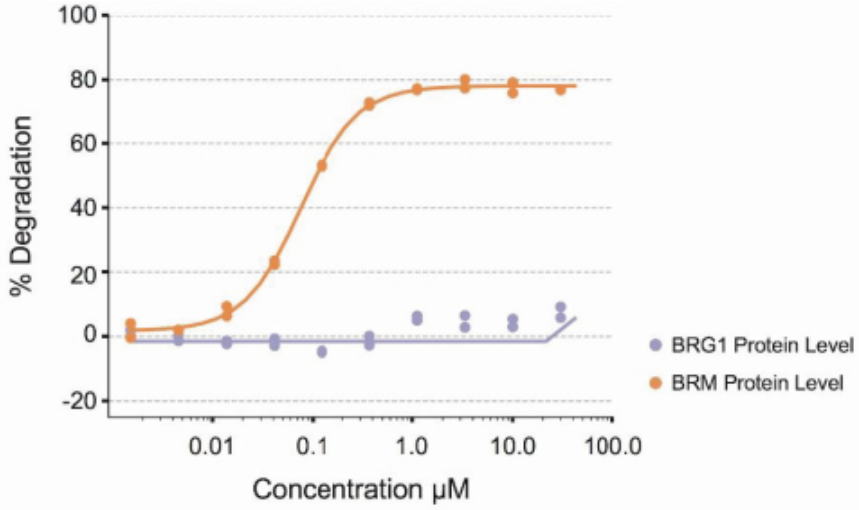


Figure 22. Selective BRM degrading molecules led to the degradation of over 75 percent of BRM while leaving the levels of BRG1 virtually unchanged.

ARID1B Selective Modulators and Other Opportunities in the Chromatin Regulatory System

The ARID1A subunit is the most mutated subunit within the BAF complex. Mutations in ARID1A confer a dependency on the ARID1B subunit of the BAF complex. ARID1A mutations are implicated in ovarian, endometrial, colorectal, bladder, and gastric cancers. Data suggest that there are over 175,000 patients with ARID1A mutations that would potentially benefit from a therapy selectively targeting ARID1B.

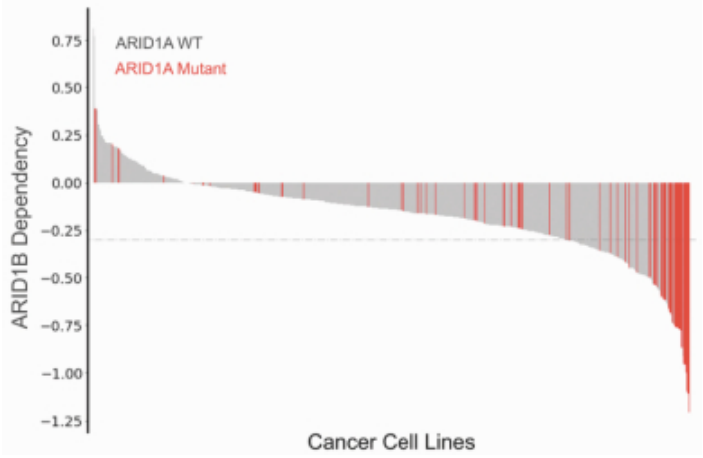


Figure 23. In a screen of over 400 cancer cell lines, inactivation of the ARID1B gene resulted in selective growth inhibition of cell lines containing mutations in ARID1A, establishing the dependency on ARID1B in these cell lines.

Binding Selectivity for ARID1B Binder

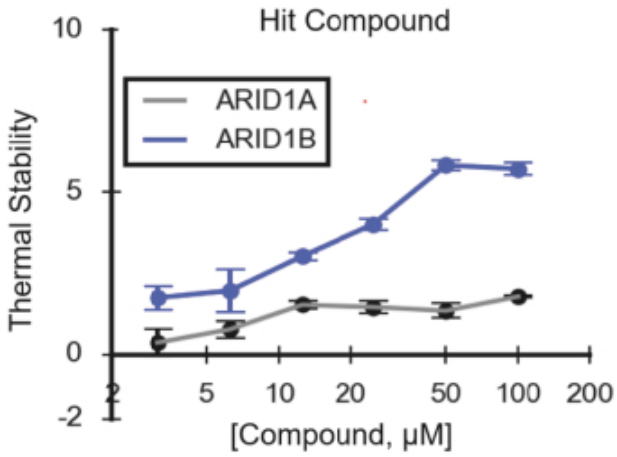


Figure 24. Dose response by DSF (Differential scanning fluorimetry) demonstrated selective binding to ARID1B over ARID1A with an initial screening hit compound.

Since ARID1B is not an enzyme, our strategy is to selectively degrade ARID1B. Our platform allows us to generate full BAF complexes containing only ARID1A or ARID1B. Using our platform, we have conducted high throughput screens and have discovered binders to the ARID1B protein that we will seek to optimize as protein degrader product candidates.

Given the significance of mutations within the chromatin regulatory system, we are using our platform to discover and validate additional dependencies. We have several additional early programs underway. We continue to evaluate new target opportunities and intend to further expand our pipeline in oncology as well as other therapeutic areas.

Targeting Transcription Factors: Disrupting Transcription Factor Binding to Chromatin Remodeling Complexes

Transcription factors work in concert with chromatin remodeling complexes, BAF as one example, to orchestrate gene expression. In tumor cells, genes encoding transcription factors are often amplified, deleted, rearranged via chromosomal translocation or subjected to point mutations that result in a gain or loss of function. We have developed a set of tools to visualize and study the interactions between transcription factors and chromatin remodeling complexes. To our knowledge, we are the only company with these capabilities.

We are using these capabilities to drive our drug discovery efforts across multiple transcription factor programs for a variety of cancer indications. Our strategy is to disrupt the interaction between transcription factors and chromatin remodeling complexes. Our initial focus is on disrupting transcription factor interactions with the BAF complex. We believe that there are over 100 transcription factors in oncology that would be amenable to this new approach. Based on these insights, we are developing small molecule disruptors that block the interaction between transcription factors and the BAF complex. In addition to applications in cancer, we believe that such disruptors could be applied in other therapeutic areas.

Our approach to disrupting the interactions between transcription factors and the BAF complex is the basis of a collaboration signed with Merck in July 2020. In this collaboration, we intend to apply our Gene Traffic Control platform to identify disruptors of a single predetermined transcription factor. As part of the collaboration, we received an upfront payment of $15.0 million, and are also eligible to receive up to $245.0 million upon first achievement of specified research, development and regulatory milestones by any product candidate generated by the collaboration, and up to $165.0 million upon achievement of specified sales-based milestones.

A prototypical example of a chromatin remodeling complex–transcription factor interaction is exemplified by the ERG transcription factor and BAF. In approximately half of all prostate cancers, the gene encoding ERG is fused to the TMPRRS2 promotor, resulting in the overexpression of ERG and the upregulation of a broad set of additional genes. Furthermore, genetic suppression of ERG expression in cells containing the TMPRRS2-ERG gene fusion has been shown to inhibit cell proliferation. These results support our approach that disrupting the interaction of over expressed transcription factors, such as ERG, with a chromatin remodeling complex has the potential to be therapeutically beneficial to patients.

Similar to ERG, the ability of individual transcription factors to interact with the BAF complex has previously been reported in the literature, but to our knowledge, there have not previously been systematic studies quantifying and describing these binding interactions. We used our Gene Traffic Control platform to produce and purify BAF complexes and multiple transcription factors to study the structural details as well as the biochemical and biophysical properties of their interactions.

We observed that different transcription factors bind to different sites on the surface of the BAF complex. This suggests that there is specificity in these interactions. Therefore, it may be possible to block the interaction of a specific transcription factor with the BAF complex without blocking the interactions of other transcription factors.

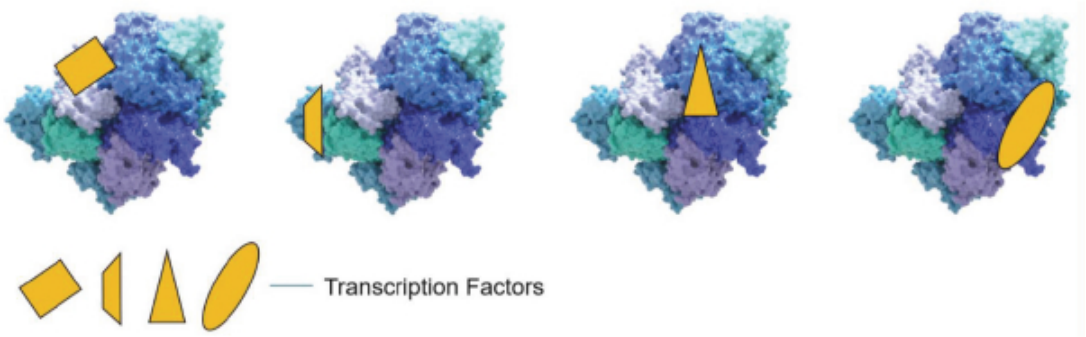


Figure 25. Illustrative locations of the binding sites of multiple transcription factors to the BAF complex.

We also observed that the binding affinities that describe how tightly transcription factors bind to the BAF complex are roughly comparable to those observed for other protein-protein interactions for which small molecule disruptors have been developed. We found that the interactions between multiple transcription factors and the BAF complex had a K_d, a measure of binding affinity, in the range of 20 to 350 nM.

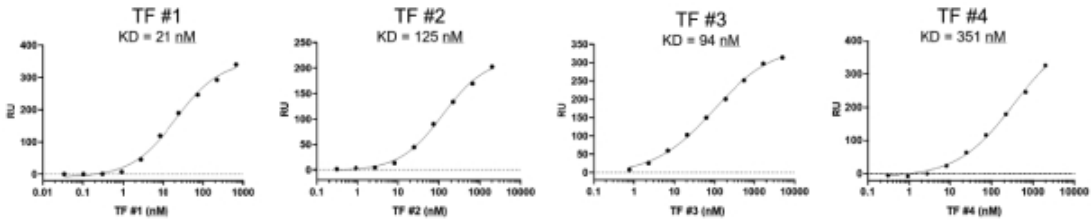


Figure 26. Interactions between transcription factors and the BAF complex have K_ds in the range of 20 to 350 nM. Smaller numbers reflected higher affinity binding.

Using the insights of where and how tightly transcription factors bind, we have developed as part of our Gene Traffic Control platform the ability to conduct high throughput screens on chromatin remodeling complex–transcription factor interactions. We have already validated eight BAF-transcription factor interactions for targets of interest in various cancers. We are applying our know-how to screen several of these BAF-transcription factor interactions to discover and develop transcription factor disruptors. We intend to use our platform to validate and drug additional transcription factors that interact with BAF and other chromatin remodeling complexes both in oncology and other therapeutic areas.

Competition

The biotechnology and pharmaceutical industries are characterized by the rapid evolution of technologies and understanding of disease etiology, intense competition and a strong emphasis on intellectual property. We believe that our approach, strategy, scientific capabilities, know-how and experience provide us with competitive advantages. However, we expect substantial competition from multiple sources, including major pharmaceutical, specialty pharmaceutical, and existing or emerging biotechnology companies, academic research institutions and governmental agencies and public and private research institutions worldwide. Many of our competitors, either alone or through collaborations, have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved products than we do. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with us in recruiting and retaining qualified scientific and management personnel and

establishing clinical trial sites and patient enrollment in clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs. As a result, our competitors may discover, develop, license or commercialize products before or more successfully than we do.

We face competition from segments of the pharmaceutical, biotechnology and other related markets that pursue the development of therapies that target broad genetic expression mechanisms, including the chromatin regulatory system. In addition, we may face competition from companies developing product candidates that utilize protein degradation approaches, including Arvinas, Inc., Kymera Therapeutics, Inc., Nurix Therapeutics, Inc., C4 Therapeutics, Inc., and Vividion Therapeutics, Inc. Further, several large pharmaceutical companies have disclosed preclinical investments in this field. Our competitors will also include companies that are or will be developing other targeted therapies, including small molecule, antibody, or protein degraders for the same indications that we are targeting.

We could see a reduction or elimination in our commercial opportunity if our competitors develop and commercialize drugs that are safer, more effective, have fewer or less severe side effects, are more convenient to administer, are less expensive or with more favorable labeling than our product candidates. Our competitors also may obtain FDA or other regulatory approval for their drugs 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. The key competitive factors affecting the success of all of our product candidates, if approved, are likely to be their efficacy, safety, convenience, price, the level of generic competition and the availability of reimbursement from government and other third-party payors.

Intellectual property

We seek to protect the intellectual property and proprietary technology that we consider important to our business, including by pursuing patent applications that cover our product candidates and methods of using the same, as well as other relevant inventions and improvements that we believe to be commercially important to the development of our business. We also rely on trade secrets, know-how and continuing technological innovation to develop and maintain our proprietary and intellectual property position. Our commercial success depends, in part, on our ability to obtain, maintain, enforce and protect our intellectual property and other proprietary rights for the technology, inventions and improvements we consider important to our business, and to defend any patents we may own or in-license in the future, prevent others from infringing any patents we may own or in-license in the future, preserve the confidentiality of our trade secrets, and operate without infringing, misappropriating or otherwise violating the valid and enforceable patents and proprietary rights of third parties.

As with other biotechnology and pharmaceutical companies, our ability to maintain and solidify our proprietary and intellectual property position for our product candidates and technologies will depend on our success in obtaining effective patent claims and enforcing those claims if granted. However, our pending provisional and PCT patent applications, and any patent applications that we may in the future file or license from third parties, may not result in the issuance of patents and any issued patents we may obtain do not guarantee us the right to practice our technology or commercialize our product candidates. We also cannot predict the breadth of claims that may be allowed or enforced in any patents we may own or in-license in the future. Any issued patents that we may own or in-license in the future may be challenged, invalidated, circumvented or have the scope of their claims narrowed. In addition, because of the extensive time required for clinical development and regulatory review of a product candidate we may develop, it is possible that, before any of our product candidates can be commercialized, any related patent may expire or remain in force for only a short period following commercialization, thereby limiting the protection such patent would afford the respective product and any competitive advantage such patent may provide.

The term of individual patents depends 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. In most countries, including the United States, the patent term is 20 years from the earliest filing date of a non-provisional patent application. In

the United States, a patent's term may be lengthened by patent term adjustment, which compensates a patentee for administrative delays by the USPTO in examining and granting a patent, or may be shortened if a patent is terminally disclaimed over an earlier filed patent. The term of a patent claiming a new drug product may also be eligible for a limited patent term extension when FDA approval is granted, provided statutory and regulatory requirements are met. The restoration period granted on a patent covering a product is typically one-half the time between the effective date of a clinical investigation involving human beings is begun and the submission date of an application, plus the time between the submission date of an application and the ultimate approval date. 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. Only one patent applicable to an approved product is eligible for the extension, and only those claims covering the approved product, a method for using it, or a method for manufacturing it may be extended. Additionally, the application for the extension must be submitted prior to the expiration of the patent in question. A patent that covers multiple products for which approval is sought can only be extended in connection with one of the approvals. The United States Patent and Trademark Office reviews and approves the application for any patent term extension or restoration in consultation with the FDA. In the future, if our product candidates receive approval by the FDA, we expect to apply for patent term extensions on any issued patents covering those products, depending upon the length of the clinical studies for each product and other factors. There can be no assurance that patents will issue from our current or future pending patent applications, or that we will benefit from any patent term extension or favorable adjustments to the terms of any patents we may own or in-license in the future. In addition, 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. Patent term may be inadequate to protect our competitive position on our products for an adequate amount of time.

As of August 26, 2020, we owned 16 pending U.S. provisional patent applications, four pending U.S. non-provisional patent applications, and 16 pending PCT applications, and four pending ex-U.S. patent applications. We currently do not own or in-license any issued patents with respect to any of our product candidates, including FHD-286 and FHD-609, or our platform technology, and our intellectual property portfolio is in its very early stages.

FHD-286

As of August 26, 2020, we owned five pending U.S. provisional patent applications, one pending U.S. non-provisional patent applications, four pending Patent Cooperation Treaty, or PCT, patent applications, and two pending ex-U.S. patent applications that relate to FHD-286, including its composition and various methods of use. Any U.S. or ex-U.S. patent that may issue from these patent applications would be scheduled to expire between 2039-2041, excluding any additional term for patent term adjustment or patent term extension, if applicable.

FHD-609

As of August 26, 2020, we owned two pending U.S. provisional patent applications, one pending U.S. non-provisional patent applications, and two pending Patent Cooperation Treaty, or PCT, patent applications, and two pending ex-U.S. patent applications that relate to FHD-609, including its composition and various methods of use. Any U.S. or ex-U.S. patent that may issue from a non-provisional patent application claiming priority to these applications would be scheduled to expire between 2039-2041, excluding any additional term for patent term adjustment or patent term extension, if applicable.

Prosecution of most of our PCT patent applications and our provisional patent applications has not commenced, and will not commence unless and until they are timely converted into U.S. non-provisional or national stage applications. Prosecution is a lengthy process, during which the scope of the claims initially submitted for examination by the USPTO or other foreign jurisdiction are often significantly narrowed by the time they issue,

if they issue at all. Any of our pending PCT patent applications are not eligible to become issued patents until, among other things, we file national stage patent applications within 30 months in the countries in which we seek patent protection. If we do not timely file any national stage patent applications, we may lose our priority date with respect to our PCT patent applications and any patent protection on the inventions disclosed in such PCT patent applications. Our provisional patent applications may never result in issued patents and are not eligible to become issued patents until, among other things, we file a non-provisional patent application within 12 months of filing the related provisional patent application. If we do not timely file non-provisional patent applications, we may lose our priority date with respect to our provisional patent applications and any patent protection on the inventions disclosed in our provisional patent applications. While we intend to timely file non-provisional and national stage patent applications relating to our provisional and PCT patent applications, we cannot predict whether any of our current or future patent applications related to FHD-286, FHD-609, or any of our other product candidates, will issue as patents. If we do not successfully obtain patent protection, or, even if we do obtain patent protection, if the scope of the patent protection we obtain with respect to FHD-286, FHD-609, or our other product candidates or technology is not sufficiently broad, we will be unable to prevent others from using our technology or from developing or commercializing technology and products similar or identical to ours or other competing products and technologies.

In addition to patent applications, we rely on unpatented trade secrets, know-how and continuing technological innovation to develop and maintain our competitive position. However, trade secrets and confidential know-how are difficult to protect. In particular, we consider various aspects of our Gene Traffic Control platform to constitute our trade secrets and know-how. We seek to protect our proprietary information, in part, by executing confidentiality agreements with our collaborators and scientific advisors and non-competition, non-solicitation, confidentiality and invention assignment agreements with our employees and consultants. We cannot guarantee that we will have executed such agreements with all applicable employees and contractors, or that these agreements will afford us adequate protection of our intellectual property and proprietary information rights. In addition, our trade secrets and/or confidential know-how may become known or be independently developed by a third party or misused by any person to whom we disclose such information. These agreements may also be breached, and we may not have an adequate remedy for any such breach. Despite any measures taken to protect our intellectual property, unauthorized parties may attempt to copy aspects of our products or to obtain or use information that we regard as proprietary. Although we take steps to protect our proprietary information, third parties may independently develop the same or similar proprietary information or may otherwise gain access to our proprietary information. As a result, we may be unable to meaningfully protect our trade secrets and proprietary information. For more information regarding the risks related to our intellectual property, please see “Risk Factors—Risks Related to our Intellectual Property.”

License Agreement with Merck

In July 2020, we entered into a Research Collaboration and Exclusive License Agreement, or the Merck Collaboration Agreement, with Merck Sharp & Dohme Corp., or Merck, to apply our Gene Traffic Control platform to discover and develop novel therapeutics based on disruptors of a specified transcription factor target.

Under the terms of the Merck Collaboration Agreement, we are responsible for certain preclinical research activities under a mutually agreed research plan, such as the use of our high throughput screening and compound optimization technology to identify and validate disruptors directed to this transcription factor target, up until our delivery to Merck of a hit package that identifies validated disruptors directed to the transcription factor target. Merck will be responsible for further preclinical research under the Merck Collaboration Agreement and for the clinical development and commercialization of therapeutics arising from the agreement. Merck will have a limited right to substitute the transcription factor target that is the subject of the collaboration for other transcription factors.

Under the terms of the Merck Collaboration Agreement, we have granted Merck an exclusive, worldwide, sublicensable license under certain patent rights and know-how to make, have made, use, import, offer to sell and sell therapeutics arising from the collaboration that disrupt the specified transcription factor target.

We have received an upfront payment of $15.0 million from Merck, and are eligible to receive up to $245.0 million upon first achievement of specified research, development and regulatory milestones by any product candidate generated by the collaboration, and up to $165.0 million upon achievement of specified sales-based milestones per approved product from the collaboration, if any. We will be eligible to receive tiered royalties, calculated on a product-by-product basis, on net sales of approved products from the collaboration, if any, at royalty rates ranging from the low single digits to low double digits, depending on whether the products are covered by patent rights we license to Merck.

The Merck Collaboration Agreement will expire upon expiration of all of Merck's royalty obligations under the agreement. Merck may terminate the Merck Collaboration Agreement for convenience, and either party may terminate the Merck Collaboration Agreement in the event the other party's uncured material breach or such party's bankruptcy or insolvency. If Merck terminates the Merck Collaboration Agreement as a result of our breach, the licenses and other rights granted to Merck under the agreement will remain in effect and become perpetual. If the term of the agreement expires, then such licenses and other rights will become fully paid-up.

Manufacturing

We do not have any manufacturing facilities or personnel. We currently rely, and expect to continue to rely, on third parties for the manufacture of our product candidates undergoing preclinical testing, as well as for clinical testing if our INDs for FHT-286 and FHT-609 are accepted and commercial manufacture if our product candidates receive marketing approval.

All of our drug candidates are small molecules and are manufactured in synthetic processes from available starting materials. The chemistry appears amenable to scale up and does not currently require unusual equipment in the manufacturing process. We expect to continue to develop product candidates that can be produced cost-effectively at contract manufacturing facilities.

We generally expect to rely on third parties for the manufacture of companion diagnostics for our products, which are assays or tests to identify an appropriate patient population. Depending on the technology solutions we choose, we may rely on multiple third parties to manufacture and sell a single test.

Commercialization

Subject to receiving marketing approvals, we expect to commence commercialization activities by building a focused sales and marketing organization in the United States to sell our products. We believe that such an organization will be able to address the community of oncologists who are the key specialists in treating the patient populations for which our product candidates are being developed. Outside the United States, we expect to enter into distribution and other marketing arrangements with third parties for any of our product candidates that obtain marketing approval.

We also plan to build a marketing and sales management organization to create and implement marketing strategies for any products that we market through our own sales organization and to oversee and support our sales force. The responsibilities of the marketing organization would include developing educational initiatives with respect to approved products and establishing relationships with researchers and practitioners in relevant fields of medicine.

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, recordkeeping, approval, advertising, promotion, marketing, post-approval monitoring and post-approval reporting of drugs. We, along

with our vendors, contract research organizations and contract manufacturers, will be required to navigate the various preclinical, clinical, manufacturing and commercial approval requirements of the governing regulatory agencies of the countries in which we wish to conduct studies or seek approval of our product candidates. The process of obtaining regulatory approvals of drugs and ensuring subsequent compliance with appropriate federal, state, local and foreign statutes and regulations requires the expenditure of substantial time and financial resources.

In the United States, where we are initially focusing our drug development, the FDA regulates drug products under the Federal Food, Drug, and Cosmetic Act, or FD&C Act, as amended, its implementing regulations and other laws. If we fail to comply with applicable FDA or other requirements at any time with respect to product development, clinical testing, approval or any other legal requirements relating to product manufacture, processing, handling, storage, quality control, safety, marketing, advertising, promotion, packaging, labeling, export, import, distribution, or sale, we may become subject to administrative or judicial sanctions or other legal consequences. These sanctions or consequences could include, among other things, the FDA's refusal to approve pending applications, issuance of clinical holds for ongoing studies, suspension or revocation of approved applications, warning or untitled letters, product withdrawals or recalls, product seizures, relabeling or repackaging, total or partial suspensions of manufacturing or distribution, injunctions, fines, civil penalties or criminal prosecution.

The process required by the FDA before our product candidates are approved as drugs for therapeutic indications and may be marketed in the United States generally involves the following:

- completion of extensive preclinical studies in accordance with applicable regulations, including studies conducted in accordance with good laboratory practice, or GLP, requirements;
- completion of the manufacture, under cGMP conditions, of the drug substance and drug product that the sponsor intends to use in human clinical trials along with required analytical and stability testing;
- submission to the FDA of an IND, which must become effective before clinical trials may begin;
- approval by an institutional review board, or IRB, or independent ethics committee at each clinical trial site before each trial may be initiated;
- performance of adequate and well-controlled clinical trials in accordance with applicable IND regulations, good clinical practice, or GCP, requirements and other clinical trial-related regulations to establish the safety and efficacy of the investigational product for each proposed indication;
- submission to the FDA of a New Drug Application, or NDA;
- a determination by the FDA within 60 days of its receipt of an NDA, to accept the filing for review;
- satisfactory completion of one or more FDA pre-approval inspections of the manufacturing facility or facilities where the drug will be produced to assess compliance with cGMP requirements to assure that the facilities, methods and controls are adequate to preserve the drug's identity, strength, quality and purity;
- potentially, satisfactory completion of FDA audit of the clinical trial sites that generated the data in support of the NDA;
- payment of user fees for FDA review of the NDA; and
- FDA review and approval of the NDA, including consideration of the views of any FDA advisory committee, prior to any commercial marketing or sale of the drug in the United States.

Preclinical studies and clinical trials for drugs

Before testing any drug in humans, the product candidate must undergo rigorous preclinical testing. Preclinical studies include laboratory evaluations of drug chemistry, formulation and stability, as well as *in vitro* and animal

studies to assess safety and in some cases to establish the rationale for therapeutic use. The conduct of preclinical studies is subject to federal and state regulation, including GLP requirements for safety/toxicology studies. The results of the preclinical studies, together with manufacturing information and analytical data, must be submitted to the FDA as part of an IND. An IND is a request for authorization from the FDA to administer an investigational product to humans and must become effective before clinical trials may begin. Some long-term preclinical testing may continue after the IND is submitted. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA, within the 30-day time period, raises concerns or questions about the conduct of the clinical trial, including concerns that human research subjects will be exposed to unreasonable health risks, and imposes a full or partial clinical hold. FDA must notify the sponsor of the grounds for the hold and any identified deficiencies must be resolved before the clinical trial can begin. Submission of an IND may result in the FDA not allowing clinical trials to commence or not allowing clinical trials to commence on the terms originally specified in the IND. A clinical hold can also be imposed once a trial has already begun, thereby halting the trial until the deficiencies articulated by FDA are corrected.

The clinical stage of development involves the administration of the product candidate to healthy volunteers or patients under the supervision of qualified investigators, who generally are physicians not employed by or under the trial sponsor's control, in accordance with GCP requirements, which include the requirements that all research subjects provide their informed consent for their participation in any clinical trial. Clinical trials are conducted under protocols detailing, among other things, the objectives of the clinical trial, dosing procedures, subject selection and exclusion criteria and the parameters and criteria to be used in monitoring safety and evaluating effectiveness. Each protocol, and any subsequent amendments to the protocol, must be submitted to the FDA as part of the IND. Furthermore, each clinical trial must be reviewed and approved by an IRB for each institution at which the clinical trial will be conducted to ensure that the risks to individuals participating in the clinical trials are minimized and are reasonable compared to the anticipated benefits. The IRB also approves the informed consent form that must be provided to each clinical trial subject or his or her legal representative and must monitor the clinical trial 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 subject or other grounds, such as a lack of observed efficacy. There also are requirements governing the reporting of ongoing clinical trials and completed clinical trials to public registries. Information about clinical trials, including results for clinical trials other than Phase 1 investigations, must be submitted within specific timeframes for publication on www.ClinicalTrials.gov, a clinical trials database maintained by the National Institutes of Health.

A sponsor who wishes to conduct a clinical trial outside of the United States may, but need not, obtain FDA authorization to conduct the clinical trial under an IND. If a foreign clinical trial is not conducted under an IND, FDA will nevertheless accept the results of the study in support of an NDA if the study was conducted in accordance with GCP requirements, and the FDA is able to validate the data through an onsite inspection if deemed necessary.

Clinical trials to evaluate therapeutic indications to support NDAs for marketing approval are typically conducted in three sequential phases, which may overlap.

- *Phase 1*—Phase 1 clinical trials involve initial introduction of the investigational product into healthy human volunteers or patients with the target disease or condition. These studies are typically designed to test the safety, dosage tolerance, absorption, metabolism and distribution of the investigational product in humans, excretion the side effects associated with increasing doses, and, if possible, to gain early evidence of effectiveness.
- *Phase 2*—Phase 2 clinical trials typically involve administration of the investigational product to a limited patient population with a specified disease or condition to evaluate the drug's potential

efficacy, to determine the optimal dosages and dosing schedule and to identify possible adverse side effects and safety risks.

- *Phase 3*—Phase 3 clinical trials typically involve administration of the investigational product to an expanded patient population to further evaluate dosage, to provide statistically significant evidence of clinical efficacy and to further test for safety, generally at multiple geographically dispersed clinical trial sites. These clinical trials are intended to establish the overall risk/benefit ratio of the investigational product and to provide an adequate basis for product approval and physician labeling.

Post-approval trials, sometimes referred to as Phase 4 clinical trials or post-marketing studies, may be conducted after initial marketing approval. These trials are used to gain additional experience from the treatment of patients in the intended therapeutic indication and are commonly intended to generate additional safety data regarding use of the product in a clinical setting. In certain instances, the FDA may mandate the performance of Phase 4 clinical trials as a condition of NDA approval.

Progress reports detailing the results of the clinical trials, among other information, must be submitted at least annually to the FDA. Written IND safety reports must be submitted to the FDA and the investigators fifteen days after the trial sponsor determines the information qualifies for reporting for serious and unexpected suspected adverse events, findings from other studies or animal or *in vitro* testing that suggest a significant risk for human volunteers and any clinically important increase in the rate of a serious suspected adverse reaction over that listed in the protocol or investigator brochure. The sponsor must also notify the FDA of any unexpected fatal or life-threatening suspected adverse reaction as soon as possible but in no case later than seven calendar days after the sponsor's initial receipt of the information.

During the development of a new drug, sponsors are given opportunities to meet with the FDA at certain points. These points may be prior to submission of an IND, at the end of Phase 2, and before an NDA is submitted. Meetings at other times may be requested. These meetings can provide an opportunity for the sponsor to share information about the data gathered to date, for the FDA to provide advice, and for the sponsor and the FDA to reach agreement on the next phase of development.

Concurrent with clinical trials, companies usually complete additional animal studies and must also develop additional information about the chemistry and physical characteristics of the product candidate and finalize a process for manufacturing the drug product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product candidate and manufacturers must develop, among other things, methods for testing the identity, strength, quality and purity of the final drug product. 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.

U.S. marketing approval for drugs

Assuming successful completion of the required clinical testing, the results of the preclinical studies and clinical trials, together with detailed information relating to the product's chemistry, manufacture, controls and proposed labeling, among other things, are submitted to the FDA as part of an NDA package requesting approval to market the product for one or more indications. An NDA is a request for approval to market a new drug for one or more specified indications and must contain proof of the drug's safety and efficacy for the requested indications. The marketing application is required to include both negative and ambiguous results of preclinical studies and clinical trials, as well as positive findings. Data may come from company-sponsored clinical trials intended to test the safety and efficacy of a product's use or from a number of alternative sources, including studies initiated by investigators. To support marketing approval, the data submitted must be sufficient in quality and quantity to establish the safety and efficacy of the investigational product to the satisfaction of the FDA. FDA must approve an NDA before a drug may be marketed in the United States.

The FDA reviews all submitted NDAs before it accepts them for filing and may request additional information rather than accepting the NDA for filing. The FDA must make a decision on accepting an NDA for filing within 60 days of receipt, and such decision could include a refusal to file by the FDA. Once the submission is accepted for filing, the FDA begins an in-depth substantive review of the NDA. The FDA reviews an NDA to determine, among other things, whether the drug is safe and effective for the indications sought and whether the facility in which it is manufactured, processed, packaged or held meets standards designed to assure the product's continued safety, quality and purity. Under the goals and polices agreed to by the FDA under the Prescription Drug User Fee Act, or PDUFA, the FDA targets ten months, from the filing date, in which to complete its initial review of a new molecular entity NDA and respond to the applicant, and six months from the filing date of a new molecular entity NDA for priority review. The FDA does not always meet its PDUFA goal dates for standard or priority NDAs, and the review process is often extended by FDA requests for additional information or clarification.

Further, under PDUFA, as amended, each NDA must be accompanied by a substantial user fee. The FDA adjusts the PDUFA user fees on an annual basis. Fee waivers or reductions are available in certain circumstances, including a waiver of the application fee for the first application filed by a small business. Additionally, no user fees are assessed on NDAs for products designated as orphan drugs, unless the product also includes a non-orphan indication.

The FDA also may require submission of a Risk Evaluation and Mitigation Strategy, or REMS, if it believes that a risk evaluation and mitigation strategy is necessary to ensure that the benefits of the drug outweigh its risks. A REMS can include use of risk evaluation and mitigation strategies like medication guides, physician communication plans, assessment plans, and/or elements to assure safe use, such as restricted distribution methods, patient registries, or other risk-minimization tools.

The FDA may refer an application for a novel drug to an advisory committee. An advisory committee is a panel of independent experts, including clinicians and other scientific experts, which reviews, evaluates and provides a recommendation as to whether the application should be approved and under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

Before approving an NDA, the FDA typically will 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 are adequate to assure consistent production of the product within required specifications. Additionally, before approving an NDA, the FDA may inspect one or more clinical trial sites to assure compliance with GCP and other requirements and the integrity of the clinical data submitted to the FDA.

After evaluating the NDA and all related information, including the advisory committee recommendation, if any, and inspection reports regarding the manufacturing facilities and clinical trial sites, the FDA may issue an approval letter, or, in some cases, a complete response letter. A complete response letter generally contains a statement of specific conditions that must be met in order to secure final approval of the NDA and may require additional clinical or preclinical testing in order for the FDA to reconsider the application. Even with submission of this additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval. If and when those conditions have been met to the FDA's satisfaction, the FDA will typically issue an approval letter. An approval letter authorizes commercial marketing of the drug with specific prescribing information for specific indications.

Even if the FDA approves a product, depending on the specific risk(s) to be addressed it may limit the approved indications for use of the product, require that contraindications, warnings or precautions be included in the product labeling, require that post-approval studies, including Phase 4 clinical trials, be conducted to further assess a drug's safety after approval, require testing and surveillance programs to monitor the product after

commercialization, or impose other conditions, including distribution and use restrictions or other risk management mechanisms under a REMS, which can materially affect the potential market and profitability of the product. The FDA may prevent or limit further marketing of a product based on the results of post-marketing studies or surveillance programs. After approval, some types of changes to the approved product, such as adding new indications, manufacturing changes, and additional labeling claims, are subject to further testing requirements and FDA review and approval.

Orphan drug designation and exclusivity

Under the Orphan Drug Act, the FDA may grant orphan designation to a drug intended to treat a rare disease or condition, which is a disease or condition that affects fewer than 200,000 individuals in the United States, or if it affects more than 200,000 individuals in the United States, there is no reasonable expectation that the cost of developing and making the product available in the United States for the disease or condition will be recovered from sales of the product. Orphan designation must be requested before submitting an NDA. Orphan designation does not convey any advantage in or shorten the duration of the regulatory review and approval process, though companies developing orphan products are eligible for certain incentives, including tax credits for qualified clinical testing and waiver of application fees.

If a product that has orphan designation subsequently receives the first FDA approval for the disease or condition for which it has such designation, the product is entitled to a seven-year period of marketing exclusivity during which the FDA may not approve any other applications to market the same therapeutic agent for the same indication, except in limited circumstances, such as a subsequent product's showing of clinical superiority over the product with orphan exclusivity or where the original applicant cannot produce sufficient quantities of product. Competitors, however, may receive approval of different therapeutic agents for the indication for which the orphan product has exclusivity or obtain approval for the same therapeutic agent for a different indication than that for which the orphan product has exclusivity. Orphan product exclusivity could block the approval of one of our products for seven years if a competitor obtains approval for the same therapeutic agent for the same indication before we do, unless we are able to demonstrate that our product is clinically superior. If an orphan designated product receives marketing approval for an indication broader than what is designated, it may not be entitled to orphan exclusivity. Further, 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 the manufacturer of the approved product is unable to assure sufficient quantities of the product to meet the needs of patients with the rare disease or condition.

Expedited development and review programs for drugs

The FDA maintains several programs intended to facilitate and expedite development and review of new drugs to address unmet medical needs in the treatment of serious or life-threatening diseases or conditions. These programs include Fast Track designation, Breakthrough Therapy designation, Priority Review and Accelerated Approval, and the purpose of these programs is to either expedite the development or review of important new drugs to get them to patients more quickly than standard FDA review timelines typically permit.

A new drug is eligible for Fast Track designation if it is intended to treat a serious or life-threatening disease or condition and demonstrates the potential to address unmet medical needs for such disease or condition. Fast Track designation provides increased opportunities for sponsor interactions with the FDA during preclinical and clinical development, in addition to the potential for rolling review once a marketing application is filed. Rolling review means that the agency may review portions of the marketing application before the sponsor submits the complete application. In addition, a new drug may be eligible for Breakthrough Therapy designation if it is intended to treat a serious or life-threatening disease or condition and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. Breakthrough Therapy designation provides all the features of Fast Track designation in addition to intensive guidance on an efficient

drug development program beginning as early as Phase 1, and FDA organizational commitment to expedited development, including involvement of senior managers and experienced review staff in a cross-disciplinary review, where appropriate.

Any product submitted to the FDA for approval, including a product with Fast Track or Breakthrough Therapy designation, may also be eligible for additional FDA programs intended to expedite the review and approval process, including Priority Review designation and Accelerated Approval. A product is eligible for Priority Review, once an NDA or BLA is submitted, if the drug that is the subject of the marketing application has the potential to provide a significant improvement in safety or effectiveness in the treatment, diagnosis or prevention of a serious disease or condition. Under priority review, the FDA's goal date to take action on the marketing application is six months compared to ten months for a standard review. Products are eligible for Accelerated Approval if they can be shown to have an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit, or an effect on a clinical endpoint that can be measured earlier than an effect on irreversible morbidity or mortality, which 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.

Accelerated Approval is usually contingent on a sponsor's agreement to conduct additional post-approval studies to verify and describe the product's clinical benefit. The FDA may withdraw approval of a drug or an indication approved under Accelerated Approval if, for example, the confirmatory trial fails to verify the predicted clinical benefit of the product. In addition, the FDA generally requires, as a condition for Accelerated Approval, that all advertising and promotional materials intended for dissemination or publication within 120 days of marketing approval be submitted to the agency for review during the pre-approval review period. After the 120-day period has passed, all advertising and promotional materials must be submitted at least 30 days prior to the intended time of initial dissemination or publication.

Even if a product qualifies for one or more of these programs, the FDA may later decide that the product no longer meets the conditions for qualification or the time period for FDA review or approval may not be shortened. Furthermore, Fast Track designation, Breakthrough Therapy designation, Priority Review and Accelerated Approval do not change the scientific or medical standards for approval or the quality of evidence necessary to support approval, though they may expedite the development or review process.

Pediatric information and pediatric exclusivity

The Pediatric Research Equity Act, or PREA, requires a sponsor to conduct pediatric clinical trials for most drugs, for a new active ingredient, new indication, new dosage form, new dosing regimen or new route of administration. Under PREA, as amended, certain NDAs and NDA supplements must contain data that can be used to assess the safety and efficacy of the drug for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective. The FDA may grant deferrals for submission of pediatric data or full or partial waivers. The FD&C Act requires that a sponsor who is planning to submit a marketing application for a drug that includes a new active ingredient, new indication, new dosage form, new dosing regimen or new route of administration submit an initial Pediatric Study Plan, or PSP, within 60 days of an end-of-Phase 2 meeting or, if there is no such meeting, as early as practicable before the initiation of the Phase 3 or Phase 2/3 study. The initial PSP must include an outline of the pediatric study or studies that the sponsor plans to conduct, including study objectives and design, age groups, relevant endpoints and statistical approach, or a justification for not including such detailed information, and any request for a deferral of pediatric assessments or a full or partial waiver of the requirement to provide data from pediatric studies along with supporting information. The FDA and the sponsor must reach an agreement on the PSP. A sponsor can submit amendments to an agreed-upon initial PSP at any time if changes to the pediatric plan need to be considered based on data collected from preclinical studies, early phase clinical trials and/or other clinical development programs.

A drug can also obtain pediatric market exclusivity in the United States. Pediatric exclusivity, if granted, adds six months to existing exclusivity periods and patent terms. This six-month exclusivity, which runs from the end of other exclusivity protection or patent term, may be granted based on the voluntary completion of a pediatric study in accordance with an FDA-issued "Written Request" for such a study.

U.S. post-approval requirements for drugs

Drugs manufactured or distributed pursuant to FDA approvals are subject to continuing regulation by the FDA, including, among other things, requirements relating to recordkeeping, periodic reporting, product sampling and distribution, reporting of adverse experiences with the product, complying with promotion and advertising requirements, which include restrictions on promoting products for unapproved uses or patient populations (known as "off-label use") and limitations on industry-sponsored scientific and educational activities. Although physicians may prescribe legally available products for off-label uses, manufacturers may not market or promote such uses. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability, including investigation by federal and state authorities. Prescription drug promotional materials must be submitted to the FDA in conjunction with their first use or first publication. Further, if there are any modifications to the drug, including changes in indications, labeling or manufacturing processes or facilities, the applicant may be required to submit and obtain FDA approval of a new NDA or NDA supplement, which may require the generation of additional data or the conduct of additional preclinical studies and clinical trials.

The FDA may impose a number of post-approval requirements as a condition of approval of an NDA. For example, the FDA may require post-market testing, including Phase 4 clinical trials, and surveillance to further assess and monitor the product's safety and effectiveness after commercialization. In addition, drug manufacturers and their subcontractors involved in the manufacture and distribution of approved drugs 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 ongoing regulatory requirements, including cGMPs, which impose certain procedural and documentation requirements. Failure to comply with statutory and regulatory requirements may subject a manufacturer to legal or regulatory action, such as warning letters, suspension of manufacturing, product seizures, injunctions, civil penalties or criminal prosecution. There is also a continuing, annual prescription drug product program user fee.

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, requirements for post-market studies or clinical trials to assess new safety risks, or imposition of distribution or other restrictions under a REMS. 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;
- the issuance of safety alerts, Dear Healthcare Provider letters, press releases or other communications containing warnings or other safety information about the product;
- fines, warning letters or holds on post-approval clinical trials;
- refusal of the FDA to approve applications or supplements to approved applications, or suspension or revocation of product approvals;
- product seizure or detention, or refusal to permit the import or export of products;
- injunctions or the imposition of civil or criminal penalties; and
- consent decrees, corporate integrity agreements, debarment or exclusion from federal healthcare programs; or mandated modification of promotional materials and labeling and issuance of corrective information.

Companion diagnostics are designed to identify patients who are most likely to benefit from a particular therapeutic product; identify patients likely to be at increased risk for serious side effects as a result of treatment with a particular therapeutic product; or monitor response to treatment with a particular therapeutic product for the purpose of adjusting treatment to achieve improved safety or effectiveness. Companion diagnostics are regulated as medical devices by the FDA. In the United States, the FD&C Act, and its implementing regulations, and other federal and state statutes and regulations govern, among other things, medical device design and development, preclinical and clinical testing, premarket clearance or approval, registration and listing, manufacturing, labeling, storage, advertising and promotion, sales and distribution, export and import, and post-market surveillance. Unless an exemption or FDA exercise of enforcement discretion applies, diagnostic tests generally require marketing clearance or approval from the FDA prior to commercialization. The two primary types of FDA marketing authorization applicable to a medical device are clearance of a premarket notification, or 510(k), and approval of a premarket approval application, or PMA.

To obtain 510(k) clearance for a medical device, or for certain modifications to devices that have received 510(k) clearance, a manufacturer must submit a premarket notification demonstrating that the proposed device is substantially equivalent to a previously cleared 510(k) device or to a pre-amendment device that was in commercial distribution before May 28, 1976, or a predicate device, for which the FDA has not yet called for the submission of a PMA. In making a determination that the device is substantially equivalent to a predicate device, the FDA compares the proposed device to the predicate device and assesses whether the subject device is comparable to the predicate device with respect to intended use, technology, design and other features which could affect safety and effectiveness. If the FDA determines that the subject device is substantially equivalent to the predicate device, the subject device may be cleared for marketing. The 510(k) premarket notification pathway generally takes from three to twelve months from the date the application is completed, but can take significantly longer.

A PMA must be supported by valid scientific evidence, which typically requires extensive data, including technical, preclinical, clinical and manufacturing data, to demonstrate to the FDA's satisfaction the safety and effectiveness of the device. The process for developing a PMA, including the gathering of clinical and preclinical data and submission to FDA can take several years or longer. For diagnostic tests, a PMA typically includes data regarding analytical and clinical validation studies. As part of its review of the PMA, the FDA will conduct a pre-approval inspection of the manufacturing facility or facilities to ensure compliance with the quality system regulation, or QSR, which requires manufacturers to follow design, testing, control, documentation and other quality assurance procedures. The FDA's review of an initial PMA is required by statute to take between six to ten months, although the process typically takes longer, and may require several years to complete, and PMA approval is not guaranteed. If the FDA evaluations of both the PMA and the manufacturing facilities are favorable, the FDA will either issue an approval letter or an approvable letter, which usually contains a number of conditions that must be met in order to secure the final approval of the PMA. If the FDA's evaluation of the PMA or manufacturing facilities is not favorable, the FDA will deny the approval of the PMA or issue a not approvable letter. A not approvable letter will outline the deficiencies in the application and, where practical, will identify what is necessary to make the PMA approvable. Once granted, PMA approval may be withdrawn by the FDA if compliance with post-approval requirements, conditions of approval or other regulatory standards is not maintained or problems are identified following initial marketing.

On July 31, 2014, the FDA issued a final guidance document addressing the development and approval process for "*In Vitro* Companion Diagnostic Devices." According to the guidance document, for novel therapeutic products that depend on the use of a diagnostic test and where the diagnostic device could be essential for the safe and effective use of the corresponding therapeutic product, the companion diagnostic device should be developed and approved or cleared contemporaneously with the therapeutic, although the FDA recognizes that there may be cases when contemporaneous development may not be possible. However, in cases where a drug cannot be used safely or effectively without the companion diagnostic, the FDA's guidance indicates it will generally not approve the drug without the approval or clearance of the diagnostic device. The FDA also issued a draft guidance in July 2016 setting forth the principles for co-development of an *in vitro* companion diagnostic device with a therapeutic product. The draft guidance describes principles to guide the development and contemporaneous marketing authorization for the therapeutic product and its corresponding *in vitro* companion diagnostic.

Once cleared or approved, the companion diagnostic device must adhere to post-marketing requirements including the requirements of the FDA's QSR, which cover the methods and documentation of the design, testing, production, processes, controls, quality assurance, labeling, packaging, and shipping of all medical devices, as well as adverse event reporting, recalls and corrections along with product marketing requirements and limitations. Medical devices, including companion diagnostics, may be marketed only for the uses and indications for which they are cleared or approved. Device manufacturers must also establish registration and device listings with the FDA. Like drug makers, companion diagnostic makers are subject to unannounced FDA inspections at any time during which the FDA will conduct an audit of the product(s) and the company's facilities, facility records, and manufacturing processes for compliance with its authorities.

Marketing Exclusivity

Market exclusivity provisions authorized under the FD&C Act can delay the submission or the approval of certain marketing applications. The FD&C Act provides a five-year period of non-patent marketing exclusivity within the United States to the first applicant to obtain approval of an NDA for a new chemical entity. A drug is a new chemical entity if the FDA has not previously approved any other new drug containing the same active moiety, which is the molecule or ion responsible for the action of the drug substance. During the exclusivity period, the FDA may not approve or even accept for review an abbreviated new drug application, or ANDA, or an NDA submitted under Section 505(b)(2), or 505(b)(2) NDA, submitted by another company for another drug based on the same active moiety, regardless of whether the drug is intended for the same indication as the original innovative drug or for another indication, where the applicant does not own or have a legal right of reference to all the data required for approval. However, an application may be submitted after four years if it contains a certification of patent invalidity or non-infringement to one of the patents listed with the FDA by the innovator NDA holder.

The FD&C Act alternatively provides three years of marketing exclusivity for an NDA, or supplement to an existing NDA if new clinical investigations, other than bioavailability studies, that were conducted or sponsored by the applicant are deemed by the FDA to be essential to the approval of the application, for example new indications, dosages or strengths of an existing drug. This three-year exclusivity covers only the modification for which the drug received approval on the basis of the new clinical investigations and does not prohibit the FDA from approving ANDAs or 505(b)(2) NDAs for drugs containing the active agent for the original indication or condition of use. Five-year and three-year exclusivity will not delay the submission or approval of a full NDA. However, an applicant submitting a full NDA would be required to conduct or obtain a right of reference to any preclinical studies and adequate and well-controlled clinical trials necessary to demonstrate safety and effectiveness.

Pediatric exclusivity is another type of marketing exclusivity available in the United States. Pediatric exclusivity provides for an additional six months of marketing exclusivity attached to another period of exclusivity if a sponsor conducts clinical trials in children in response to a written request from the FDA. The issuance of a written request does not require the sponsor to undertake the described clinical trials. In addition, orphan drug exclusivity, as described above, may offer a seven-year period of marketing exclusivity, except in certain circumstances.

Other regulatory matters

Manufacturing, sales, promotion and other activities of product candidates following product approval, where applicable, or commercialization are also subject to regulation by numerous regulatory authorities in the United States in addition to the FDA, which may include the Centers for Medicare & Medicaid Services, or CMS, other divisions of the U.S. Department of Health and Human Services, the Department of Justice, the Drug Enforcement Administration, the Consumer Product Safety Commission, the Federal Trade Commission, the Occupational Safety & Health Administration, the Environmental Protection Agency and state and local governments and governmental agencies.

Other healthcare laws

Healthcare providers, physicians, and third-party payors will play a primary role in the recommendation and prescription of any products for which we obtain marketing approval. Our business operations and any current or future arrangements with third-party payors, healthcare providers and physicians may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we develop, market, sell and distribute any drugs for which we obtain marketing approval. In the United States, these laws include, without limitation, state and federal anti-kickback, false claims, physician transparency, and patient data privacy and security laws and regulations, including but not limited to those described below.

- The federal Anti-Kickback Statute prohibits, among other things, persons and entities from knowingly and willfully soliciting, offering, paying, receiving or providing any remuneration (including any kickback, bribe, or certain 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 for, or the purchase, order or recommendation of, any good or service, for which payment may be made, in whole or in part, under a federal healthcare program such as Medicare and Medicaid; a person or entity need not have actual knowledge of the federal Anti-Kickback Statute or specific intent to violate it in order to have committed a violation. Violations are subject to civil and criminal fines and penalties for each violation, plus up to three times the remuneration involved, imprisonment, and exclusion from government healthcare programs. In addition, the government may assert that a claim that includes items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the civil False Claims Act.
- The federal civil and criminal false claims laws, including the civil False Claims Act, or FCA, prohibit individuals or entities from, among other things, knowingly presenting, or causing to be presented, to the federal government, claims for payment or approval that are false, fictitious or fraudulent; knowingly making, using, or causing to be made or used, a false statement or record material to a false or fraudulent claim or obligation to pay or transmit money or property to the federal government; or knowingly concealing or knowingly and improperly avoiding or decreasing an obligation to pay money to the federal government. Manufacturers can be held liable under the FCA even when they do not submit claims directly to government payors if they are deemed to "cause" the submission of false or fraudulent claims. The FCA also permits a private individual acting as a "whistleblower" to bring actions on behalf of the federal government alleging violations of the FCA and to share in any monetary recovery. When an entity is determined to have violated the federal civil False Claims Act, the government may impose civil fines and penalties for each false claim, plus treble damages, and exclude the entity from participation in Medicare, Medicaid and other federal healthcare programs.
- The federal civil monetary penalties laws impose civil fines for, among other things, the offering or transfer or remuneration to a Medicare or state healthcare program beneficiary, if the person knows or should know it is likely to influence the beneficiary's selection of a particular provider, practitioner, or supplier of services reimbursable by Medicare or a state health care program, unless an exception applies.
- The Health Insurance Portability and Accountability Act of 1996, or HIPAA, imposes criminal and civil liability for knowingly and willfully executing a scheme, or attempting to execute a scheme, to defraud any healthcare benefit program, including private payors, knowingly and willfully embezzling or stealing from a healthcare benefit program, willfully obstructing a criminal investigation of a healthcare offense, or falsifying, concealing or covering up a material fact or making any materially false statements in connection with the delivery of or payment for healthcare benefits, items or services.
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, and their respective implementing regulations, impose, among other things, specified requirements on covered entities and their business associates relating to the privacy and

security of individually identifiable health information including mandatory contractual terms and required implementation of technical safeguards of such information. HITECH also created new tiers of civil monetary penalties, amended HIPAA to make civil and criminal penalties directly applicable to business associates in some cases, and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce the federal HIPAA laws and seek attorneys' fees and costs associated with pursuing federal civil actions.

- The Physician Payments Sunshine Act, which imposes annual reporting 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, for certain payments and "transfers of value" provided to physicians (currently 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. Effective January 1, 2022, these reporting obligations will extend to include transfers of value made in the previous year to certain non-physician providers such as physician assistants and nurse practitioners.
- Federal consumer protection and unfair competition laws broadly regulate marketplace activities and activities that potentially harm consumers.
- Analogous state and foreign laws and regulations may be broader in scope than the provisions described above and may apply regardless of payor. Some state laws require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and relevant federal government compliance guidance; require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers; restrict marketing practices or require disclosure of marketing expenditures and pricing information. State and foreign laws may govern the privacy and security of health information in some circumstances. These data privacy and security laws may differ from each other in significant ways and often are not pre-empted by HIPAA, which may complicate compliance efforts.

The scope and enforcement of each of these laws is uncertain and subject to rapid change in the current environment of healthcare reform, especially in light of the lack of applicable precedent and regulations. Federal and state enforcement bodies have recently increased their scrutiny of interactions between healthcare companies and healthcare providers, which has led to a number of investigations, prosecutions, convictions and settlements in the healthcare industry. It is possible that governmental authorities will conclude that our business practices do not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of these laws or any other related governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, imprisonment, disgorgement, exclusion from government funded healthcare programs, such as Medicare and Medicaid, reputational harm, additional oversight and reporting obligations if we become subject to a corporate integrity agreement or similar settlement to resolve allegations of non-compliance with these laws and the curtailment or restructuring of our operations. If any of the physicians or other healthcare providers or entities with whom we expect to do business is found not to be in compliance with applicable laws, they may be subject to similar actions, penalties and sanctions. Ensuring business arrangements comply with applicable healthcare laws, as well as responding to possible investigations by government authorities, can be time- and resource-consuming and can divert a company's attention from its business.

Coverage and Reimbursement by Third-Party Payors

In the United States and markets in other countries, patients who are prescribed treatments for their conditions and providers performing the prescribed services generally rely on third-party payors to reimburse all or part of the associated healthcare costs. Thus, even if a product candidate is approved, sales of the product will depend, in part, on the extent to which third-party payors, including government health programs in the United States such as Medicare and Medicaid, commercial health insurers and managed care organizations, provide coverage, and

establish adequate reimbursement levels for, the product. In the United States, the Medicare and Medicaid programs are increasingly used as models for how private and other governmental payors develop their coverage and reimbursement policies for drugs. No uniform policy of coverage and reimbursement for drug products exists, however, among third-party payors. Therefore, coverage and reimbursement for drug products can differ significantly from payor to payor. The process for determining whether a third-party payor will provide coverage for a product may be separate from the process for setting the price or reimbursement rate that the payor will pay for the product once coverage is approved. Third-party payors are increasingly challenging the prices charged, examining the medical necessity, reviewing the cost-effectiveness of medical products and services and imposing controls to manage costs. Third-party payors may limit coverage to specific products on an approved list, also known as a formulary, which might not include all of the approved products for a particular indication.

In order to secure coverage and reimbursement for any product that might be approved for sale, a company may need to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of the product, which will require additional expenditure above and beyond the costs required to obtain FDA or other comparable regulatory approvals. Additionally, companies may also need to provide discounts to purchasers, private health plans or government healthcare programs. Nonetheless, product candidates may not be considered medically necessary or cost effective. A decision by a third-party payor not to cover a product could reduce physician utilization once the product is approved and have a material adverse effect on sales, our operations and financial condition. Additionally, a third-party payor's decision to provide coverage for a product does not imply that an adequate reimbursement rate will be approved. Further, one payor's determination to provide coverage for a product does not assure that other payors will also provide coverage and reimbursement for the product, and the level of coverage and reimbursement can differ significantly from payor to payor.

The containment of healthcare costs has become a priority of federal, state and foreign governments, and the prices of products have been a focus in this effort. Governments have shown significant interest in implementing cost-containment programs, including price controls, restrictions on reimbursement and requirements for substitution of generic products. Adoption of price controls and cost-containment measures, and adoption of more restrictive policies in jurisdictions with existing controls and measures, could further limit a company's revenue generated from the sale of any approved products. Coverage policies and third-party payor reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for one or more products for which a company or its collaborators receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

Current and future healthcare reform legislation

In the United States and some foreign jurisdictions, there have been, and likely will continue to be, a number of legislative and regulatory changes and proposed changes regarding the healthcare system directed at broadening the availability of healthcare, improving the quality of healthcare, and containing or lowering the cost of healthcare. For example, in March 2010, the United States Congress enacted the Affordable Care Act, which, among other things, includes changes to the coverage and payment for products under government health care programs.

Since its enactment, there have been numerous judicial, administrative, executive, and legislative challenges to certain aspects of the Affordable Care Act, and we expect there will be additional challenges and amendments to the Affordable Care Act in the future. For example, various portions of the Affordable Care Act are currently facing legal and constitutional challenges in the Fifth Circuit Court of Appeals and the United States Supreme Court. Additionally, the current administration has issued various Executive Orders which eliminated cost sharing subsidies and various provisions that would impose a fiscal burden on states or a cost, fee, tax, penalty or regulatory burden on individuals, healthcare providers, health insurers, or manufacturers of pharmaceuticals or medical devices, and Congress has introduced several pieces of legislation aimed at significantly revising or repealing the Affordable Care Act. It is unclear whether the Affordable Care Act will be overturned, repealed,

replaced, or further amended. We cannot predict what effect further changes to the Affordable Care Act would have on our business.

Other legislative changes have been proposed and adopted in the United States since the Affordable Care Act was enacted. In August 2011, the Budget Control Act of 2011, among other things, included aggregate reductions of Medicare payments to providers of 2% per fiscal year, which went into effect in April 2013 and, due to subsequent legislative amendments to the statute, will remain in effect through 2030, with a temporary suspension from May 1, 2020 through December 31, 2020, unless additional Congressional action is taken. In addition, in January 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, further reduced Medicare payments to several providers, including hospitals, imaging centers and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years.

Moreover, payment methodologies may be subject to changes in healthcare legislation and regulatory initiatives. For example, CMS may develop new payment and delivery models, including bundled payment models. In addition, recently there has been heightened governmental scrutiny over the manner in which manufacturers set prices for their commercial products, which has resulted in several Congressional inquiries and proposed and enacted state and federal legislation designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for pharmaceutical products. Although a number of these measures may require additional authorization to become effective, Congress and the current administration have each indicated that it will continue to seek new legislative and/or administrative measures to control drug costs.

On July 24, 2020, President Trump announced a number of executive orders related to prescription drug pricing that attempt to implement several of the Administration's proposals, including a policy that would tie Medicare Part B drug prices to international drug prices; one that directs HHS to finalize the Canadian drug importation proposed rule previously issued by HHS and makes other changes allowing for personal importation of drugs from Canada; and one that directs HHS to finalize the rulemaking process on modifying the anti-kickback law safe harbors for plans, pharmacies, and pharmaceutical benefit managers after HHS confirms that the action is not projected to increase federal spending, Medicare beneficiary premiums, or patients' total out-of-pocket costs. The probability of success of these newly announced policies and their impact on the U.S. prescription drug marketplace is unknown. There are likely to be political and legal challenges associated with implementing these reforms as they are currently envisioned.

Individual states in the United States have also increasingly passed legislation and implemented regulations designed to control pharmaceutical product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing.

Outside the United States, ensuring coverage and adequate payment for a product also involves challenges. Pricing of prescription pharmaceuticals is subject to government control in many countries. Pricing negotiations with government authorities can extend well beyond the receipt of regulatory approval for a product and may require a clinical trial that compares the cost-effectiveness of a product to other available therapies. The conduct of such a clinical trial could be expensive and result in delays in commercialization. There can be no assurance that any country that has price controls or reimbursement limitations for pharmaceutical products will allow favorable reimbursement and pricing arrangements for any products, if approved in those countries.

Other U.S. environmental, health and safety laws and regulations

We may be subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. From time to time and in the future, our operations may involve the use of hazardous and flammable

materials, including chemicals and biological materials, and may also produce hazardous waste products. Even if we contract with third parties for the disposal of these materials and waste products, we cannot completely eliminate the risk of contamination or injury resulting from these materials. In the event of contamination or injury resulting from the use or disposal of our hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties for failure to comply with such laws and regulations.

We maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees, but this insurance may not provide adequate coverage against potential liabilities. However, we do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us.

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

Government regulation of drugs outside of the United States

To market any product outside of the United States, we would need to comply with numerous and varying regulatory requirements of other countries and jurisdictions regarding quality, safety and efficacy and governing, among other things, clinical trials, marketing authorization, commercial sales and distribution of drug products. Whether or not we obtain FDA approval for a product, we would need to obtain the necessary approvals by the comparable foreign regulatory authorities before we can commence clinical trials or marketing of the product in those countries or jurisdictions. The approval process ultimately varies between countries and jurisdictions and can involve additional product testing and additional administrative review periods. The time required to obtain approval in other countries and jurisdictions might differ from and be longer than that required to obtain FDA approval. Regulatory approval in one country or jurisdiction does not ensure regulatory approval in another, but a failure or delay in obtaining regulatory approval in one country or jurisdiction may negatively impact the regulatory process in others. As in the United States, post-approval regulatory requirements, such as those regarding product manufacture, marketing, or distribution would apply to any product that is approved outside the United States.

Facilities

Our corporate headquarters is located at 100 Binney St, Suite 610, Cambridge, MA 02142, where we lease and occupy approximately 21,372 square feet of office and laboratory space. The current term of our 100 Binney St. lease expires in February 2025, with an option to extend the term for three additional years with 12 months' notice at agreed an upon market rate. Effective October 21, 2019, we assigned our rights and obligations under our 100 Binney St. lease to Sigilon Therapeutics, Inc., which assumed our obligations thereunder. In October 2019, we entered into an agreement to lease approximately 81,441 square feet of office and laboratory space at 500 Technology Square, Cambridge MA 02139. We plan to transition our office and laboratory space to 500 Technology Square by October 2020. The current term of our 500 Technology Square lease expires in September 2028, with an option to extend the term five additional years with 12 months' notice at an agreed upon market rate.

We believe our existing facilities are sufficient for our needs for the foreseeable future. To meet the future needs of our business, we may lease additional or alternate space, and we believe suitable additional or alternative space will be available in the future on commercially reasonable terms.

Employees

As of July 31, 2020, we had 85 full-time employees. 46 of our employees have M.D. or Ph.D. degrees. Within our workforce, 72 employees are engaged in research and development and 13 are engaged in business

development, finance, legal, and general management and administration. None of our employees are represented by labor unions or covered by collective bargaining agreements. We consider our relationship with our employees to be good.

Legal proceedings

From time to time, we may become involved in litigation or other legal proceedings. We are not currently a party to any litigation or legal proceedings that, in the opinion of our management, are probable to have a material adverse effect on our business. Regardless of outcome, litigation can have an adverse impact on our business, financial condition, results of operations and prospects because of defense and settlement costs, diversion of management resources and other factors.

MANAGEMENT

Executive officers and directors

Our executive officers and directors, and their ages and positions as of July 31, 2020, are as set forth below:

Name	Age	Position(s)
Executive Officers		
Adrian Gottschalk	45	Chief Executive Officer, Director
Allan Reine, M.D.	45	Chief Financial Officer
Samuel Agresta, M.D.	47	Chief Medical Officer
Carl P. Decicco, Ph.D.	59	Chief Scientific Officer
Steven F. Bellon, Ph.D.	55	Senior Vice President, Drug Discovery
Non-Employee Directors		
Douglas G. Cole, M.D.	60	Director
José Baselga, M.D., Ph.D.	61	Director
Scott Biller, Ph.D.	65	Director
Balkrishan (Simba) Gill, Ph.D.	56	Director
Cigall Kadoch, Ph.D.	35	Director
Adam M. Koppel, M.D., Ph.D.	50	Director
Michael Mendelsohn, M.D.	65	Director

Executive officers

Adrian Gottschalk has served as our President, Chief Executive Officer and as a member of our board of directors since May 2017. Prior to joining Foghorn and since 2004, Mr. Gottschalk worked at Biogen Inc. where he was most recently a Senior Vice President and Neurodegeneration Therapeutic Area Head from November 2015 to May 2017. In this role, he was responsible for the late-stage development and commercialization of medicines for Alzheimer's disease, Parkinson's disease, and amyotrophic lateral sclerosis, or ALS. Mr. Gottschalk holds a B.S. from Texas A&M University, an MBA from the Sloan School of Management at the Massachusetts Institute of Technology and an M.S. from the joint Harvard Medical School / Massachusetts Institute of Technology Division of Health Sciences & Technology (HST) Biomedical Enterprise Program. We believe that Mr. Gottschalk's experience as our President and Chief Executive Officer along with over 15 years of experience in the biotechnology field provides him with the qualifications and skills necessary to serve as a member of our board of directors.

Allan Reine, M.D. has served as our Chief Financial Officer since September 2019. Prior to joining Foghorn, Dr. Reine served as Chief Financial Officer of Pieris Pharmaceuticals from August 2017 to September 2019. From August 2012 through August 2017, Dr. Reine was a portfolio manager at Lombard Odier Asset Management, where he ran a healthcare portfolio focused on biotechnology and pharmaceutical companies. Before joining Lombard Odier, from 2003 through August 2012, Dr. Reine served as a healthcare portfolio manager at various funds, including Citi Principal Strategies, SAC Capital, Trivium Capital and Alexandra Investment Management. Dr. Reine began his career in 2001 at CIBC World Markets where he worked in both biotechnology investment banking and biotechnology equity research. Dr. Reine received his M.D. from the University of Toronto and his B.S. in Statistical Sciences from the University of Western Ontario.

Samuel Agresta, M.D., M.P.H. & T.M. has served as our Chief Medical Officer since September 2019. Prior to joining Foghorn, Dr. Agresta served as Chief Medical Officer of Infinity Pharmaceuticals from August 2018 to August 2019. Prior to that, Dr. Agresta was Vice President, Clinical Development of Agios Pharmaceuticals from December 2011 to August 2018. During that time, he led the development of the IDH inhibitors from drug candidate stage to FDA approval. Dr. Agresta is currently a member of the board of directors of Infinity Pharmaceuticals where he served since September 2019. Dr. Agresta received his B.S. from Georgetown University and his M.D. and M.P.H. & T.M. from Tulane University.

Carl P. Decicco, Ph.D. has served as our Chief Scientific Officer since December 2018. Prior to joining Foghorn, Dr. Decicco served as Senior Vice President, Research at Bristol-Myers Squibb from May 2013 to November 2018, where he was responsible for all research and reported directly to the Chief Scientific Officer. Prior to that as Senior Vice President, Molecular Sciences from November 2008 to May 2013. Dr. Decicco received his B.Sc. and Ph.D. from the University of Guelph, and also completed post-doctoral studies in organic chemistry at Harvard University.

Steven F. Bellon, Ph.D. has served as our Senior Vice President, Drug Discovery since October 2019, and previously served in the role of Vice President, Drug Discovery since June 2016. Prior to joining Foghorn, Dr. Bellon was Senior Director and Executive Director of Constellation Pharmaceuticals, starting in September 2008. At Constellation Pharmaceuticals, Dr. Bellon built the structural biology group and the bromodomain platform. Dr. Bellon has also held positions at Amgen and Vertex Pharmaceuticals and has more than 20 years of experience in drug discovery. Dr. Bellon received his B.S. from Haverford College and his Ph.D. from the Massachusetts Institute of Technology.

Non-employee directors

Douglas Cole, M.D. has served as a member of our board of directors since October 2015. Dr. Cole joined Flagship Pioneering, which conceives, creates, resources and develops first-in-category life sciences companies, in 2001, and is currently a Managing Partner focused on life science investments. Dr. Cole currently serves on the board of directors of Denali Therapeutics and a number of private companies. In the past five years, Dr. Cole served on the boards of directors of a number of public companies including Quanterix Corporation, Agios Pharmaceuticals, Receptos, AVEO Pharmaceuticals, Editas Medicine, Tetraphase Pharmaceuticals and Concert Pharmaceuticals. Dr. Cole received his M.D. from the University of Pennsylvania School of Medicine and his B.A. in English from Dartmouth College. We believe Dr. Cole is qualified to sit on our board of directors given his substantial experience as an investor in emerging biopharmaceutical and life sciences companies as well as his experience serving on the boards of directors of multiple public and private biopharmaceutical companies.

José Baselga, M.D., Ph.D. has served as a member of our board of directors since April 2017. Dr. Baselga is currently Executive Vice President of Research & Development Oncology at AstraZeneca, which position he has held since January 2019. Prior to joining AstraZeneca, Dr. Baselga was Physician-in-Chief and Chief Medical Officer at Memorial Sloan Kettering Cancer Center, or MSKCC, from January 2013 to September 2018. He also served as Professor of Medicine at Weill Cornell Medical College and as Attending Physician, Department of Medicine and as member, Human Oncology and Pathogenesis Program at MSKCC since January 2013. Previously, Dr. Baselga served as Chief of Division of Hematology & Oncology and Associate Director of the Massachusetts General Hospital Cancer Center and Professor of Medicine at Harvard Medical School from January 2010 to December 2012, and President of the American Association for Cancer Research from 2016 to 2017. He also served in various roles at Vall d'Hebron University Hospital in Barcelona, Spain, including as Founding Director, Vall d'Hebron Institute of Oncology from 2007 to 2012 and Director, Division of Medical Oncology, Hematology & Radiation Oncology and Founding Director and Chairman, Medical Oncology Service from 1996 to 2010. He previously served on the boards of directors of Aura Biosciences, Infinity Pharmaceuticals, GRAIL, Varian Medical Systems and Bristol Myers Squibb. He is a co-founder of Tango Therapeutics, Northern Biologics (formerly, Mosaic Biomedicals) and Venthera. Dr. Baselga received his M.D. and Ph.D. from the Universitat Autonoma de Barcelona. We believe Dr. Baselga is qualified to serve on our board of directors due to his extensive executive experience at a leading cancer hospital as well as his comprehensive expertise as a physician and clinical researcher in the area of oncology drug discovery and development.

Scott Biller, Ph.D. has served as a member of our board of directors since January 2020. Dr. Biller currently serves as a Senior Advisor for Agios Pharmaceuticals, where he previously served as the company's Chief Scientific Officer from September 2010 to December 2019. Dr. Biller is also currently the sole proprietor of Biller Consulting, a consulting company serving the biopharmaceutical industry. From 2003 to 2010, Dr. Biller was Vice President and Head of Global Discovery Chemistry at the Novartis Institutes for Biomedical Research. Prior to that, Dr. Biller held the positions of Vice President, Pharmaceutical Candidate Optimization at the

Bristol Myers Squibb, or BMS, Pharmaceutical Research Institute and Executive Director of Drug Discovery chemistry for the BMS research site in Lawrenceville, New Jersey. Since June 2020, Dr. Biller has served on the board of directors of Remix Therapeutics. Dr. Biller earned a S.B. degree from the Massachusetts Institute of Technology, a Ph.D. from Caltech and was an NIH Postdoctoral Fellow at Columbia University in natural product synthesis. We believe Dr. Biller is qualified to serve on our board of directors because of his extensive experience in drug discovery and development and his significant leadership experience in the biotechnology industry.

Balkrishan (Simba) Gill, Ph.D. has served as a member of our board of directors since July 2017. Dr. Gill is the President, Chief Executive Officer and a member of the board of directors of Evelo Biosciences, which positions he has held since June 2015. Dr. Gill has also served as a venture partner at Flagship Pioneering, an innovation enterprise that conceives, creates, resources and grows first-in-category life sciences companies, since 2015. From 2016 to 2019, Dr. Gill served on the board of directors of Realm Therapeutics PLC. Dr. Gill received his Ph.D. from King's College, London and his MBA from INSEAD. We believe Dr. Gill is qualified to serve on our board of directors due to his knowledge and experience in the venture capital and pharmaceutical industries.

Cigall Kadoch, Ph.D. our academic co-founder, has served as a member of our board of directors since March 2016. She is currently Associate Professor of Pediatric Oncology at the Dana-Farber Cancer Institute, which position she has held since January 2014. Dr. Kadoch also currently serves as Associate Professor of Pediatrics, Harvard Medical School, which she has held since April 2014 and as Institute Member and Epigenomics Program Co-Director at the Broad Institute of Massachusetts Institute of Technology and Harvard University, which she has held since April 2014. Dr. Kadoch received her B.A. from the University of California, Berkeley and her Ph.D. from Stanford University School of Medicine. We believe that Dr. Kadoch is qualified to serve on our board of directors due to her expertise and experience as our academic co-founder and her deep understanding of the role of chromatin regulation in human cancer and other serious diseases.

Adam M. Koppel, M.D., Ph.D. has served as a member of our board of directors since July 2017. Dr. Koppel currently serves as Managing Director of Bain Capital Life Sciences, which position he has held since June 2016. He had initially joined Bain Capital Public Equity in 2003 where he was a leader within the healthcare sector until mid-2014. During the period between mid-2014 and mid-2016, Dr. Koppel was at Biogen, where he served as Executive Vice President of Corporate Development and Chief Strategy Officer. Prior to initially joining Bain Capital in 2003, Dr. Koppel was an Associate Principal at McKinsey & Co. in New Jersey where he served a variety of healthcare companies. Dr. Koppel currently sits on the boards of directors of Solid BioSciences, Dicerna Pharmaceuticals, Cerevel Therapeutics, Aptinyx and Viacyte. He has also previously served on the boards of Trevena and PTC Therapeutics. Dr. Koppel received an M.D. and Ph.D. in Neuroscience from the University of Pennsylvania School of Medicine. He also received an MBA from The Wharton School at the University of Pennsylvania, where he was a Palmer Scholar. He graduated magna cum laude from Harvard University with an A.B. and A.M. in History and science. We believe Dr. Koppel is qualified to serve on our board of directors due to his background as an executive officer, director and venture capital investor in biopharmaceutical companies, as well as his scientific and medical background.

Michael Mendelsohn, M.D. has served as a member of our board of directors since April 2017. Dr. Mendelsohn is also member of the board of directors of Cyclerion Pharmaceuticals, where he has served since April 2019, as well as the Executive Chairman and President of Cardurion Pharmaceuticals, where he has served since May 2016. Since April 2015, Dr. Mendelsohn has also been a senior advisor and consultant to the chief medical and scientific officer of Takeda Pharmaceutical Co. Ltd. From December 2014 to December 2018, he served as senior advisor and consultant and a member of the pharmaceuticals advisory committee for the chief scientific officer and president of research and development at Ironwood Pharmaceuticals. From May 2014 to July 2017, Dr. Mendelsohn was a venture partner for SV Health Investors. Prior to that, from June 2010 to November 2013, Dr. Mendelsohn served as Senior Vice President and Global Head of Cardiovascular Research at Merck Research Laboratories. From 1993 to 2010, Dr. Mendelsohn was a faculty member at Tufts Medical Center and Tufts University School of Medicine, where he founded and was the executive director of the Molecular Cardiology

Research Institute from 1997 to 2010 and served as Chief Scientific Officer from 2008 to 2010. Dr. Mendelsohn was previously a member of the cardiovascular faculty at Brigham and Women's Hospital and Harvard Medical School. Dr. Mendelsohn received a B.A. from Amherst College and M.D. from Harvard Medical School. We believe Dr. Mendelsohn is qualified to serve on our board of directors because of his extensive experience as a clinician and scientist, along with experience and insights as an active advisor and consultant to leadership in research and development for multinational biopharmaceutical companies.

Board composition and election of directors

Classified board of directors

In accordance with our amended and restated certificate of incorporation, which will be in effect upon the closing of this offering, our board of directors will be divided into three classes of directors. At each annual meeting of stockholders, a class of directors will be elected for a three-year term to succeed the class whose terms are then expiring, to serve from the time of election and qualification until the third annual meeting following their election or until their earlier death, resignation or removal. Upon the closing of this offering, our directors will be divided among the three classes as follows:

The Class I directors will be , and their terms will expire at our first annual meeting of stockholders following this offering.

The Class II directors will be , and their terms will expire at our second annual meeting of stockholders following this offering.

The Class III directors will be , and their terms will expire at our third annual meeting of stockholders following this offering.

Our amended and restated certificate of incorporation will provide that the authorized number of directors may be changed only by resolution of our board of directors. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control. See the section of this prospectus captioned "Description of Capital Stock—Anti-takeover Effects of Our Certificate of Incorporation and By-laws" for a discussion of these and other anti-takeover provisions found in our amended and restated certificate of incorporation and amended and restated by-laws, which will become effective immediately prior to the closing of this offering.

Director independence

Under the rules of the , independent directors must comprise a majority of a listed company's board of directors within one year of the completion of its initial public offering. In addition, the rules of the require that, subject to specified exceptions, each member of a listed company's audit and compensation committees be independent and that director nominees be selected or recommended for the board's selection by independent directors constituting a majority of the independent directors or by a nominating and corporate governance committee comprised solely of independent directors. Under the rules of the , a director will only qualify as "independent" if, in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that such person is "independent" as defined under and the Exchange Act rules.

Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Exchange Act. In order to be considered independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the

board of directors or any other board committee: (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.

Based upon information requested from and provided by each director concerning his or her background, employment and affiliations, including family relationships, our board of directors has determined that each of our directors, with the exception of and Mr. Gottschalk, is an "independent director" as defined under applicable rules of the , including, in the case of all the members of our audit committee, the independence criteria set forth in Rule 10A-3 under the Exchange Act, and in the case of all the members of our compensation committee, the independence criteria set forth in Rule 10C-1 under the Exchange Act and are "non-employee directors" as defined in Section 16b-3 of the Exchange Act. In making such determination, our board of directors considered the relationships that each such non-employee director has with our Company and all other facts and circumstances that our board of directors deemed relevant in determining his or her independence, including the beneficial ownership of our capital stock by each non-employee director. Mr. Gottschalk is not an independent director under these rules because he is our President and Chief Executive Officer.

Board committees

Our board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee, each of which will operate pursuant to a charter adopted by our board of directors and which will be effective prior to the consummation of this offering. The board of directors may also establish other committees from time to time to assist us and the board of directors in their duties. Upon the effectiveness of the registration statement of which this prospectus forms a part, the composition and functioning of all of our committees will comply with all applicable requirements of the Sarbanes-Oxley Act, the and the Exchange Act. Upon our listing on , each committee's charter will be available on the corporate governance section of our website at https://foghorntx.com. Information contained on our website is not incorporated by reference into this prospectus, and you should not consider information contained on our website to be part of this prospectus or in deciding whether to purchase shares of our common stock.

Audit committee

The audit committee's responsibilities upon completion of this offering will include:

- appointing, approving the compensation of, and evaluating the qualifications, performance and independence of our independent registered public accounting firm;
- overseeing the work of our independent registered public accounting firm, including through the receipt and consideration of reports from such firm, and pre-approving all audit and permitted non-audit services to be performed by our independent registered public accounting firm;
- reviewing and discussing with management and our independent registered public accounting firm our annual and quarterly financial statements and related disclosures, including earnings releases;
- reviewing and discussing with management and our independent registered public accounting firm any material issues regarding accounting principles and financial statement presentations;
- coordinating our board of directors' oversight of our internal control over financial reporting, disclosure controls and procedures, code of business conduct and ethics, procedures for complaints and legal and regulatory matters;
- discussing our risk management policies with management;
- establishing policies regarding hiring employees from our independent registered public accounting firm and procedures for the receipt and retention of accounting related complaints and concerns;
- meeting independently with our independent registered public accounting firm and management;

- reviewing and approving any related person transactions;
- overseeing our guidelines and policies governing risk assessment and risk management;
- overseeing the integrity of our information technology systems, process and data;
- preparing the audit committee report required by SEC rules;
- reviewing and assessing, at least annually, the adequacy of the audit committee's charter; and
- performing, at least annually, an evaluation of the performance of the audit committee.

All audit services and all non-audit services, other than *de minimis* non-audit services, to be provided to us by our independent registered public accounting firm must be approved in advance by our audit committee.

The members of our audit committee are . chairs the audit committee. Our board of directors has determined that each member of our audit committee has sufficient knowledge in financial and auditing matters to serve on the audit committee. Our board of directors has also determined that is an "audit committee financial expert," as defined under Item 407 of Regulation S-K.

We expect to satisfy the member independence requirements for the audit committee prior to the end of the transition period provided under current and SEC rules and regulations for companies completing their initial public offering.

Compensation committee

Our compensation committee's responsibilities upon completion of this offering will include:

- assisting our board of directors in developing and reviewing potential candidates for executive positions;
- reviewing our overall compensation strategy, including base salary, incentive compensation and equity-based grants;
- reviewing and approving corporate goals and objectives relevant to compensation of our chief executive officer and our other executive officers;
- recommending to our board of directors the compensation of our chief executive officer and other executive officers;
- reviewing and making recommendations to the board of directors with respect to director compensation;
- overseeing and administering our cash and equity incentive plans;
- reviewing, considering and selecting, to the extent determined to be advisable, a peer group of appropriate companies for purposing of benchmarking and analysis of compensation for our executive officers and directors;
- reviewing and approving all employment contract and other compensation, severance and change-in- control arrangements for our executive officers;
- recommending to our board of directors any stock ownership guidelines for our executive officers and non-employee directors;
- retaining, appointing or obtaining advice of a compensation consultant, legal counsel or other advisor, and determining the compensation and independence of such consultant or advisor;
- preparing, if required, the compensation committee report on executive compensation for inclusion in our annual proxy statement in accordance with the proxy rules;

- monitoring our compliance with the requirements of Sarbanes-Oxley relating to loans to directors and officers;
- overseeing our compliance with applicable SEC rules regarding shareholder approval of certain executive compensation matters;
- reviewing the risks associated with our compensation policies and practices;
- reviewing and assessing, at least annually, the adequacy of the compensation committee's charter; and
- performing, on an annual basis, an evaluation of the performance of the compensation committee.

The members of our compensation committee are . chairs the compensation committee. Prior to establishing a compensation committee, our board of directors made decisions relating to the compensation of our executive officers.

Nominating and governance committee

Our nominating and corporate governance committee's responsibilities upon completion of this offering will include:

- identifying individuals qualified to become members of our board of directors consistent with criteria approved by the board and receiving nominations for such qualified individuals;
- recommending to our board of directors the persons to be nominated for election as directors and to each committee of the board;
- establishing a policy under which our shareholders may recommend a candidate to the nominating and corporate governance committee for consideration for nomination as a director;
- reviewing and recommending committee slates on an annual basis;
- recommending to our board of directors qualified candidates to fill vacancies on our board of directors;
- developing and recommending to our board of directors a set of corporate governance principals applicable to us and reviewing the principles on at least an annual basis;
- reviewing and making recommendations to our board with respect to our board leadership structure and board committee structure;
- reviewing, in concert with our board of directors, our policies with respect to significant issues of corporate public responsibility;
- making recommendations to our board of directors processes for annual evaluations of the performance of our board of directors, our chief executive officer and committees of our board of directors;
- overseeing the process for annual evaluations of our board of directors, chief executive officer and committees of our board of directors and certifying that performance of our chief executive officer and other members of executive management is being properly evaluated;
- considering and reporting to our board of directors any questions of possible conflicts of interest of members of our board of directors;
- providing new director orientation and continuing education for existing directors on a periodic basis;
- overseeing the maintenance and presentation to our board of directors of management's plans for succession to senior management positions in the Company;
- reviewing and assessing, at least annually, the adequacy of the nominating and corporate governance committee's charter; and

- performing, on an annual basis, an evaluation of the performance of the nominating and corporate governance committee.

The members of our nominating and corporate governance committee are . chairs the nominating and corporate governance committee. Our board of directors has determined that each member of the nominating and corporate governance committee satisfies the independence standards of the applicable rules of the .

Our board of directors may establish other committees from time to time.

Role of the board in risk oversight

Our board of directors has an active role, as a whole and also at the committee level, in overseeing the management of our risks. Our board of directors is responsible for general oversight of risks and regular review of information regarding our risks, including liquidity risks and operational risks. The compensation committee is responsible for overseeing the management of risks relating to our executive compensation plans and arrangements. The audit committee is responsible for overseeing the management of risks relating to accounting matters and financial reporting. The nominating and governance committee is responsible for overseeing the management of risks associated with the independence of our board of directors and potential conflicts of interest. Although each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire board of directors is regularly informed through discussions from committee members about such risks. Our board of directors believes its administration of its risk oversight function has not negatively affected our board of directors' leadership structure.

Code of business conduct and ethics

Prior to the closing of this offering, we will adopt 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, which will become effective upon the effectiveness of the registration statement of which this prospectus forms a part. Following this offering, a current copy of the code will be posted on the investor section of our website. In addition, we intend to post on our website all disclosures that are required by law or listing rules concerning any amendments to, or waivers from, any provision of the code.

EXECUTIVE AND DIRECTOR COMPENSATION

The following discussion and analysis of compensation arrangements should be read with the compensation tables and related disclosures set forth below. This discussion contains forward looking statements that are based on our current plans and expectations regarding future compensation programs. Actual compensation programs that we adopt may differ materially from the programs summarized in this discussion.

Introduction

This section provides an overview of the compensation awarded to, earned by, or paid to our principal executive officer and our next two most highly compensated executive officers, listed below, in respect of their service to us for the fiscal year ended December 31, 2019. We refer to these individuals as our named executive officers. Our named executive officers are:

Adrian Gottschalk, our President and Chief Executive Officer;

Carl Decicco, Ph.D., our Chief Scientific Officer; and

Samuel Agresta, M.D., our Chief Medical Officer.

The compensation committee of our board of directors was responsible for determining the compensation of our executive officers during fiscal year 2019 and will generally continue to be responsible for making such determinations following this offering, subject, in the case of our Chief Executive Officer, to the approval of our board of directors. Our Chief Executive Officer made recommendations to the compensation committee about the compensation of his direct reports in respect of fiscal years 2019 and 2020.

Summary compensation table

The following table sets forth the compensation awarded to, earned by, or paid to our named executive officers in respect of their service to us for the fiscal year ended December 31, 2019:

Name and principal position	Year	Salary ($)(1)	Bonus ($)(2)	Option awards ($)(3)	Non-equity incentive plan compensation ($)(4)	All other compensation ($)(5)	Total ($)
Adrian Gottschalk *President and Chief Executive Officer*	2019	$465,000	—	$ 642,918	$ 197,625	—	$1,305,543
Carl Decicco, Ph.D. *Chief Scientific Officer*	2019	$400,000	—	$1,474,337	$ 136,000	$ 60,000	$2,070,337
Samuel Agresta, M.D. *Chief Medical Officer*(6)	2019	$116,667	$300,000	$ 785,607	—	—	$1,202,274

(1) The amount reported for Mr. Gottschalk includes employee contributions made to our 401(k) plan.

(2) The amount reported for Dr. Agresta reflects a sign-on bonus ($75,000), a transition payment ($65,000) and a one-time payment ($160,000), each as described below under “Agreements with our named executive officers.”

(3) The amounts reported represent the aggregate grant date fair value of options to purchase our common stock granted to Mr. Gottschalk and Drs. Decicco and Agresta in fiscal year 2019, computed in accordance with FASB ASC 718, excluding the effect of estimated forfeitures. The assumptions used to value the stock options for this purpose are set forth in Note 10 to our consolidated financial statements included elsewhere in this prospectus.

(4) The amounts reported represent the annual bonus earned by each of Mr. Gottschalk and Dr. Decicco with respect to fiscal year 2019, based on the attainment of corporate performance goals as described below under "Annual bonuses." Dr. Agresta was not paid a bonus for fiscal year 2019.
(5) The amount reported for Dr. Decicco reflects a travel and lodging allowance.
(6) Dr. Agresta commenced employment with us on September 16, 2019.

Narrative disclosure to summary compensation table

Base salary

The letter agreement with each named executive officer, described below, establishes a base salary for such officer, which was determined at the time that the named executive officer commenced employment with us. For 2019, Mr. Gottschalk's base salary was increased to $465,000. For 2020, Mr. Gottschalk's base salary was increased to $478,950, Dr. Decicco's base salary was increased to $412,000 and Dr. Agresta's base salary was increased to $412,000.

Annual bonuses

With respect to fiscal year 2019, each of Mr. Gottschalk and Drs. Decicco and Agresta was eligible to receive an annual bonus, with the initial target amount of such bonus for each named executive officer set forth in his letter agreement with us, described below. For fiscal year 2019, the target bonus amount, expressed as a percentage of base salary, for each of Mr. Gottschalk, Dr. Decicco and Dr. Agresta was as follows: up to 50%, up to 40% and up to 40%, respectively. Annual bonuses for fiscal year 2019 for our named executive officers were based on the attainment of certain corporate performance goals as determined by the compensation committee, including those related to capital raising and financing, senior management recruitment, development of pipeline candidates, and research and development targets. For 2019, the compensation committee determined that, based on the level of attainment of the applicable corporate performance goals and other factors determined relevant by the committee, each eligible executive would be eligible to earn 85% of his bonus target. As a result, Mr. Gottschalk earned a bonus of $197,625 and Dr. Decicco earned a bonus of $136,000. Dr. Agresta was not paid an annual bonus for fiscal year 2019 pursuant to the terms of his letter agreement, as described below.

Agreements with our named executive officers

Each named executive officer is party to a letter agreement with us that sets forth the terms and conditions of his employment. The material terms of the agreements are described below. The terms "cause," "good reason event" and "change of control" referred to below are defined in the respective named executive officer's agreement.

Mr. Gottschalk. We entered into a letter agreement with Mr. Gottschalk that provided for an initial base salary of $400,000 per year and an initial target annual bonus of up to 35% of his annual base salary. The letter agreement provides that Mr. Gottschalk will serve on our board of directors as long as he is our Chief Executive Officer. We expect that Mr. Gottschalk will enter into our standard form of Employee Non-Competition, Non-Solicitation, Confidentiality and Assignment of Inventions Agreement prior to the effectiveness of this offering.
Dr. Decicco. We entered into a letter agreement with Dr. Decicco that provides for an initial base salary of $400,000 per year and a target annual bonus of up to 40% of his annual base salary. The letter agreement also provided for a one-time signing bonus of $85,000, which is required to be repaid by Dr. Decicco if we terminate his employment for cause or if he resigns without good reason, in each case, prior to December 19, 2020, the first anniversary of his start date, and for the grant of an option to purchase 866,500 shares of our common stock pursuant to the terms of our 2016 Stock Incentive Plan (our "2016 Plan"), which grant was made in 2019. In addition, the letter agreement provides for a travel and lodging allowance of $5,000 per month.

Dr. Decicco also entered into an Employee Non-Competition Agreement and an Employee Non-Solicitation, Confidentiality and Assignment of Inventions Agreement. Pursuant to the Employee Non-Competition

Agreement, Dr. Decicco has agreed not to compete with us during his employment and for 12 months (or 24 months if he breaches his fiduciary duty to us or unlawfully takes property belonging to us) following the termination of his employment, except for any termination without cause (as defined therein), in exchange for garden leave pay during the initial post-employment non-competition period equal to 50% of his highest annual base salary during the two years prior to his termination of employment. We may elect to waive the post-employment non-competition period, in which case no garden leave pay would be due. Pursuant to the Employee Non-Solicitation, Confidentiality and Assignment of Inventions Agreement, Dr. Decicco also has agreed to a perpetual obligation of confidentiality, the assignment of intellectual property, the protection and return of documents and other materials, and not to solicit our customers or business partners, or solicit or hire our employees or independent contractors, during his employment and for 12 months following termination of his employment.

Dr. Agresta. We entered into a letter agreement with Dr. Agresta that provides for an initial base salary of $400,000 per year and a target annual bonus of up to 40% of his annual base salary. The letter agreement also provides for a one-time signing bonus of $75,000, which will be repayable by Dr. Agresta if we terminate his employment for cause or if he resigns without good reason, in each case, prior to September 16, 2020, the first anniversary of his start date, and for a one-time transition payment of $65,000, which will be repayable by Dr. Agresta if we terminate his employment for cause or if he resigns without good reason, in each case, prior to September 16, 2021. Further, the letter agreement provides for a one-time payment of up to $160,000. Pursuant to the terms of the letter agreement, we will reduce annual bonus amounts that otherwise could have been earned by Dr. Agresta by the amount of this payment. This payment, less the amount of any reductions as described above, will be repayable by Dr. Agresta if we terminate his employment for cause or if he resigns without good reason, in each case, prior to September 16, 2021. The letter agreement provides for the grant of an option to purchase 575,900 shares of our common stock pursuant to the terms of our 2016 Plan, which was granted during 2019.

Dr. Agresta also entered into an Employee Non-Competition, Non-Solicitation, Confidentiality and Assignment of Inventions Agreement under which he has agreed not to compete with us during his employment and for 12 months following the termination of his employment, except for any termination due to layoff or without cause (as defined therein), in exchange for garden leave pay during the post-employment non-competition period equal to 50% of his highest annual base salary during the two years prior to termination of his employment. We may elect to waive the post-employment non-competition period, in which case no garden leave pay would be due. Pursuant to the terms of this agreement, Dr. Agresta also has agreed to a perpetual obligation of confidentiality, the assignment of intellectual property, the protection and return of documents and other materials, and not to solicit our customers or business partners, or solicit or hire our employees or independent contractors, during his employment and for 12 months following termination of his employment.

Severance upon termination of employment; change in control.

Mr. Gottschalk. If Mr. Gottschalk's employment is terminated by us without cause or if he resigns for good reason, he will be entitled to receive (i) severance in an amount equal to 12 months of his then-current base salary, payable in periodic installments over six months; (ii) payment of the employer portion of COBRA premiums for 12 months, subject to his eligibility for, and timely election of, COBRA coverage; and (iii) acceleration of 12 months' vesting of time-vesting stock options and other time-vesting stock awards.

If Mr. Gottschalk's employment is terminated by us without cause or if he resigns for good reason within the four months prior to or 12 months following a change of control, he will be entitled to receive (i) severance payments consisting of 12 months' continuation of his then-current base salary, payable in periodic installments over 12 months; (ii) payment of the employer portion of COBRA premiums for 12 months, subject to his eligibility for, and timely election of, COBRA coverage; and (iii) full acceleration of time-vesting stock options and other time-vesting stock awards.

Dr. Decicco. If Dr. Decicco's employment is terminated by us without cause or if he resigns for good reason, he will be entitled to receive (i) severance in an amount equal to nine months of his then-current base salary, plus the amount of any earned but unpaid bonus relating to the calendar year prior to the year of termination, payable in the form of salary continuation over nine months; (ii) payment of the employer portion of COBRA premiums for nine months, subject to his eligibility for, and timely election of, COBRA coverage; and (iii) acceleration of 12 months' vesting of time-vesting stock options and other time-vesting stock awards, and of 25% of the shares subject to performance-vesting awards.

If Dr. Decicco's employment is terminated by us without cause or if he resigns for good reason within the three months prior to or 12 months following a change of control, he will be entitled to the severance benefits described above and to receive full acceleration of all then-unvested awards under the 2016 Plan. In addition, all of Dr. Decicco's then-unvested awards under the 2016 Plan will accelerate in full upon a change of control or in the event of his death.

Dr. Agresta. If Dr. Agresta's employment is terminated by us without cause or if he resigns for good reason, he will be entitled to receive (i) severance payments consisting of nine months' continuation of his then-current base salary; (ii) payment of the employer portion of COBRA premiums for nine months, subject to his eligibility for, and timely election of, COBRA coverage; (iii) any earned but unpaid bonus relating to the calendar year prior to the year of termination, payable at the same bonuses otherwise are paid to active employees; and (iv) acceleration of 12 months' vesting of time-vesting stock options and other time-vesting stock awards, and of 25% of the shares subject to performance-vesting awards.

If Dr. Agresta's employment is terminated by us without cause or if he resigns for good reason within the three months prior to or 12 months following a change of control, he will be entitled to the severance benefits described above and to receive full acceleration of all then-unvested awards under the 2016 Plan. In addition, all of Dr. Agresta's then-unvested awards under the 2016 Plan will accelerate in full upon a change of control or in the event of his death.

Severance Subject to Compliance with Restrictive Covenant Obligations and Release of Claims. Our obligation to provide severance payments and other benefits under each of the named executive officers' letter agreements is conditioned on (i) the executive providing a timely and effective separation agreement containing a release of claims in favor of us; and (ii) the executive's continued compliance with applicable restrictive covenant obligations, including any non-competition, non-solicitation and confidentiality restrictions.

Equity compensation

Each our of named executive officers received a grant of options to purchase our common stock in each of the fiscal years 2019 and 2020 pursuant to the terms of the 2016 Plan.

On February 20, 2019, Mr. Gottschalk was granted an option to purchase 463,791 shares of our common stock, which vested as to 25% of the underlying shares on January 30, 2020, and vests as to 6.25% of the underlying shares on the first day of each calendar quarter thereafter, for the subsequent 12 calendar quarters, generally subject to his continued employment with us through the applicable vesting date.

On February 20, 2019, Dr. Decicco was granted an option to purchase 866,500 shares of our common stock, which vested as to 25% of the underlying shares on December 10, 2019, and vests as to 6.25% of the underlying shares on the first day of each calendar quarter thereafter, for the subsequent 12 calendar quarters, generally subject to his continued employment with us through the applicable vesting date. On February 20, 2019, Dr. Decicco also was granted an option to purchase 202,896 shares of our common stock, which vested as to 25% of the underlying shares on January 30, 2020, and vests as to 6.25% of the underlying shares on the first day of each calendar quarter thereafter, for the subsequent 12 calendar quarters, generally subject to his continued employment with us through the applicable vesting date.

On September 17, 2019, Dr. Agresta was granted an option to purchase 575,900 shares of our common stock, which vests as to 25% of the underlying shares on September 16, 2020, and vests as to 6.25% of the underlying shares on the first day of each calendar quarter thereafter, for the subsequent 12 calendar quarters, generally subject to his continued employment with us through the applicable vesting date.

On August 18, 2020, Mr. Gottschalk and Drs. Decicco and Agresta were granted options to purchase 575,000, 170,000 and 170,000 shares of our common stock, respectively, each of which option vests as to 25% of the underlying shares on August 17, 2021, and vests as to 6.25% of the underlying shares on the first day of each calendar quarter thereafter, for the subsequent 12 calendar quarters, generally subject to the applicable executive's continued employment with us through the applicable vesting date.

Severance and change of control payments and benefits

Each of our named executive officers is entitled to severance and change of control benefits pursuant to the terms of his letter agreement as described above under "Agreements with our named executive officers."

Employee and retirement benefits

We currently provide broad-based health and welfare benefits, and certain commuter benefits, that are available to our full-time employees, including our named executive officers, including health, life, disability, vision and dental insurance. In addition, we maintain a 401(k) retirement plan for our full-time employees. The 401(k) plan permits us to make discretionary employer contributions. We did not make any employer contributions to the 401(k) plan in 2019. Other than the 401(k) plan, we do not provide any qualified or non-qualified retirement or deferred compensation benefits to our employees, including our named executive officers.

Outstanding equity awards at fiscal year-end table

The following table sets forth information concerning outstanding equity awards held by each of our named executive officers as of December 31, 2019:

	Option awards			
Name	Number of securities underlying unexercised options exercisable (#)	Number of securities underlying unexercised options unexercisable (#)	Option exercise price ($/share)	Option expiration date
Adrian Gottschalk	373,438	628,125	$ 0.29	5/29/2027(1)
	—	463,791	$ 2.01	2/20/2029(2)
Carl Decicco, Ph.D.	—	649,875	$ 2.01	2/20/2029(3)
	—	202,896	$ 2.01	2/20/2029(4)
Samuel Agresta, M.D.	—	575,900	$ 2.01	9/16/2029(5)

(1) Represents an option to purchase 1,675,000 shares of our common stock, granted on May 30, 2017, which vested as to 25% of the underlying shares on May 30, 2018, and vests as to 6.25% of the underlying shares on the first day of each calendar quarter thereafter, for the subsequent 12 calendar quarters, generally subject to Mr. Gottschalk's continued employment with us through the applicable vesting date.

(2) Represents an option to purchase 463,791 shares of our common stock, granted on February 20, 2019, which vested as to 25% of the underlying shares on January 30, 2020, and vests as to 6.25% of the underlying shares on the first day of each calendar quarter thereafter, for the subsequent 12 calendar quarters, generally subject to Mr. Gottschalk's continued employment with us through the applicable vesting date.

(3) Represents an option to purchase 866,500 shares of our common stock, granted on February 20, 2019, which vested as to 25% of the underlying shares on December 10, 2019, and vests as to 6.25% of the

underlying shares on the first day of each calendar quarter thereafter, for the subsequent 12 calendar quarters, generally subject to Dr. Decicco's continued employment with us through the applicable vesting date.

(4) Represents an option to purchase 202,896 shares of our common stock, granted on February 20, 2019, which vested as to 25% of the underlying shares on January 30, 2020, and vests as to 6.25% of the underlying shares on the first day of each calendar quarter thereafter, for the subsequent 12 calendar quarters, generally subject to Dr. Decicco's continued employment with us through the applicable vesting date.

(5) Represents an option to purchase 575,900 shares of our common stock, granted on September 17, 2019, which vests as to 25% of the underlying shares on September 16, 2020, and vests as to 6.25% of the underlying shares on the first day of each calendar quarter thereafter, for the subsequent 12 calendar quarters, generally subject to Dr. Agresta's continued employment with us through the applicable vesting date.

Director Compensation

The following table sets forth information concerning the compensation awarded to, earned by, or paid to our non-employee directors during the fiscal year ended December 31, 2019. Mr. Gottschalk's compensation for 2019 is included with that of our other named executive officers above. None of our non-employee directors was granted any stock options or other equity-based awards during fiscal year 2019 and we do not provide cash retainer fees to our non-employee directors.

Name	Stock Awards ($)(1)	Option Awards ($)(2)	All other compensation ($)(3)	Total ($)
Jose Baselga, M.D., Ph.D.	—	—	—	—
Douglas Cole, M.D. (4)	—	—	—	—
Simba Gill, Ph.D.	—	—	—	—
Cigall Kadoch, Ph.D.	—	—	$ 225,000	$225,000
Adam Koppel, M.D., Ph.D.	—	—	—	—
Michael Mendelsohn, M.D.	—	—	—	—

(1) As of December 31, 2019, Dr. Kadoch held 1,462,784 unvested restricted shares of our common stock.

(2) As of December 31, 2019, each of Drs. Baselga, Koppel, and Mendelsohn held an option to purchase 175,000 shares of our common stock and Dr. Gill held an option to purchase 350,000 shares of our common stock.

(3) The amount reported in this column represents consulting fees earned by Dr. Kadoch in fiscal year 2019.

(4) Directors who are affiliated with our investors do not receive compensation in respect of their service as members of our board of directors.

Director compensation

Each of Drs. Baselga, Gill, Koppel, and Mendelsohn is party to a letter agreement with us that sets forth the terms and conditions of his service on our board of directors. In addition, each of Drs. Gill and Kadoch is party to a consulting agreement with us that sets forth the terms and conditions of the consulting services provided by the director.

Drs. Baselga and Mendelsohn. We entered into letter agreements with Drs. Baselga and Mendelsohn, each of which provided for the grant of an option to purchase 175,000 shares of our common stock, which option was immediately exercisable in full in exchange for the receipt of restricted shares. The restrictions on such restricted shares lapsed, pursuant to the terms of a stock restriction agreement, as to 25% of the underlying shares on the date of grant and as to 6.25% of the underlying shares on the first day of each calendar quarter thereafter, for the subsequent 12 calendar quarters, generally subject to the director's continued service on the board of directors through the applicable vesting date. Each letter agreement also contains a perpetual confidentiality obligation.

Dr. Gill. We entered into a letter agreement with Dr. Gill, which provided for the grant of an option to purchase 175,000 shares of our common stock, which vested as to 25% of the underlying shares on July 25, 2018, and as to 6.25% of the underlying shares on the first day of each calendar quarter thereafter, for the subsequent 12 calendar quarters, generally subject to continued service with us through the applicable vesting date. The letter agreement also contains a perpetual confidentiality obligation.

In addition, we entered into a consulting agreement with Dr. Gill, which provides for a grant of an option to purchase 175,000 shares of our common stock in respect of Dr. Gill's consulting services, which vested as to 25% of the underlying shares on July 25, 2018, and as to 6.25% of the underlying shares on the first day of each calendar quarter thereafter, for the subsequent 12 calendar quarters, generally subject to continued service with us through the applicable vesting date. The consulting agreement also contains a perpetual confidentiality obligation and provides for the assignment of intellectual property.

Dr. Kadoch. We entered into a consulting agreement with Dr. Kadoch, which provides for an initial consulting fee of $150,000 per year in respect of Dr. Kadoch's consulting services. For 2019, Dr. Kadoch's consulting fee was increased to $225,000. Pursuant to the terms of the consulting agreement, Dr. Kadoch has agreed to a 10-year post-termination obligation of confidentiality, an assignment of intellectual property covenant, and not to compete with us or solicit our customers, business partners, employees or independent contractors during the term of the consulting agreement and for 12 months thereafter. We also entered into a stock restriction agreement with Dr. Kadoch providing for the grant of 7,313,918 restricted shares of our common stock, which restrictions lapsed, as a result of the closing of our series A-1 preferred stock financing, as to 20% of the total number of underlying shares on October 1, 2016, and lapse as to 5% of the total number of underlying shares on the first day of each calendar quarter thereafter, for the subsequent 16 calendar quarters, generally subject to her continued service with us through the applicable vesting date. Pursuant to the terms of the consulting agreement, upon our termination of the consulting agreement for any reason other than Dr. Kadoch's material breach of her obligations under the agreement, the restricted shares will vest in full at such time that Dr. Kadoch is no longer providing services to us, as a director or otherwise. If Dr. Kadoch terminates the consulting agreement in connection with our material breach of our obligations under the agreement, the restricted shares will vest immediately in full; upon Dr. Kadoch's termination of the consulting agreement for any other reason, no restricted shares will vest following such termination.

Dr. Koppel. We entered into a letter agreement with Dr. Koppel, which provided for the grant of an option to purchase 175,000 shares of our common stock, which option was immediately exercisable in full in exchange for the receipt of restricted shares. The restrictions on such restricted shares lapsed, pursuant to the terms of a stock restriction agreement, as to 25% of the underlying shares on July 19, 2018, and as to 6.25% of the underlying shares on the first day of each calendar quarter thereafter, for the subsequent 12 calendar quarters, generally subject to continued service on the board of directors through the applicable vesting date. The letter agreement also contains a perpetual confidentiality obligation.

In connection with this offering, we expect to adopt a formal non-employee director compensation policy.

Equity and cash plans

2016 Stock Incentive Plan

In 2016, our board of directors adopted, and our stockholders approved, the 2016 Plan. The 2016 Plan has been amended from time to time to increase the aggregate number of shares of our common stock reserved for issuance under it, and was most recently amended on August 18, 2020. The 2016 Plan permits the grant of incentive stock options to our employees and the grant of nonqualified stock options, restricted stock awards, restricted stock units, stock appreciation rights and other stock-based awards to our employees, officers and directors, as well as consultants and advisors. Subject to adjustment, the maximum number of shares that may be granted under the 2016 Plan is 12,050,000. As of August 31, 2020, options to purchase shares of our

common stock were outstanding under the 2016 Plan and shares remained available for future awards. Shares underlying awards that are terminated, surrendered or cancelled without having been exercised, that result in any common stock not being issued, or that are forfeited to or repurchased by the Company, and shares that are withheld in payment of an exercise price of an award or in satisfaction of tax withholding requirements, will become available for subsequent awards under the 2016 Plan. It is anticipated that no further awards will be made under the 2016 Plan following the completion of this offering. In connection with this offering, we intend to adopt a new omnibus equity incentive plan under which we will grant equity and equity-based awards following this offering. This summary is not a complete description of all provisions of the 2016 Plan and is qualified in its entirety by reference to the 2016 Plan, which is filed as an exhibit to the registration statement of which this prospectus is part.

Plan administration

Our board of directors, or a committee of our board of directors, administers the 2016 Plan. As used in this summary, the term "administrator" refers to our board of directors and its authorized delegate, as applicable. Subject to the provisions of the 2016 Plan, the administrator has the authority to, among other things, interpret the 2016 Plan, determine eligibility for and grant awards under the 2016 Plan, adopt, amend and repeal such administrative rules, guidelines and practices relating to the 2016 Plan as it shall deem advisable, and otherwise do all things necessary to carry out the purposes of the 2016 Plan.

Non-transferability of awards

The 2016 Plan generally does not allow for the transfer of awards and awards generally may be exercised only by the holder of an award during his or her lifetime.

Adjustments upon changes in capitalization, merger, or certain other transactions

The 2016 Plan provides that in the event of a stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off or other similar change in capitalization or event, or any dividend or distribution to holders of our common stock other than an ordinary cash dividend, the administrator will make equitable adjustments to the number and class of securities available under the 2016 Plan, the number and class of securities and exercise price per share of each outstanding stock option, the share and per-share provisions and the measurement price of each outstanding stock appreciation right, the number of shares subject to and the repurchase price per share subject to each outstanding restricted stock award, and the share and per-share-related provisions and the purchase price, if any, of each other outstanding stock-based award.

In the case of a reorganization event (which does not include this offering), except to the extent specifically provided otherwise in an award agreement or another agreement between us and the grantee, or with respect to restricted stock units as limited by the requirements of Section 409A of the Code, the administrator may provide for any one or more of the following as to all or any (or any portion of) outstanding awards, other than restricted stock awards: (i) the assumption or substitution of outstanding awards by the acquiring or succeeding corporation; (ii) the termination of unexercised awards immediately prior to the consummation of such reorganization event; (iii) the acceleration of vesting and exercisability, or the lapse of applicable restrictions, in whole or in part, prior to or upon such reorganization event; (iv) the cash-out of outstanding awards; (v) the conversion of outstanding awards into the right to receive liquidation proceeds, in connection with a liquidation or dissolution of the Company; and (vi) any combination of the foregoing.

With respect to restricted stock awards, upon the occurrence of a reorganization event other than a liquidation or dissolution of the Company, the repurchase and other rights we have with respect to outstanding restricted stock awards will inure to the benefit of our successor and apply to the cash, securities or other property into which the restricted stock was converted or for which it was exchanged in connection with such reorganization event,

except to the extent otherwise provided by the administrator. Upon the occurrence of a reorganization event involving the liquidation or dissolution of the Company, except to the extent specifically provided otherwise in an award agreement or other agreement between us and the grantee, all restrictions and conditions on all restricted stock awards then outstanding will automatically be deemed terminated or satisfied.

Amendment and termination

The administrator may amend, suspend or terminate the 2016 Plan or any portion thereof at any time, subject to any required stockholder approval with respect to incentive stock options under Section 422 of the Code and provided that any such amendment will apply to then-outstanding awards only to the extent the administrator determines that such amendment does not materially and adversely affect the rights of the award holders. The administrator may also amend, modify or terminate any outstanding award, including by substituting another award of the same or different type, changing the date of exercise or realization, and converting an incentive stock option to a nonqualified stock option, provided that the award holder's consent will be required unless the administrator determines that such action does not materially and adversely affect the award holder's rights under the 2016 Plan.

Lock-up

Pursuant to the terms of the stock option award agreements under the 2016 Plan, the award holders have agreed not to offer, pledge, sell or otherwise transfer or dispose of any of our common stock or other securities, or enter into any swap or other agreement with the effect of transferring the economic consequences of ownership thereof, within the 180 days following the date of the final prospectus in connection with this offering, plus up to an additional 34 days to the extent requested by the managing underwriters of this offering in order to address certain listing rules.

2020 Compensation plans

We expect that we will adopt a new omnibus equity incentive plan and a new cash incentive plan in connection with this offering, the terms of which will be described in a subsequent filing.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following is a summary of transactions since January 1, 2017 to which we have been a party in which the amount involved exceeded $120,000 and in which any of our executive officers, directors, promoters 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 which are described under the section of this prospectus captioned "Executive and Director Compensation."

Equity Financings

Series A-2 convertible preferred stock

In April 2017, we completed the sale of an aggregate of 10,804,165 shares of our Series A-2 convertible preferred stock at a purchase price of $1.50 per share for an aggregate purchase price of $16,206,247.50. Each share of our A-2 convertible preferred stock will convert into shares of our common stock upon the closing of this offering.

The following table summarizes purchases of shares of our Series A-2 convertible preferred stock by holders of more than 5% of our capital stock and entities affiliated with our executive officers and members of our board of directors.

Name of Stockholder	Director(s)/Executive Officer(s)	Number of series A-2 convertible preferred stock	Approximate purchase price
Funds affiliated with Flagship Pioneering, Inc.	Douglas Cole, M.D.	8,333,333	$ 12,499,999.50
Klarman Family Foundation	Not applicable	2,083,333	$ 3,124,999.50
Adrian H. Gottschalk Living Trust	Adrian Gottschalk	33,333	$ 49,999.50

Series B convertible preferred stock

In December 2018, we completed the sale of an aggregate of 6,077,629 shares of our Series B convertible preferred stock, of which 669,625 shares were issued upon conversion of a Convertible Promissory Note held by Flagship Ventures Fund V, L.P., at a purchase price of $7.50 per share for an aggregate purchase price of $45,582,217.50. We completed an additional closing in January 2019, with the sale of an additional aggregate of 2,040,002 shares of our Series B convertible preferred stock for an aggregate purchase price of $15,300,015.00. In 2020, we completed additional closings for an additional aggregate of 12,007,867 shares of our Series B convertible preferred stock for an aggregate purchase price of $90,059,002.50. Each share of our Series B convertible preferred stock will convert into shares of our common stock upon the closing of this offering.

The following table summarizes purchases of shares of our Series B convertible preferred stock by holders of more than 5% of our capital stock and entities affiliated with our executive officers and members of our board of directors.

Name of Stockholder	Director(s)/Executive Officer(s)	Number of series B convertible preferred stock	Approximate purchase price
Funds affiliated with Flagship Pioneering, Inc.	Douglas Cole, M.D.	7,336,292	$ 55,022,190.00
Adrian H. Gottschalk Living Trust	Adrian Gottschalk	13,334	$ 100,005.00

Flagship Service Agreement

In October 2015, the Company entered into a five-year service agreement with Flagship Pioneering ("Flagship"), an affiliate of one of its stockholders Flagship Venture Funds, to provide general and administrative services to

the Company, including certain consulting services and the provision of employee health and dental benefit plans for the Company's employees. The Company made cash payments for services received under this agreement of $0.4 million and $0.6 million during the six months ended June 30, 2019 and 2020, respectively. As of December 31, 2019, the Company had no accounts payable to Flagship related to this service agreement. At June 30, 2020, the Company had less than $0.1 million in accounts payable to Flagship for costs related to the service agreement. Our director who is affiliated with Flagship Pioneering is set forth in the table above.

Consulting Agreement with Cigall Kadoch, Ph.D.

In October 2015, we entered into a consulting agreement with Cigall Kadoch, Ph.D., our academic co-founder and a member of our board of directors, pursuant to which Dr. Kadoch provides advisory services related to the manufacturing and sale of products and services related to chromatin remodeling. Under the terms of the consulting agreement, Dr. Kadoch received a grant of 7,313,918 shares of our common stock. Additionally, we agreed to pay Dr. Kadoch a consulting fee of $150,000 per year payable in monthly installments in arrears beginning with the effective date of the consulting agreement, and we agreed to reimburse her for reasonable business expenses incurred in connection with the performance of the services under the agreement. In January 2019, we agreed to increase the consulting fee payable to Dr. Kadoch to $225,000 per year, payable in monthly installments in arrears.

Investor Rights Agreement

We are party to an amended and restated investor rights agreement, or the Investor Rights Agreement, with each holder of our convertible preferred stock, which includes each holder of more than 5% of our capital stock and certain of our directors (or, in some cases, entities affiliated therewith). The Investor Rights Agreement imposes certain affirmative obligations on us, and also grants certain rights to the holders, including certain registration rights with respect to the registrable securities held by them. See "Description of Capital Stock—Registration Rights" for additional information regarding these registration rights. Other provisions of the Investor Rights Agreement will terminate upon completion of this offering.

Voting Agreement

We are party to an Amended and Restated Voting Agreement, dated as of December 18, 2018, or the Voting Agreement, with the Flagship Funds, and certain of our other stockholders, pursuant to which the following directors were elected to serve as members on our board of directors and, as of the date of this prospectus, continue to so serve: Dr. Cole, Dr. Kadoch, Mr. Gottschalk, Dr. Baselga, Dr. Gill, Dr. Koppel, and Dr. Mendelsohn.

The Amended and Restated Voting Agreement will terminate upon the closing of this offering, and members previously elected to our board of directors pursuant to this agreement will continue to serve as directors until they resign, are removed or their successors are duly elected by the holders of our common stock. The composition of our board of directors after this offering is described in more detail under "Management—Composition of the Board of Directors."

Director and Officer Indemnification and Insurance

We have agreed to indemnify each of our directors and executive officers against certain liabilities, costs and expenses, and have purchased directors' and officers' liability insurance. We also maintain a general liability insurance policy which covers certain liabilities of directors and officers arising out of claims based on acts or omissions in their capacities as directors or officers.

Related Person Transaction Policy

Our board of directors intends to adopt a written related person transaction policy, to be effective upon the effectiveness of the registration statement of which this prospectus forms a part, setting forth the policies and

procedures for the review and approval or ratification of related person transactions. This policy will cover, with certain exceptions set forth in Item 404 of Regulation S-K under the Securities Act of 1933, as amended, or the Securities Act, any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which we were or are to be a participant, where the amount involved exceeds $120,000 in any fiscal year and a related person had, has or will have a direct or indirect material interest, including without limitation, purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness and employment by us of a related person. In reviewing and approving any such transactions, our audit committee is tasked with considering all relevant facts and circumstances, including, but not limited to, whether the transaction is on terms comparable to those that could be obtained in an arm's length transaction and the extent of the related person's interest in the transaction. All of the transactions described in this section occurred prior to the adoption of this policy.

PRINCIPAL STOCKHOLDERS

The following table sets forth certain information with respect to the beneficial ownership of our common stock at August 31, 2020, as adjusted to reflect the sale of common stock offered by us in this offering, for:

- each person who we know beneficially owns more than 5% of our common stock;
- each of our directors;
- each of our named executive officers; and
- all of our directors and executive officers as a group.

The number of shares beneficially owned by each stockholder is determined under rules issued by the SEC. Under these rules, a person is deemed to be a "beneficial" owner of a security if that person has or shares voting power or investment power, which includes the power to dispose of or to direct the disposition of such security. Except as indicated in the footnotes below, we believe, based on the information furnished to us, that the individuals and entities named in the table below have sole voting and investment power with respect to all shares of common stock beneficially owned by them, subject to any applicable community property laws.

Percentage ownership of our common stock before this offering is based on shares of our common stock outstanding as of August 31, 2020, after giving effect to the automatic conversion of all outstanding shares of our convertible preferred stock into shares of our common stock immediately prior to the closing of this offering, assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus. Percentage ownership of our common stock after this offering is based on shares of our common stock outstanding as of August 31, 2020, after giving effect to the automatic conversion of all outstanding shares of our convertible preferred stock as described above and our issuance of shares of our common stock in this offering. In computing the number of shares beneficially owned by an individual or entity and the percentage ownership of that person, shares of common stock subject to options, warrants or other rights held by such person that are currently exercisable or that will become exercisable within 60 days of August 31, 2020, are considered outstanding, although these shares are not considered outstanding for purposes of computing the percentage ownership of any other person. Unless noted otherwise, the address of all listed stockholders is 100 Binney St, Suite 610, Cambridge, MA 02142.

Name of Beneficial Owner	Number of shares beneficially owned	Percentage of shares beneficially owned	
		Before Offering	After Offering
5% or greater stockholders			
Funds affiliated with Flagship Pioneering, Inc.(1)	23,169,625	%	%
Klarman Family Foundation(2)	3,958,333	%	%
Directors and Named Executive Officers			
Adrian Gottschalk		%	%
Douglas G. Cole, M.D.		%	%
José Baselga, M.D., Ph.D.		%	%
Scott Biller, Ph.D.		%	%
Balkrishan (Simba) Gill, Ph.D.		%	%
Cigall Kadoch, Ph.D.(3)	7,321,769	%	%
Adam M. Koppel, M.D., Ph.D.		%	%
Michael Mendelsohn, M.D.		%	%
Samuel Agresta, M.D., M.P.H. & T.M.		%	%
Carl P. Decicco, Ph.D.		%	%
All executive officers and directors as a group (12 persons)		%	%

* Less than 1%

(1) Consists of 17,169,626 shares of common stock issuable upon the conversion of 7,500,000 shares of Series A-1 convertible preferred stock, 8,333,333 shares of Series A-2 convertible preferred stock, and 1,336,293 shares of Series B convertible preferred stock held by Flagship Ventures Fund V, L.P. ("Flagship Fund V"); (ii) 2,666,666 shares of common stock issuable upon conversion of 2,666,666 shares of Series B convertible preferred stock held by Flagship Ventures Opportunities Fund I, L.P. ("Flagship Opportunities Fund I"); and (iii) 3,333,333 shares of common stock issuable upon conversion of 3,333,333 shares of Series B convertible preferred stock held by Flagship Pioneering Special Opportunities Fund II, L.P, ("Flagship Opportunities Fund II," and together with Flagship Opportunities Fund I and Flagship Fund V, the "Flagship Funds"). Flagship Ventures Fund V General Partner LLC ("Fund V GP") is the general partner of Flagship Fund V. Flagship Ventures Opportunities Fund I General Partner LLC ("Opportunities Fund I GP") is the general partner of Flagship Opportunities Fund I. Flagship Ventures Opportunities Fund II General Partner LLC ("Opportunities Fund II GP") is the general partner of Flagship Opportunities Fund II. Flagship Pioneering, Inc. ("Flagship Pioneering" and together with Opportunities Fund I GP, Opportunities Fund II GP, and Fund V GP, the "Flagship General Partners") is the manager of Opportunities Fund II GP. Noubar B. Afeyan, Ph.D. is sole director of Flagship Pioneering and may be deemed to have sole voting and investment control over all shares held by Opportunities Fund II. In addition, Noubar B. Afeyan Ph.D. serves as the sole manager of Fund V GP and Opportunities Fund I GP and may be deemed to possess sole voting and investment control over all the shares held by Flagship Fund V and Opportunities Fund I. Neither Noubar B. Afeyan Ph.D. or the Flagship General Partners directly own any of the shares held by the Flagship Funds and each of the Flagship General Partners and Noubar B. Afeyan Ph.D. disclaims beneficial ownership of such shares except to the extent of his or its pecuniary interest therein. The mailing address of the Flagship Funds is 55 Cambridge Parkway, Suite 800E, Cambridge, Massachusetts 02142.

(2) Consists of 3,958,333 shares of common stock issuable upon the conversion of 1,875,000 shares of Series A-1 convertible preferred stock and 2,083,333 shares of Series A-2 convertible preferred stock held by the Klarman Family Foundation.

(3) Consists of 7,313,918 shares of common stock issued pursuant to a restricted stock agreement entered into in connection with a consulting arrangement between us and Dr. Kadoch and 7,851 shares of common stock issued in conjunction with our license agreement with the Board of Trustees of the Leland Stanford Junior University.

DESCRIPTION OF CAPITAL STOCK

Capital structure

The following description of our capital stock and certain provisions of our amended and restated certificate of incorporation and amended and restated by-laws are summaries and are qualified by reference to the amended and restated certificate of incorporation and the amended and restated by-laws that will be in effect upon the closing of this offering. Copies of these documents will be filed with the SEC as exhibits to our registration statement, of which this prospectus forms a part. The descriptions of our common stock and preferred stock reflect changes to our capital structure that will occur upon the closing of this offering.

General

Upon completion of this offering, our authorized capital stock will consist of shares, all with a par value of $0.0001 per share, of which:

- shares are designated as common stock; and
- shares are designated as preferred stock.

Common stock

As of August 31, 2020, we had outstanding shares of common stock held of record by stockholders.

Holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders and do not have cumulative voting rights. An election of directors by our stockholders shall be determined by a plurality of the votes cast by the stockholders entitled to vote on the election. Holders of common stock are entitled to receive proportionately any dividends as may be declared by our board of directors, subject to any preferential dividend rights of any series of preferred stock that we may designate and issue in the future.

In the event of our liquidation or dissolution, the holders of common stock are entitled to receive proportionately our net assets available for distribution to stockholders after the payment of all debts and other liabilities and subject to the prior rights of any outstanding preferred stock. Holders of common stock have no preemptive, subscription, redemption or conversion rights. Our outstanding shares of common stock are, and the shares offered by us in this offering will be, when issued and paid for, validly issued, fully paid and nonassessable. The rights, preferences and privileges of holders of common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

Preferred stock

As of August 31, 2020 there were shares of our convertible preferred stock outstanding. Upon the closing of this offering, all outstanding shares of our convertible preferred stock will convert into shares of our common stock.

Under the terms of our amended and restated certificate of incorporation that will become effective immediately prior to the closing of this offering, our board of directors is authorized to direct us to issue shares of preferred stock in one or more series without stockholder approval. Our board of directors has the discretion to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, of each series of preferred stock.

The purpose of authorizing our board of directors to issue preferred stock and determine its rights and preferences is to eliminate delays associated with a stockholder vote on specific issuances. The issuance of

preferred stock, while providing flexibility in connection with possible acquisitions, future financings and other corporate purposes, could have the effect of making it more difficult for a third-party to acquire, or could discourage a third-party from seeking to acquire, a majority of our outstanding voting stock. Upon the closing of this offering, there will be no shares of preferred stock outstanding, and we have no present plans to issue any shares of preferred stock.

Options

As of August 31, 2020, options to purchase shares of our common stock were outstanding under our 2016 Plan, of which options were vested as of that date.

Registration rights

The Investor Rights Agreement grants the parties thereto certain registration rights in respect of the "registrable securities" held by them, which securities include (i) the shares of our common stock issuable or issued upon conversion of our preferred stock; (ii) any common stock held by investors party to the Investor Rights Agreement at the time of this offering; (iii) any common stock issued or issuable, directly or indirectly, upon conversion and/or exercise of any of our other securities held by the investors party to the Investor Rights Agreement at the time of this offering; and (iv) any common stock issued as, or issuable upon the conversion or exercise of any warrant, right, or other security that is issued as, a dividend or other distribution with respect to, or in exchange for or in replacement of, the securities in clauses (i), (ii) and (iii) above. The registration of shares of our common stock pursuant to the exercise of these registration rights would enable the holders thereof to sell such shares without restriction under the Securities Act when the applicable registration statement is declared effective. Under the Investor Rights Agreement, we will pay all expenses relating to such registrations, including the fees of one counsel for the participating holders, and the holders will pay all underwriting discounts and commissions relating to the sale of their shares. The Investor Rights Agreement also includes customary indemnification and procedural terms.

Holders of shares of our common stock (including shares issuable upon the conversion of our convertible preferred stock) are entitled to such registration rights pursuant to the Investor Rights Agreement. These registration rights will expire on the earlier of (i) immediately before the closing of a deemed liquidation event, as defined in the Investor Rights Agreement; (ii) such time after this offering as SEC Rule 144 or another similar exemption under the Securities Act is available for the sale of all of such holder's shares without limitation during a three-month period without registration; and (iii) the fifth anniversary of this offering.

Demand registration rights

At any time beginning 180 days after the effective date of the registration statement of which this prospectus forms a part, the holders of not less than a majority of the registrable securities then outstanding may request that we file a registration statement on Form S-1 with respect to all requested registrable securities held by such holders, if the aggregate offering price of the registrable securities requested to be registered is expected to exceed $10.0 million.

Once we are eligible to use a registration statement on Form S-3, the holders of not less than 30% of the registrable shares then outstanding may request that we file a registration statement on Form S-3 with respect to such holders' registrable securities then outstanding, if the aggregate offering price of the registrable securities requested to be registered would exceed $5.0 million.

Piggyback Registration Rights

In the event that we propose to register any of our securities under the Securities Act, either for our own account or for the account of other security holders, the stockholders party to the Investor Rights Agreement will be

entitled to certain "piggyback" registration rights allowing them to include their registrable securities in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act other than with respect to a demand registration or a registration statement on Form S-4 or S-8, these holders will be entitled to notice of the registration and will have the right to include their registrable securities in the registration subject to certain limitations.

Anti-takeover effects of our certificate of incorporation and our by-laws

Our certificate of incorporation and by-laws will contain certain provisions that are intended to enhance the likelihood of continuity and stability in the composition of our board of directors but which may have the effect of delaying, deferring or preventing a future takeover or change in control of us unless such takeover or change in control is approved by our board of directors.

These provisions include:

Classified board. Our certificate of incorporation will provide that our board of directors will be divided into three classes of directors, with the classes as nearly equal in number as possible. As a result, approximately one-third of our board of directors will be elected each year. The classification of directors will have the effect of making it more difficult for stockholders to change the composition of our board. Our certificate of incorporation will also provide that, subject to any rights of holders of preferred stock to elect additional directors under specified circumstances, the number of directors will be fixed exclusively pursuant to a resolution adopted by our board of directors. Upon completion of this offering, we expect that our board of directors will have members.

Action by written consent; special meetings of stockholders. Our certificate of incorporation will provide that stockholder action can be taken only at an annual or special meeting of stockholders and cannot be taken by written consent in lieu of a meeting. Our certificate of incorporation and the by-laws will also provide that, except as otherwise required by law, special meetings of the stockholders can only be called pursuant to a resolution adopted by a majority of our board of directors. Except as described above, stockholders will not be permitted to call a special meeting or to require our board of directors to call a special meeting.

Removal of directors. Our certificate of incorporation will provide that our directors may be removed only for cause by the affirmative vote of at least 75% of the voting power of our outstanding shares of capital stock, voting together as a single class. This requirement of a supermajority vote to remove directors could enable a minority of our stockholders to prevent a change in the composition of our board.

Advance notice procedures. Our by-laws will establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to the board of directors. Stockholders at an annual meeting will only be able to consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of our board of directors or by a stockholder who was a stockholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has given our Secretary timely written notice, in proper form, of the stockholder's intention to bring that business before the meeting. Although the by-laws will not give our board of directors the power to approve or disapprove stockholder nominations of candidates or proposals regarding other business to be conducted at a special or annual meeting, the by-laws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed or may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempting to obtain control of us.

Supermajority approval requirements. The DGCL generally provides that the affirmative vote of a majority of the shares entitled to vote on any matter is required to amend a corporation's certificate of incorporation or by-laws, unless either a corporation's certificate of incorporation or by-laws requires a greater percentage. Our certificate of incorporation and by-laws will provide that the affirmative vote of holders of at least 75% of the

total votes eligible to be cast in the election of directors will be required to amend, alter, change or repeal specified provisions. This requirement of a supermajority vote to approve amendments to our certificate of incorporation and by-laws could enable a minority of our stockholders to exercise veto power over any such amendments.

Authorized but unissued shares. Our authorized but unissued shares of common stock and preferred stock will be available for future issuance without stockholder approval. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of common stock and preferred stock could render more difficult or discourage an attempt to obtain control of a majority of our common stock by means of a proxy contest, tender offer, merger or otherwise.

Exclusive forum. Our certificate of incorporation will require, to the fullest extent permitted by law, that derivative actions brought in the name of the Company, actions against directors, officers and employees for breach of a fiduciary duty and other similar actions may be brought only in specified courts in the State of Delaware. Although we believe this provision benefits us by providing increased consistency in the application of Delaware law in the types of lawsuits to which it applies, the provision may have the effect of discouraging lawsuits against our directors and officers. See "Risk Factors —Our amended and restated certificate of incorporation designates the state or federal courts within the State of Delaware as the exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees."

Section 203 of the DGCL

Upon completion of this offering, we will be subject to the provisions of Section 203 of the DGCL. In general, Section 203 prohibits a publicly-held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a three-year period following the time that this stockholder becomes an interested stockholder, unless the business combination is approved in a prescribed manner. A "business combination" includes, among other things, a merger, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. An "interested stockholder" is a person who, together with affiliates and associates, owns, or did own within three years prior to the determination of interested stockholder status, 15% or more of the corporation's voting stock.

Under Section 203, a business combination between a corporation and an interested stockholder is prohibited unless it satisfies one of the following conditions: before the stockholder became interested, our board of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder; upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, shares owned by persons who are directors and also officers, and employee stock plans, in some instances; or at or after the time the stockholder became interested, the business combination was approved by our board of directors of the corporation and authorized at an annual or special meeting of the stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

A Delaware corporation may "opt out" of these provisions with an express provision in its original certificate of incorporation or an express provision in its certificate of incorporation or by-laws resulting from a stockholders' amendment approved by at least a majority of the outstanding voting shares. We have not opted out of these provisions. As a result, mergers or other takeover or change in control attempts of us may be discouraged or prevented.

Transfer agent and registrar

The transfer agent and registrar for our common stock is .

Listing

We have applied to have our common stock approved for listing on the under the symbol “FHTX.”

SHARES ELIGIBLE FOR FUTURE SALE

Immediately prior to this offering, there was no public market for our common stock, and no predictions can be made about the effect, if any, that market sales of our common stock or the availability of such shares for sale will have on the market price prevailing from time to time. Nevertheless, future sales of our common stock in the public market, or the perception that such sales may occur, could adversely affect the market price of our common stock and could impair our ability to raise capital through future sales of our securities. See "Risk Factors—Risks Related to This Offering and Ownership of Our Common Stock—A significant portion of our total outstanding shares is restricted from immediate resale but may be sold into the market in the near future, which could cause the market price of our common stock to decline significantly, even if our business is doing well." Furthermore, although we have applied to have our common stock approved for listing on the , we cannot assure you that there will be an active public trading market for our common stock.

Upon the closing of this offering, based on the number of shares of our common stock outstanding as of June 30, 2020 and after giving effect to the automatic conversion of all outstanding shares of our convertible preferred stock into shares of our common stock immediately prior to the closing of this offering, we will have an aggregate of shares of our common stock outstanding (or shares of our common stock if the underwriters exercise in full their option to purchase additional shares). Of these shares of our common stock, all of the shares sold in this offering (or shares if the underwriters exercise in full their option to purchase additional shares) will be freely tradable without restriction or further registration under the Securities Act, except for any shares purchased by our "affiliates," as that term is defined in Rule 144 under the Securities Act, whose sales would be subject to the Rule 144 resale restrictions described below, other than the holding period requirement.

All remaining shares of common stock held by existing stockholders immediately prior to the completion of this offering will be "restricted securities" as such term is defined in Rule 144. These restricted securities are eligible for public sale only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rules 144 or 701 under the Securities Act, which are summarized below. We expect that substantially all of these shares will be subject to the 180-day lock-up period under the lock-up agreements described below. Upon expiration of the lock-up period, we estimate that approximately shares of our common stock will be available for sale in the public market, subject in some cases to applicable volume limitations under Rule 144.

Lock-Up agreements

We and each of our directors and executive officers and holders of substantially all of our outstanding capital stock, who will collectively own shares of our common stock upon the closing of this offering (based on our shares outstanding as of August 31, 2020 and after giving effect to the automatic conversion of all outstanding shares of our convertible preferred stock into shares of our common stock immediately prior to the closing of this offering), have agreed not to sell or transfer any common stock or securities convertible into, exchangeable for, exercisable for, or repayable with common stock, for 180 days after the date of this prospectus without first obtaining the written consent of .

Upon the expiration of the lock-up period, substantially all of the shares subject to such lock-up restrictions will become eligible for sale, subject to the limitations discussed above. For a further description of these lock-up agreements, please see "Underwriting."

Rule 144

Affiliate resales of restricted securities

In general, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, a person who is an affiliate of ours, or who was an affiliate at any time during the 90 days before a sale, who

has beneficially owned shares of our common stock for at least six months would be entitled to sell in "broker's transactions" or certain "riskless principal transactions" or to market makers, a number of shares within any three-month period that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately shares (or shares if the underwriters exercise their option to purchase additional shares in full) of our common stock immediately after this offering; or
- the average weekly trading volume in shares of our common stock on the during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Affiliate resales under Rule 144 are also subject to the availability of current public information about us. In addition, if the number of shares being sold under Rule 144 by an affiliate during any three-month period exceeds 5,000 shares or has an aggregate sale price in excess of $50,000, the seller must file a notice on Form 144 with the SEC and the concurrently with either the placing of a sale order with the broker or the execution directly with a market maker.

Non-affiliate resales of restricted securities

In general, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, a person who is not an affiliate of ours at the time of sale, and has not been an affiliate at any time during the three months preceding a sale, and who has beneficially owned shares of our common stock for at least six months but less than a year, is entitled to sell such shares subject only to the availability of current public information about us. If such person has held our shares for at least one year, such person can resell under Rule 144(b)(1) without regard to any Rule 144 restrictions, including the 90-day public company requirement and the current public information requirement.

Non-affiliate resales are not subject to the manner of sale, volume limitation or notice filing provisions of Rule 144.

Rule 701

In general, under Rule 701, any of an issuer's employees, directors, officers, consultants or advisors who purchases shares from the issuer in connection with a compensatory stock or option plan or other written agreement before the effective date of a registration statement under the Securities Act is entitled to sell such shares 90 days after such effective date in reliance on Rule 144. An affiliate of the issuer can resell shares in reliance on Rule 144 without having to comply with the holding period requirement, and non-affiliates of the issuer can resell shares in reliance on Rule 144 without having to comply with the current public information and holding period requirements.

The SEC has indicated that Rule 701 will apply to typical options granted by an issuer before it becomes subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, along with the shares acquired upon exercise of such options, including exercises after an issuer becomes subject to the reporting requirements of the Exchange Act.

Equity plans

We intend to file one or more registration statements on Form S-8 under the Securities Act to register all shares of our common stock subject to outstanding options and shares of our common stock issued or issuable under our incentive plans. We expect to file the registration statement covering shares offered pursuant to our incentive plans shortly after the date of this prospectus, permitting the resale of such shares by nonaffiliates in the public market without restriction under the Securities Act and the sale by affiliates in the public market, subject to compliance with the resale provisions of Rule 144.

Registration rights

Upon the closing of this offering, the holders of shares of our common stock (including shares of our common stock issuable upon the conversion of all outstanding shares of our convertible preferred stock) or their transferees will be entitled to various rights with respect to the registration of these shares under the Securities Act. Registration of these shares under the Securities Act would result in these shares becoming fully tradable without restriction under the Securities Act immediately upon the effectiveness of the registration, except for shares purchased by affiliates. See "Description of Capital Stock—Registration Rights" for additional information. Shares covered by a registration statement will be eligible for sale in the public market upon the expiration or release from the terms of the lock-up agreement.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS OF OUR COMMON STOCK

The following discussion is a summary of the material U.S. federal income tax consequences to Non-U.S. Holders (as defined below) of the purchase, ownership and disposition of our common stock issued pursuant to this offering, but does not purport to be a complete analysis of all potential tax effects. The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local or non-U.S. tax laws are not discussed. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended, or the Code, Treasury Regulations promulgated thereunder, judicial decisions and published rulings and administrative pronouncements of the U.S. Internal Revenue Service, or the IRS, in each case, in effect as of the date hereof. These authorities may change or be subject to differing interpretations. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect a Non-U.S. Holder of our common stock. We have not sought and will not seek any rulings from the IRS regarding the matters discussed below. There can be no assurance the IRS or a court will not take a contrary position to that discussed below regarding the tax consequences of the purchase, ownership and disposition of our common stock.

This discussion is limited to Non-U.S. Holders that hold our common stock as a "capital asset" within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all U.S. federal income tax consequences relevant to a Non-U.S. Holder's particular circumstances, including the impact of the alternative minimum tax or the Medicare contribution tax on net investment income. In addition, it does not address consequences relevant to Non-U.S. Holders subject to special rules, including, without limitation:

- U.S. expatriates and former citizens or long-term residents of the United States;
- persons holding our common stock as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies and other financial institutions;
- brokers, dealers or traders in securities;
- "controlled foreign corporations," "passive foreign investment companies," and corporations that accumulate earnings to avoid U.S. federal income tax;
- partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein);
- tax-exempt organizations or governmental organizations;
- persons deemed to sell our common stock under the constructive sale provisions of the Code;
- persons who hold or receive our common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- tax-qualified retirement plans;
- "qualified foreign pension funds" as defined in Section 897(l)(2) of the Code and entities all of the interests of which are held by qualified foreign pension funds; and
- persons subject to special tax accounting rules as a result of any item of gross income with respect to our common stock being taken into account in an applicable financial statement.

This discussion does not address the tax treatment of partnerships or other pass-through entities, or arrangements, or persons who hold our common stock through partnerships or other pass-through entities or arrangements, for U.S. federal income tax purposes. If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds our common stock, the tax treatment of a partner in the partnership will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships holding our common stock and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS, AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Definition of a Non-U.S. Holder

For purposes of this discussion, a "Non-U.S. Holder" is any beneficial owner of our common stock that is neither a "U.S. person" nor an entity or arrangement treated as a partnership for U.S. federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Code) or (2) has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

Distributions

As described in the section entitled "Dividend Policy," we do not anticipate declaring or paying any distributions to holders of our common stock in the foreseeable future. However, if we do make distributions of cash or property on our common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and first be applied against and reduce a Non-U.S. Holder's adjusted tax basis in its common stock, but not below zero. Any remaining excess will be treated as capital gain and will be treated as described below under "—Sale or Other Taxable Disposition."

Subject to the discussion below on effectively connected income, FATCA, and backup withholding, dividends paid to a Non-U.S. Holder of our common stock will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends or such lower rate specified by an applicable income tax treaty, provided the Non-U.S. Holder furnishes a valid IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) certifying qualification for the lower treaty rate. A Non-U.S. Holder that does not timely furnish the required documentation, but that qualifies for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

If dividends paid to a Non-U.S. Holder are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such dividends are attributable), the Non-U.S. Holder will be exempt from the U.S. federal withholding tax described above. To claim the exemption, the Non-U.S. Holder must furnish to the applicable withholding agent a valid IRS Form W-8ECI, certifying that the dividends are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States.

Any such effectively connected dividends will be subject to U.S. federal income tax on a net income basis at the regular graduated rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a

rate of 30% (or such lower rate specified by an applicable income tax treaty) on its effectively connected earnings and profits attributable to such dividends, as adjusted for certain items. Non-U.S. Holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

Sale or Other Taxable Disposition

Subject to the discussion below on backup withholding and FATCA, a Non-U.S. Holder will not be subject to U.S. federal income tax on any gain realized upon the sale or other taxable disposition of our common stock unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such gain is attributable);
- the Non-U.S. Holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met; or
- our common stock constitutes a U.S. real property interest, or USRPI, by reason of our status as a U.S. real property holding corporation, or USRPHC, for U.S. federal income tax purposes

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular graduated rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on its effectively connected earnings and profits attributable to such gain, as adjusted for certain items.

Gain described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty), but may be offset by certain U.S.-source capital losses (even though the individual is not considered a resident of the United States), provided that the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet point above, we believe we currently are not, and we do not anticipate becoming, a USRPHC. Because the determination of whether we are a USRPHC depends on the fair market value of our USRPIs relative to the fair market value of our non-U.S. real property interests and our other business assets, there can be no assurance we are not currently a USRPHC or will not become a USRPHC in the future. Even if we are or were to become a USRPHC, gain arising from the sale or other taxable disposition by a Non-U.S. Holder of our common stock will not be subject to U.S. federal income tax if our common stock is "regularly traded" (as defined by applicable Treasury Regulations) on an established securities market, and such Non-U.S. Holder owned, actually and constructively, 5% or less of our common stock throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition or the Non-U.S. Holder's holding period.

Non-U.S. Holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

Payments of dividends on our common stock will not be subject to backup withholding, provided the applicable withholding agent does not have actual knowledge or reason to know the holder is a United States person and the holder either certifies its non-U.S. status by furnishing a valid IRS Form W-8BEN, W-8BEN-E or W-8ECI or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connection with any distributions on our common stock paid to the Non-U.S. Holder, regardless of whether any distributions constitute dividends or of whether any tax was actually withheld. In addition, proceeds of the sale or other taxable disposition of our common stock within the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting, if the applicable

withholding agent receives the certification described above and does not have actual knowledge or reason to know that such holder is a United States person or the holder otherwise establishes an exemption. Proceeds of a disposition of our common stock conducted through a non-U.S. office of a non-U.S. broker generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Additional Withholding Tax on Payments Made to Foreign Accounts

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code and related Treasury Regulations and guidance, or FATCA, on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on our common stock paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States-owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on our common stock. While withholding under FATCA would have also applied to payments of gross proceeds from the sale or other disposition of stock on or after January 1, 2019, proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued.

Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their investment in our common stock.

UNDERWRITING

The company and the underwriters named below have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table. are the representatives of the underwriters.

Underwriters	Number of Shares
Goldman Sachs & Co. LLC	
Morgan Stanley & Co. LLC	
Cowen and Company, LLC	
Wedbush Securities Inc.	
Total	

The underwriters are committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

The underwriters have an option to buy up to an additional shares from the company to cover sales by the underwriters of a greater number of shares than the total number set forth in the table above. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by the company. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

Paid by the Company	No Exercise	Full Exercise
Per Shares		
Total		

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the initial public offering price. After the initial offering of the shares, the representatives may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

The company and its officers, directors, and holders of substantially all of the company's common stock have agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any of their common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of the representatives. This agreement does not apply to any existing employee benefit plans. See "Shares Available for Future Sale" for a discussion of certain transfer restrictions.

Prior to the offering, there has been no public market for the shares. The initial public offering price has been negotiated among the company and the representatives. Among the factors to be considered in determining the initial public offering price of the shares, in addition to prevailing market conditions, will be the company's historical performance, estimates of the business potential and earnings prospects of the company, an assessment of the company's management and the consideration of the above factors in relation to market valuation of companies in related businesses.

An application has been made to list the common stock on the under the symbol "FHTX."

In connection with the offering, the underwriters may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A "covered short position" is a short position that is not greater than the amount of additional shares for which the underwriters' option described above may be exercised. The underwriters may cover any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to cover the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option described above. "Naked" short sales are any short sales that create a short position greater than the amount of additional shares for which the option described above may be exercised. The underwriters must cover any such naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of the company's stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the common stock. As a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on , in the over-the-counter market or otherwise.

European Economic Area and the United Kingdom

In relation to each Member State of the European Economic Area and the United Kingdom (each a "Member State"), no common shares (the "Shares") have been offered or will be offered pursuant to the offering to the public in that Member State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation), except that offers of Shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Representatives for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Shares shall require the company or any Representative to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to any Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of

the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

In addition, in the United Kingdom, each Underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (FSMA)) received by it in connection with the issue or sale of the shares in circumstances in which Section 21(1) of the FSMA does not apply to the company; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares in, from or otherwise involving the United Kingdom.

Canada

The securities may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions, and Ongoing Registrant Obligations. Any resale of the securities must be made in accordance with an exemption form, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Hong Kong

The shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) ("Companies (Winding Up and Miscellaneous Provisions) Ordinance") or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) ("Securities and Futures Ordinance"), or (ii) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case 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 in 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" in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for

subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA")) under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is 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, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for 6 months after that corporation has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer in that corporation's securities pursuant to Section 275(1A) of the SFA, (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore ("Regulation 32")

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that trust has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets), (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32.

Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended), or the FIEA. The securities may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any relevant laws and regulations of Japan.

Israel

In the State of Israel this prospectus shall not be regarded as an offer to the public to purchase shares of common stock under the Israeli Securities Law, 5728 – 1968, which requires a prospectus to be published and authorized by the Israel Securities Authority, if it complies with certain provisions of Section 15 of the Israeli Securities Law, 5728–1968, including, inter alia, if: (i) the offer is made, distributed or directed to not more than 35 investors, subject to certain conditions (the "Addressed Investors"); or (ii) the offer is made, distributed or directed to certain qualified investors defined in the First Addendum of the Israeli Securities Law, 5728 – 1968, subject to certain conditions (the "Qualified Investors"). The Qualified Investors shall not be taken into account

in the count of the Addressed Investors and may be offered to purchase securities in addition to the 35 Addressed Investors. The company has not and will not take any action that would require it to publish a prospectus in accordance with and subject to the Israeli Securities Law, 5728 – 1968. We have not and will not distribute this prospectus or make, distribute or direct an offer to subscribe for our common stock to any person within the State of Israel, other than to Qualified Investors and up to 35 Addressed Investors.

Qualified Investors may have to submit written evidence that they meet the definitions set out in of the First Addendum to the Israeli Securities Law, 5728 – 1968. In particular, we may request, as a condition to be offered common stock, that Qualified Investors will each represent, warrant and certify to us and/or to anyone acting on our behalf: (i) that it is an investor falling within one of the categories listed in the First Addendum to the Israeli Securities Law, 5728 – 1968; (ii) which of the categories listed in the First Addendum to the Israeli Securities Law, 5728 – 1968 regarding Qualified Investors is applicable to it; (iii) that it will abide by all provisions set forth in the Israeli Securities Law, 5728 – 1968 and the regulations promulgated thereunder in connection with the offer to be issued common stock; (iv) that the shares of common stock that it will be issued are, subject to exemptions available under the Israeli Securities Law, 5728 – 1968: (a) for its own account; (b) for investment purposes only; and (c) not issued with a view to resale within the State of Israel, other than in accordance with the provisions of the Israeli Securities Law, 5728 – 1968; and (v) that it is willing to provide further evidence of its Qualified Investor status. Addressed Investors may have to submit written evidence in respect of their identity and may have to sign and submit a declaration containing, inter alia, the Addressed Investor's name, address and passport number or Israeli identification number.

The company and the selling stockholders estimate that their share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately $.

The company and the selling stockholders have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the issuer and to persons and entities with relationships with the issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

LEGAL MATTERS

The validity of the shares of common stock offered by this prospectus will be passed upon for us by Ropes & Gray, LLP, Boston, Massachusetts. Certain legal matters will be passed upon for the underwriters by Latham & Watkins LLP, Boston, Massachusetts.

EXPERTS

The consolidated financial statements of Foghorn Therapeutics Inc. and its subsidiary as of and for the years ended December 31, 2019 and 2018 included in this Prospectus have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein (which report expresses an unqualified opinion on the financial statements and includes explanatory paragraphs referring to substantial doubt that exists regarding the ability of the Company to continue as a going concern and the change in accounting principle resulting from the adoption of Financial Accounting Standards Board Accounting Standards Update No. 2016-02, Leases (Topic 842)). Such consolidated financial statements have been so included in reliance upon the report of such firm given upon their authority 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 of 1933, as amended, with respect to the shares of common stock offered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits and schedules filed therewith. For further information about us and the shares of common stock offered hereby, we refer you to the registration statement and the exhibits and schedules filed thereto. Statements contained in this prospectus regarding the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and each such statement is qualified in all respects by reference to the full text of such contract or other document filed as an exhibit to the registration statement. The SEC also maintains an Internet website that contains reports, proxy statements and other information about registrants, like us, that file electronically with the SEC. The address of that site is *www.sec.gov*.

Upon the effectiveness of the registration statement, we will be subject to the informational requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and, in accordance with the Exchange Act, will file reports, proxy and information statements and other information with the SEC. Such annual, quarterly and special reports, proxy and information statements and other information can be inspected and copied at the locations set forth above. We intend to make this information available on the investor relations section of our website, which is located at https://foghorntx.com. Information on, or accessible through, our website is not part of this prospectus.

Index to Consolidated Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Foghorn Therapeutics Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated financial statements of Foghorn Therapeutics Inc. and its subsidiary (the "Company"), as of December 31, 2019 and 2018, the related consolidated statements of operations and comprehensive loss, convertible preferred stock and stockholders' deficit, and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of a Matter Regarding Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has recurring losses from operations and has stated that substantial doubt exists about its ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, the Company has changed its method of accounting for leases in 2019 due to the adoption of the Financial Accounting Standards Board Accounting Standards Update No. 2016-02, Leases (Topic 842), as amended, using the modified retrospective transition approach.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte & Touche LLP

Boston, Massachusetts
August 28, 2020

We have served as the Company's auditor since 2018

Foghorn Therapeutics Inc.

Consolidated Balance Sheets

(In thousands, except share and per share amounts)

	December 31, 2018	December 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	$ 40,019	$ 14,981
Restricted cash	—	541
Prepaid expenses and other current assets	383	1,363
Total current assets	40,402	16,885
Property and equipment, net	2,090	2,683
Restricted cash	566	1,733
Other assets	—	11
Operating lease right-of-use assets	—	1,030
Total assets	$ 43,058	$ 22,342
Liabilities, Convertible Preferred Stock and Stockholders' Deficit		
Current liabilities:		
Accounts payable	$ 2,014	$ 3,439
Accrued expenses	1,445	3,701
Operating lease liabilities	—	1,360
Notes payable, net of discount	—	4,152
Total current liabilities	3,459	12,652
Notes payable, net of discount and current portion	7,029	10,960
Deferred rent	547	—
Operating lease liabilities, net of current portion	—	157
Preferred stock warrant liability	46	45
Total liabilities	11,081	23,814
Commitments and contingencies (Note 14)		
Convertible preferred stock (Series A-1, A-2 and B), $0.0001 par value; 28,589,622 and 28,629,622 shares authorized at December 31, 2018 and 2019, respectively; 26,575,544 and 28,615,546 shares issued and outstanding at December 31, 2018 and 2019, respectively; liquidation preference of $86,782 at December 31, 2019	71,250	86,544
Stockholders' deficit:		
Common stock, $0.0001 par value; 46,000,000 and 46,600,000 shares authorized at December 31, 2018 and 2019, respectively; 9,729,077 and 10,661,123 shares issued and 6,429,076 and 9,011,122 shares outstanding at December 31, 2018 and 2019, respectively	1	1
Additional paid-in capital	3,734	6,119
Accumulated deficit	(43,008)	(94,136)
Total stockholders' deficit	(39,273)	(88,016)
Total liabilities, convertible preferred stock and stockholders' deficit	$ 43,058	$ 22,342

The accompanying notes are an integral part of these consolidated financial statements.

Foghorn Therapeutics Inc.

Consolidated Statements of Operations and Comprehensive Loss

(In thousands)

	Year Ended December 31,	
	2018	2019
Operating expenses:		
Research and development	$ 21,225	$ 44,362
General and administrative	4,824	6,722
Total operating expenses	26,049	51,084
Loss from operations	(26,049)	(51,084)
Other income (expense):		
Interest expense	(371)	(540)
Interest income and other expense, net	113	495
Change in fair value of preferred stock warrant liability	(30)	1
Total other income (expense), net	(288)	(44)
Net loss and comprehensive loss	$ (26,337)	$ (51,128)
Net loss per share attributable to common stockholders—basic and diluted	$ (4.83)	$ (6.59)
Weighted average common shares outstanding—basic and diluted	5,452,123	7,754,818
Pro forma net loss per share attributable to common stockholders—basic and diluted (unaudited)		$ (1.41)
Pro forma weighted average common shares outstanding—basic and diluted (unaudited)		36,314,474

The accompanying notes are an integral part of these consolidated financial statements.

Foghorn Therapeutics Inc.

Consolidated Statements of Convertible Preferred Stock and Stockholders' Deficit

(In thousands, except share amounts)

	Series A-1, A-2 and B Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
Balances at December 31, 2017	20,497,915	$25,788	4,043,619	$ —	$ 2,781	$ (16,671)	$ (13,890)
Issuance of Series B convertible preferred stock, net of issuance costs of $120	5,408,004	40,440	—	—	—	—	—
Issuance of Series B convertible preferred stock upon conversion of convertible note and accrued interest	669,625	5,022					
Issuance of common stock upon exercise of stock options	—	—	656,311	—	190	—	190
Vesting of restricted stock	—	—	1,650,000	1	(1)	—	—
Issuance of common stock for technology license	—	—	79,146	—	32	—	32
Stock-based compensation expense	—	—	—	—	732	—	732
Net loss	—	—	—	—	—	(26,337)	(26,337)
Balances at December 31, 2018	26,575,544	71,250	6,429,076	1	3,734	(43,008)	(39,273)
Issuance of Series B convertible preferred stock, net of issuance costs of $6	2,040,002	15,294	—	—	—	—	—
Issuance of common stock upon exercise of stock options	—	—	932,046	—	691	—	691
Vesting of restricted stock	—	—	1,650,000	—	—	—	—
Stock-based compensation expense	—	—	—	—	1,694	—	1,694
Net loss	—	—	—	—	—	(51,128)	(51,128)
Balances at December 31, 2019	28,615,546	$86,544	9,011,122	$ 1	$ 6,119	$ (94,136)	$ (88,016)

The accompanying notes are an integral part of these consolidated financial statements.

Foghorn Therapeutics Inc.

Consolidated Statements of Cash Flows

(In thousands)

	Year Ended December 31, 2018	2019
Cash flows from operating activities:		
Net loss	$ (26,337)	$ (51,128)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation expense	732	1,694
Depreciation and amortization expense	379	693
Loss on disposal of property and equipment	—	11
Change in fair value of preferred stock warrant liability	30	(1)
Noncash lease expense	—	1,100
Noncash interest expense	124	99
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	95	(991)
Accounts payable	1,276	1,211
Accrued expenses and other current liabilities	1,138	2,137
Operating lease liabilities	(85)	(1,160)
Net cash used in operating activities	(22,648)	(46,335)
Cash flows from investing activities:		
Purchases of property and equipment	(1,541)	(968)
Proceeds from sale of property and equipment	—	4
Net cash used in investing activities	(1,541)	(964)
Cash flows from financing activities:		
Proceeds from issuance of convertible preferred stock, net of issuance costs	40,440	15,294
Proceeds from issuance of common stock upon exercise of stock options	190	691
Proceeds from convertible notes	5,000	—
Proceeds from notes payable, net of issuance costs	6,963	7,984
Repayments of notes payable	(823)	—
Net cash provided by financing activities	51,770	23,969
Net increase (decrease) in cash, cash equivalents and restricted cash	27,581	(23,330)
Cash, cash equivalents and restricted cash at beginning of period	13,004	40,585
Cash, cash equivalents and restricted cash at end of period	$ 40,585	$ 17,255
Supplemental cash flow information:		
Cash paid for interest	$ 211	$ 420
Supplemental disclosure of noncash investing and financing information:		
Purchases of property and equipment included in accounts payable and accrued expenses	$ 34	$ 367
Common stock issued for license	$ 32	$ —
Conversion of convertible notes payable and accrued interest to preferred stock	$ 5,022	$ —
Reconciliation of cash, cash equivalents and restricted cash:		
Cash and cash equivalents	$ 40,019	$ 14,981
Restricted cash (current and non-current)	566	2,274
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	$ 40,585	$ 17,255

The accompanying notes are an integral part of these consolidated financial statements.

Foghorn Therapeutics Inc.

Notes to Consolidated Financial Statements

1. Nature of Business and Basis of Presentation

Foghorn Therapeutics Inc. (the "Company") is a development-stage biopharmaceutical company discovering and developing a new class of medicines targeting genetically determined dependencies within the chromatin regulatory system. The Company uses its proprietary Gene Traffic Control platform to identify, validate and potentially drug targets within the system. The Company was founded in October 2015 as a Delaware corporation. The Company is headquartered in Cambridge, Massachusetts.

The Company is subject to risks similar to those of other development-stage companies in the biopharmaceutical industry, including dependence on key individuals, the need to develop commercially viable products, competition from other companies, many of whom are larger and better capitalized, the impact of the COVID-19 pandemic and the need to obtain adequate additional financing to fund the development of its products. There can be no assurance that the Company's research and development will be successfully completed, that adequate protection for the Company's intellectual property will be maintained, that any products developed will obtain required regulatory approval or that any approved products will be commercially viable. Even if the Company's development efforts are successful, it is uncertain when, if ever, the Company will generate significant revenue from the sale of its products.

In March 2020, the World Health Organization declared the global novel coronavirus disease 2019 ("COVID-19") outbreak a pandemic. The Company's operations have not been significantly impacted by the COVID-19 pandemic. However, the Company cannot at this time predict the specific extent, duration, or full impact that the COVID-19 pandemic will have on its financial condition and operations, including planned clinical trials. The impact of the COVID-19 coronavirus outbreak on the Company's financial performance will depend on future developments, including the duration and spread of the pandemic and related governmental advisories and restrictions. These developments and the impact of COVID-19 on the financial markets and the overall economy are highly uncertain and cannot be predicted. If the financial markets and/or the overall economy are impacted for an extended period, the Company's results may be materially adversely affected.

Basis of presentation

The Company's consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiary. All intercompany accounts and transactions have been eliminated in consolidation. Any reference in these notes to applicable guidance is meant to refer to the authoritative GAAP as found in the Accounting Standards Codification ("ASC") and Accounting Standards Update ("ASU") of the Financial Accounting Standards Board ("FASB").

Going concern

Since its inception, the Company has funded its operations primarily with proceeds from sales of preferred stock and debt financing. The Company has incurred losses since inception, including net losses of $26.3 million and $51.1 million for the years ended December 31, 2018 and 2019, respectively. In addition, as of December 31, 2019, the Company had an accumulated deficit of $94.1 million. The Company expects to continue to generate operating losses for the foreseeable future. In April 2020, the Company received gross proceeds of $48.1 million from the sale of 6,407,867 shares of Series B convertible preferred stock and in July and August 2020, the Company received gross proceeds of $42.0 million from the sale of 5,600,000 shares of Series B convertible preferred stock. The Company also received a $15.0 million upfront payment under a collaboration agreement entered into in July 2020 (see Note 17). The future viability of the Company is dependent on its ability to raise

additional capital to finance its operations. Based on its losses from operations incurred since inception, expectation of continuing operating losses for the foreseeable future, and need to raise additional capital to finance its future operations, as of August 28, 2020, the issuance date of the consolidated financial statements for the year ended December 31, 2019, the Company has concluded that there is substantial doubt about its ability to continue as a going concern within one year after the date that these consolidated financial statements are issued.

The Company is seeking to complete an initial public offering ("IPO") of its common stock. Upon the closing of a qualified public offering on specified terms, the Company's outstanding convertible preferred stock will automatically convert into shares of common stock (see Note 7). In the event the Company does not complete an IPO, the Company expects to seek additional funding through private equity financings, debt financings, or other capital sources, including collaborations with other companies, government funding arrangements or other strategic transactions.

If the Company is unable to obtain additional funding, the Company will be required to delay, reduce or eliminate some or all of its research and development programs or the Company may be unable to continue operations. Although management continues to pursue these financing plans, there is no assurance that the Company will be successful in obtaining sufficient funding on terms acceptable to the Company to fund continuing operations, if at all.

The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Accordingly, the consolidated financial statements have been prepared on a basis that assumes the Company will continue as a going concern and which contemplates the realization of assets and satisfaction of liabilities and commitments in the ordinary course of business.

2. Summary of Significant Accounting Policies

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Significant estimates and assumptions reflected in these consolidated financial statements include, but are not limited to, the valuation of common stock, the valuation of stock-based awards and the accrual of research and development expenses. The Company bases its estimates on historical experience, known trends and other market-specific or other relevant factors that it believes to be reasonable under the circumstances. On an ongoing basis, management evaluates its estimates as there are changes in circumstances, facts and experience. Actual results may differ from those estimates or assumptions.

Unaudited pro forma information

In the accompanying consolidated statements of operations and comprehensive loss, the unaudited pro forma basic and diluted net loss per share attributable to common stockholders for the year ended December 31, 2019 has been prepared to give effect to the automatic conversion of all outstanding shares of convertible preferred stock as if the Company's proposed initial public offering had occurred on the later of January 1, 2019 or the issuance date of the convertible preferred stock.

Concentrations of credit risk and of significant suppliers

Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash and cash equivalents. As of December 31, 2019, the Company maintained cash balances in excess of

Foghorn Therapeutics Inc.

Notes to Consolidated Financial Statements

federally insured limits. The Company does not believe that it is subject to unusual credit risk beyond the normal credit risk associated with commercial banking relationships.

The Company relies, and expects to continue to rely, on a small number of vendors to provide services, supplies and materials for certain activities related to its discovery programs. These programs could be adversely affected by a significant interruption in these services or the availability of materials.

Deferred financing costs

The Company capitalizes certain legal and other third-party fees that are directly associated with obtaining access to capital under credit facilities. Deferred financing costs incurred in connection with obtaining access to capital are recorded in prepaid expenses and other current assets and are amortized over the term of the credit facility. Deferred financing costs related to a recognized debt liability are recorded as a reduction of the carrying amount of the debt liability and amortized to interest expense using the effective interest method over the repayment term.

Cash equivalents

The Company considers all highly liquid investments with original maturities of three months or less at the date of purchase to be cash equivalents.

Restricted cash

Amounts included in restricted cash represent amounts pledged as collateral for letters of credit required for security deposits on the Company's leased facilities and credit cards. These amounts are classified as restricted cash (current and non-current) in the Company's consolidated balance sheets.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization expense is recognized using the straight-line method over the estimated useful life of each asset as follows:

	Estimated Useful Life
Laboratory equipment	5 years
Furniture and fixtures	5 years
Computer equipment and software	3 years
Leasehold improvements	Shorter of useful life or remaining term of lease

Costs for capital assets not yet placed into service are capitalized and depreciated once placed into service. Upon retirement or sale, the cost of assets disposed of and the related accumulated depreciation and amortization are removed from the accounts and any resulting gain or loss is included in loss from operations. Expenditures for repairs and maintenance are charged to expense as incurred.

Impairment of long-lived assets

The Company evaluates its long-lived assets, which consist primarily of property and equipment and operating lease right-of-use assets, for impairment whenever events or changes in circumstances indicate that the carrying

amount of such assets may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset. The Company did not record any impairment losses on long-lived assets during the years ended December 31, 2018 or 2019.

Fair value measurements

Certain assets and liabilities are carried at fair value under GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

- Level 1—Quoted prices in active markets for identical assets or liabilities.
- Level 2—Observable inputs (other than Level 1 quoted prices), such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data.
- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

The Company's cash equivalents and preferred stock warrant liability are carried at fair value, determined according to the fair value hierarchy described above (see Note 3). The carrying values of the Company's accounts payable and accrued expenses approximate their fair values due to the short-term nature of these liabilities. The carrying value of the Company's long-term debt approximates its fair value (a level 2 measurement) due to its variable interest rate.

Classification of convertible preferred stock

The Company's convertible preferred stock is classified outside of stockholders' deficit on the consolidated balance sheet because the holders of such shares have redemption rights in the event of a deemed liquidation that, in certain situations, is not solely within the control of the Company.

Research and development costs

Research and development expenses consist of costs incurred in performing research and development activities, including salaries and bonuses, stock-based compensation, employee benefits, facilities costs, laboratory supplies, depreciation, and external costs of vendors engaged to conduct research and preclinical development activities as well as the cost of licensing technology.

Upfront payments and milestone payments made for the licensing of technology are expensed as research and development over the period to which they relate. Costs for research and development activities are expensed in the period in which they are incurred. Payments for such activities are based on the terms of the individual arrangements, which may differ from the pattern of costs incurred, and are reflected in the consolidated financial statements as prepaid expense or accrued research and development expense. Determining the prepaid and

accrued balances at the end of any reporting period incorporate certain judgments and estimates by management that are based on information available to the Company including information provided by vendors regarding the progress to completion of specific tasks or costs incurred.

Patent costs

All patent-related costs incurred in connection with filing and prosecuting patent applications are expensed as incurred due to the uncertainty about the recovery of the expenditure. Amounts incurred are classified as general and administrative expenses.

Leases

Prior to January 1, 2019, the Company accounted for leases under ASC 840, *Leases* ("ASC 840"). The Company adopted ASC 842, *Leases* ("ASC 842"), effective January 1, 2019 using the modified retrospective transition method. Under this method, financial statements for reporting periods after adoption are presented in accordance with ASC 842 and prior-period financial statements continue to be presented in accordance with ASC 840, the accounting standard originally in effect for such periods.

In accordance with ASC 842, the Company accounts for a contract as a lease when it has the right to control the asset for a period of time while obtaining substantially all of the asset's economic benefits. The Company determines if an arrangement is a lease or contains an embedded lease at inception. For arrangements that meet the definition of a lease, the Company determines the initial classification and measurement of its right-of-use asset and lease liability at the lease commencement date and thereafter if modified. The lease term includes any renewal options that the Company is reasonably assured to exercise. The present value of lease payments is determined by using the interest rate implicit in the lease, if that rate is readily determinable; otherwise, the Company uses its estimated secured incremental borrowing rate for that lease term. The Company's policy is to not record leases with an original term of twelve months or less on its consolidated balance sheets and recognizes those lease payments in the income statement on a straight-line basis over the lease term. The Company's existing leases are for office and laboratory space and an equipment lease.

In addition to rent, the leases may require the Company to pay additional costs, such as utilities, maintenance and other operating costs, which are generally referred to as non-lease components. The Company has elected to not separate lease and non-lease components. Only the fixed costs for lease components and their associated non-lease components are accounted for as a single lease component and recognized as part of a right-of-use asset and liability. Rent expense for operating leases is recognized on a straight-line basis over the reasonably assured lease term based on the total lease payments and is included in operating expense in the consolidated statements of operations and comprehensive loss.

Stock-based compensation

The Company measures stock options with service-based vesting or performance-based vesting granted to employees, non-employees and directors based on the fair value on the date of grant using the Black-Scholes option-pricing model. The Company measures restricted common stock awards using the difference between the purchase price per share of the award, if any, and the fair value of the Company's common stock at the date of grant. Compensation expense for the awards is recognized over the requisite service period for employees and directors and as services are delivered for non-employees, both of which are generally the vesting period of the respective award. The Company uses the straight-line method to record the expense of awards with only service-based vesting conditions. The Company uses the graded-vesting method to record the expense of awards

with both service-based and performance-based vesting conditions, commencing once achievement of the performance condition becomes probable. The Company accounts for forfeitures of share-based awards as they occur.

The Company classifies stock-based compensation expense in its consolidated statements of operations and comprehensive loss in the same manner in which the award recipient's payroll costs are classified or in which the award recipient's service payments are classified.

Net loss per share

The Company follows the two-class method when computing net income (loss) per share as the Company has issued shares that meet the definition of participating securities. The two-class method determines net income (loss) per share for each class of common and participating securities according to dividends declared or accumulated and participation rights in undistributed earnings. The two-class method requires income (loss) available to common stockholders for the period to be allocated between common stock and participating securities based upon their respective rights to share in the earnings as if all income (loss) for the period had been distributed.

Basic net income (loss) per share attributable to common stockholders is computed by dividing net income (loss) attributable to common stockholders by the weighted average number of common shares outstanding for the period. Diluted net income (loss) per share attributable to common stockholders is computed by adjusting net income (loss) attributable to common stockholders to reallocate undistributed earnings based on the potential impact of dilutive securities. Diluted net income (loss) per share attributable to common stockholders is computed by dividing the diluted net income (loss) attributable to common stockholders by the weighted average number of common shares outstanding for the period, including potential dilutive common shares.

The Company's participating securities contractually entitle the holders of such shares to participate in dividends but do not contractually require the holders of such shares to participate in losses of the Company. Accordingly, in periods in which the Company reports a net loss, such losses are not allocated to such participating securities. In periods in which the Company reports a net loss attributable to common stockholders, diluted net loss per share attributable to common stockholders is the same as basic net loss per share attributable to common stockholders, since dilutive common shares are not assumed to have been issued if their effect is anti-dilutive. The Company reported a net loss attributable to common stockholders for the years ended December 31, 2018 and 2019.

Segments

Operating segments are defined as components of an entity for which separate discrete financial information is made available and that is regularly evaluated by the chief operating decision maker ("CODM") in making decisions regarding resource allocation and assessing performance. The Company's CODM is its chief executive officer and the Company manages its operations as a single segment for the purposes of assessing performance and making operating decisions. The Company is focused on pioneering the discovery and development of a new class of medicines targeting genetically determined dependencies within the chromatin regulatory system.

Comprehensive loss

Comprehensive loss includes net loss as well as other changes in stockholders' deficit that result from transactions and economic events other than those with stockholders. There was no difference between net loss and comprehensive loss for each of the periods presented in the accompanying consolidated financial statements.

Foghorn Therapeutics Inc.

Notes to Consolidated Financial Statements

Income taxes

The Company accounts for income taxes using the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the consolidated financial statements or in the Company's tax returns. Deferred tax assets and liabilities are determined on the basis of the differences between the financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Changes in deferred tax assets and liabilities are recorded in the provision for income taxes. The Company assesses the likelihood that its deferred tax assets will be recovered from future taxable income and, to the extent it believes, based upon the weight of available evidence, that it is more likely than not that all or a portion of the deferred tax assets will not be realized, a valuation allowance is established through a charge to the provision for income taxes. Potential for recovery of deferred tax assets is evaluated by estimating the future taxable profits expected and considering prudent and feasible tax planning strategies.

The Company accounts for uncertainty in income taxes recognized in the consolidated financial statements by applying a two-step process to determine the amount of tax benefit to be recognized. First, the tax position must be evaluated to determine the likelihood that it will be sustained upon external examination by the taxing authorities. If the tax position is deemed more-likely-than-not to be sustained, the tax position is then assessed to determine the amount of benefit to recognize in the consolidated financial statements. The amount of the benefit that may be recognized is the largest amount that has a greater than 50% likelihood of being realized upon ultimate settlement. Any resulting unrecognized tax benefits are recorded within the provision for income taxes.

Recently adopted accounting pronouncements

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies that the Company adopts as of the specified effective date. The Company qualifies as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 and has elected not to "opt out" of the extended transition related to complying with new or revised accounting standards, which means that when a standard is issued or revised and it has different application dates for public and nonpublic companies, the Company adopts the new or revised standard at the time nonpublic companies adopt the new or revised standard and can do so until such time that the Company either (i) irrevocably elects to "opt out" of such extended transition period or (ii) no longer qualifies as an emerging growth company.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* ("ASU 2016-02"), which requires lessees to recognize most leases on their balance sheet as a right-of-use asset and a lease liability. In general, lease arrangements exceeding a twelve-month term must be recognized as assets and liabilities on the balance sheet. Under ASU 2016-02, a right of use asset and lease obligation is recorded for all leases, whether operating or financing, while the income statement reflects lease expense for operating leases and amortization and interest expense for financing leases. The FASB also issued ASU 2018-10, *Codification Improvements to Topic 842 Leases*, and ASU 2018-11, *Targeted Improvements to Topic 842 Leases*, which allows the new lease standard to be applied as of the adoption date with a cumulative-effect adjustment to the opening balance of retained earnings rather than retroactive restatement of all periods presented. The Company early-adopted the new leasing standards on January 1, 2019 using a modified retrospective approach applied at the beginning of the period of adoption.

The Company elected the "package of practical expedients," which permits the Company not to reassess under the new standards for prior conclusions about lease identification, lease classification and initial direct costs. The Company did not apply the hindsight practical expedient when determining the lease term for existing leases and assessing impairment of expired or existing leases. The Company elected to utilize its incremental borrowing rate based on the remaining lease term as of the date of adoption.

Foghorn Therapeutics Inc.

Notes to Consolidated Financial Statements

In connection with the adoption of ASU 2016-02, the Company recognized right-of-use assets of $8.4 million and lease liabilities of $8.9 million on its consolidated balance sheet. The deferred rent balance of $0.5 million as of January 1, 2019 was recorded as an offset to the Company's right-of-use asset. The adoption of the standard did not have a material impact on the Company's results of operations or cash flows.

3. Fair Value Measurements

The following tables present the Company's fair value hierarchy for its assets and liabilities, which are measured at fair value on a recurring basis (in thousands):

	Fair Value Measurements at December 31, 2018 Using:			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market funds	$ 2,994	$ —	$ —	$ 2,994
Liabilities:				
Preferred stock warrant liability	$ —	$ —	$ 46	$ 46

	Fair Value Measurements at December 31, 2019 Using:			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market funds	$ 14,951	$ —	$ —	$ 14,951
Liabilities:				
Preferred stock warrant liability	$ —	$ —	$ 45	$ 45

During the year ended December 31, 2019, there were no transfers between Level 1, Level 2 and Level 3.

The preferred stock warrant liability in the tables above consisted of the fair value of warrants to purchase Series A-1 convertible preferred stock (see Note 8) and was based on significant inputs not observable in the market, which represent a Level 3 measurement within the fair value hierarchy. The Company's valuation of the preferred stock warrants utilized the Black-Scholes option-pricing model, which incorporates assumptions and estimates to value the preferred stock warrants. The Company assesses these assumptions and estimates at the end of each reporting period. Changes in the fair value of the preferred stock warrants are recognized within other income (expense) in the consolidated statements of operations and comprehensive loss.

The quantitative elements associated with the Company's Level 3 inputs impacting the fair value measurement of the preferred stock warrant liability include the fair value per share of the underlying Series A-1 convertible preferred stock, the remaining contractual term of the warrants, risk-free interest rate, expected dividend yield and expected volatility of the price of the underlying preferred stock. The most significant assumption in the Black-Scholes option-pricing model impacting the fair value of the preferred stock warrants is the fair value of the Company's Series A-1 convertible preferred stock as of each remeasurement date. The Company determines the fair value per share of the underlying Series A-1 convertible preferred stock by taking into consideration its most recent sales of its convertible preferred stock as well as additional factors that the Company deems relevant. The change in the fair value of the preferred stock warrant liability was not material during the years ended December 31, 2018 or 2019.

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4. Property and Equipment, Net

Property and equipment, net consisted of the following (in thousands):

	December 31,	
	2018	2019
Laboratory equipment	$2,311	$ 3,202
Furniture and fixtures	227	337
Computer equipment and software	81	81
Leasehold improvements	75	75
Assets not yet placed in service	12	280
	2,706	3,975
Less: Accumulated depreciation and amortization	(616)	(1,292)
	$2,090	$ 2,683

Depreciation and amortization expense was $0.4 million and $0.7 million for the years ended December 31, 2018 and 2019, respectively.

5. Accrued Expenses

Accrued expenses consisted of the following (in thousands):

	December 31,	
	2018	2019
Accrued employee compensation and benefits	$1,274	$1,867
Accrued external research and development expenses	75	1,384
Other	96	450
	$1,445	$3,701

6. Notes Payable

Long-term debt consisted of the following (in thousands):

	December 31,	
	2018	2019
Principal amount of long-term debt	$7,000	$15,000
Less: Current portion of long-term debt	—	(4,152)
Long-term debt, net of current portion	7,000	10,848
Final payment fee	210	530
Debt discount, net of accretion	(181)	(418)
Long-term debt, net of discount and current portion	$7,029	$10,960

Term loans

The Company previously had a term loan facility agreement with Silicon Valley Bank (“SVB”) for up to $2.0 million in available debt financing to be used toward the Company’s eligible equipment purchases made

through June 30, 2017 (the "Term Loan"). In February 2018, the total remaining outstanding balance owed on the Term Loan of $0.8 million and the final payment charge and the prepayment fee, which together were less than $0.1 million were paid in full to SVB. No further borrowings are available on the Term Loan.

In conjunction with the drawdowns under the Term Loan agreement, the Company granted to SVB warrants to purchase 14,076 shares of Series A-1 convertible preferred stock at $1.00 per share. The issued warrants are exercisable for 10 years from the date of execution of the warrant agreement. The fair value of the warrants as of the grant dates was less than $0.1 million and was recorded as deferred financing cost and as a preferred stock warrant liability (see Note 8).

In February 2018, the Company entered a loan and security agreement with Comerica Bank ("Comerica") for up to $7.0 million in available debt financing to be used toward funding the Company's operations (the "Loan") and an option for an additional $1.0 million pending receipt of a term sheet for a qualified financing as defined in the agreement. The borrowings under the Loan were repayable in monthly payments of interest-only at 0.75% plus the greater of 1) prime rate (as defined by Comerica) or 2) LIBOR plus 2.5%, through February 2020 to be followed by monthly payments of equal principal plus interest until the loan maturity date of February 23, 2022. A final payment fee of 3.0% of the amounts drawn under the Loan was due upon the earlier of the maturity date, the repayment date if paid early, whether voluntary or upon acceleration due to default, the sale of substantially all of the Company's assets, or the Company's IPO.

In March 2019, the Company amended the Loan to increase the maximum borrowing capacity available under the Loan to $15.0 million. Under the amended Loan, $7.0 million had been drawn down as of December 31, 2018 ("Term Loan A") and an additional $8.0 million was drawn down during the year ended December 31, 2019 ("Term Loan B") so that the total amount outstanding under the amended Loan was $15.0 million as of December 31, 2019.

Borrowings under both Term Loan A and Term Loan B were repayable in monthly payments of interest-only through February 2020 with the option to extend the interest-only period through August 2020 upon closure of a qualified financing, to be followed by monthly payments of equal principal plus interest until the loan maturity date of February 1, 2023. Interest for Term Loan A is the greater of 1) Comerica's Prime Rate or 2) LIBOR plus 2.5%, and for Term Loan B, 1.0% plus the greater of 1) Comerica's Prime Rate or 2) LIBOR plus 2.5%. A final payment fee of 3.0% of the aggregate amounts drawn under Term Loan A and 4.0% under Term Loan B is due upon the earlier of the maturity date, the repayment date if paid early, whether voluntary or upon acceleration due to default, the sale of substantially all of the Company's assets, or the Company's IPO. The Company may repay the Loan at any time by paying the outstanding principal balance in full, along with any unpaid accrued interest and the final payment fee. The final payment fee of $0.5 million as of December 31, 2019 is being amortized to interest expense over the term of the debt using the effective interest method. Subsequent to December 31, 2019, the Company further amended the Loan to extend the interest-only period (see Note 17).

Borrowings under the amended Loan are collateralized by substantially all of the Company's assets, other than its intellectual property. There are no financial covenants associated with the amended Loan; however, the Company is subject to certain affirmative and negative covenants restricting the Company's activities, including limitations on dispositions, mergers or acquisitions; encumbering its intellectual property; incurring indebtedness or liens; paying dividends; making certain investments; and engaging in certain other business transactions. The obligations under the amended Loan are subject to acceleration upon the occurrence of specified events of default, including a material adverse change in the Company's business, operations or financial or other condition. Upon the occurrence of an event of default and until such event of default is no longer continuing, the annual interest rate will be 5.0% above the otherwise applicable rate. As of December 31, 2019, the Company believes an event of default would be remote.

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As of December 31, 2019, the weighted average stated interest rate applicable to outstanding borrowings under the amended Loan was 5.3%. During the year ended December 31, 2019, the weighted average effective interest rate on outstanding borrowings under the amended Loan was approximately 6.9%.

As of December 31, 2019, future principal payments due are as follows (in thousands):

Year Ending December 31,	
2020	$ 4,167
2021	5,000
2022	5,000
2023	833
	$ 15,000

Convertible promissory notes

In November 2018, the Company issued $5.0 million of convertible promissory notes (the "Convertible Notes") to one of the Company's existing investors. The Convertible Notes accrued interest at 6.0% per annum, compounded annually, and had a maturity of one year from issuance unless previously converted. The Convertible Notes contained an automatic conversion feature in the event the Company was able to obtain financing through the issuance of a new class of equity securities (a "Qualified Financing") prior to the maturity date. Under this automatic conversion feature, the Convertible Notes and accrued but unpaid interest converted into shares of preferred stock at a price equal to the weighted average per share price of all securities of the Company issued to investors in the Qualified Financing.

In December 2018, a Qualified Financing occurred with the Company's issuance of Series B convertible preferred stock to investors (see Note 7). Accordingly, the full amount of the notes payable and accrued interest converted into 669,625 shares of Series B convertible preferred stock at $7.50 per share.

7. Convertible Preferred Stock

The Company has issued Series A-1 convertible preferred stock (the "Series A-1"), Series A-2 convertible preferred stock (the "Series A-2") and Series B convertible preferred stock (the "Series B"). The Series A-1 and Series A-2 are collectively referred to as the "Series A" and the Series A and Series B are collectively referred to as the "Preferred Stock."

In December 2018, the Company issued 5,408,004 shares of Series B preferred stock at a purchase price of $7.50 per share, resulting in cash proceeds of $40.4 million net of issuance costs of $0.1 million. In December 2018, the Company also issued 669,625 shares of Series B preferred stock upon conversion of convertible notes payable of $5.0 million and accrued interest of less than $0.1 million at $7.50 per share.

In January 2019, the Company sold an additional 2,040,002 shares of Series B preferred stock to new investors at a purchase price of $7.50 per share resulting in net proceeds to the Company of $15.3 million.

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Preferred Stock consisted of the following (in thousands, except share amounts):

	As of December 31, 2018				
	Preferred Stock Authorized	Preferred Stock Issued and Outstanding	Carrying Value	Liquidation Preference	Common Stock Issuable Upon Conversion
Series A-1 Preferred Stock	9,707,826	9,693,750	$ 9,609	$ 9,694	9,693,750
Series A-2 Preferred Stock	10,804,165	10,804,165	16,179	16,206	10,804,165
Series B Preferred Stock	8,077,631	6,077,629	45,462	45,582	6,077,629
	28,589,622	26,575,544	$ 71,250	$ 71,482	26,575,544

	As of December 31, 2019				
	Preferred Stock Authorized	Preferred Stock Issued and Outstanding	Carrying Value	Liquidation Preference	Common Stock Issuable Upon Conversion
Series A-1 Preferred Stock	9,707,826	9,693,750	$ 9,609	$ 9,694	9,693,750
Series A-2 Preferred Stock	10,804,165	10,804,165	16,179	16,206	10,804,165
Series B Preferred Stock	8,117,631	8,117,631	60,756	60,882	8,117,631
	28,629,622	28,615,546	$ 86,544	$ 86,782	28,615,546

As of December 31, 2019, the holders of Preferred Stock have the following rights and preferences:

Voting

The holders of Preferred Stock are entitled to vote, together with the holders of common stock as a single class, on matters submitted to stockholders for a vote. The holders of Preferred Stock are entitled to the number of votes equal to the number of shares of common stock into which each such share of Preferred Stock could convert.

Conversion

Each share of Preferred Stock is convertible into shares of common stock at the option of the holder at any time after the date of issuance. Each share of Preferred Stock will be automatically converted into shares of common stock, at the applicable conversion ratio then in effect, upon either (i) the closing of a firm commitment public offering with at least $35.0 million of gross proceeds to the Company or (ii) the vote or written consent of the holders of at least a majority of the then-outstanding shares of Preferred Stock, voting together as a single class.

The conversion ratio of each series of Preferred Stock is determined by dividing the Original Issue Price of each series by the Conversion Price of each series. The Original Issue Price is defined as $1.00 per share for Series A-1, $1.50 per share for Series A-2 and $7.50 per share for Series B. The Conversion Price is defined as $1.00 per share for Series A-1, $1.50 per share for Series A-2 and $7.50 per share for Series B, subject to appropriate adjustment in the event of any stock split, stock dividend, combination or other similar recapitalization and other adjustments as set forth in the Company's certificate of incorporation, as amended and restated. As a result, as of December 31, 2019, each outstanding share of Preferred Stock is convertible into common stock on a one-for-one basis.

Dividends

The holders of Preferred Stock are entitled to receive noncumulative dividends if and when declared by the Company's board of directors. The Company may not declare, pay or set aside any dividends on shares of any

other series of capital stock of the Company, other than dividends on common stock payable in common stock, unless the holders of the Preferred Stock first receive, or simultaneously receive, a dividend on each outstanding share of Preferred Stock. No dividends were declared or paid during the years ended December 31, 2018 or 2019.

Liquidation

In the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Company or Deemed Liquidation Event (as described below), the holders of shares of Preferred Stock will receive, in preference to any distribution to the holders of common stock, an amount per share equal to the greater of (i) the Original Issue Price per share of the respective share of Preferred Stock, plus all dividends declared but unpaid on such shares, or (ii) the amount the holders would receive if the Preferred Stock were converted into common stock prior to such liquidation event. In the event that the assets available for distribution to the Company's stockholders are not sufficient to permit payment to the holders of Preferred Stock in the full amount to which they are entitled, the assets available for distribution will be distributed on a pro rata basis among the holders of the Preferred Stock. After the payment of all preferential amounts to the holders of the Preferred Stock, then, to the extent available, the remaining assets available for distribution shall be distributed among the holders of the common stock ratably based on the number of shares of common stock held by each holder.

Unless the holders of at least a majority of the then-outstanding shares of Preferred Stock, voting together as a single class on an as-converted basis, elect otherwise, a Deemed Liquidation Event shall include a merger or consolidation (other than one in which stockholders of the Company own a majority by voting power of the outstanding shares of the surviving or acquiring corporation) or a sale, lease, transfer, exclusive license or other disposition of all or substantially all of the assets of the Company. In the event of a Deemed Liquidation Event, if the Company does not effect a dissolution within 90 days after such Deemed Liquidation Event, each holder of Preferred Stock has the right to require the redemption of such shares, and if voting together as a majority, has the right to require redemption of all outstanding Preferred Stock in accordance with the liquidation preferences afforded to holders of the Preferred Stock.

8. Warrants to Purchase Preferred Stock

In connection with the Term Loan (see Note 6), the Company issued warrants to purchase 14,076 shares of Series A-1 preferred stock at an exercise price of $1.00 per share. If unexercised, the warrants expire on November 28, 2026. As of December 31, 2018 and 2019, no warrants have been exercised.

9. Common Stock

Each share of common stock entitles the holder to one vote on all matters submitted to a vote of the Company's stockholders. Common stockholders are not entitled to receive dividends, unless declared by the board of directors.

Restricted common stock

The Company has outstanding shares of restricted common stock that vest over a five-year period (see Note 10). Shares of unvested restricted common stock may not be sold or transferred by the holder. Vesting may be accelerated upon a change in control, as defined. If the holders cease to have a business relationship with the Company, the Company may repurchase any unvested shares of common stock held by these individuals at their original purchase price (which was not significant). Restricted common stock is considered outstanding for accounting purposes only upon vesting.

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10. Stock-Based Compensation

2016 Stock incentive plan

The Company's 2016 Stock Incentive Plan (the "2016 Plan") provides for the Company to grant incentive stock options or nonqualified stock options and other equity awards to employees, directors and consultants of the Company. The 2016 Plan is administered by the board of directors or, at the discretion of the board of directors, by a committee of the board of directors. The exercise prices, vesting and other restrictions are determined at the discretion of the board of directors, or its committee if so delegated.

Stock options granted under the 2016 Plan with service-based vesting conditions generally vest over four years and expire after ten years. The total number of shares of common stock that may be issued under the 2016 Plan was 5,100,000 as of December 31, 2018 and was increased to 8,900,000 in 2019, of which 94,964 shares remain available for future issuance as of December 31, 2019. Shares that are expired, terminated, surrendered or canceled without having been fully exercised will be available for future awards under the 2016 Plan. In June 2020, the number of shares that may be issued under the 2016 Plan was increased to 9,300,000 and in August 2020, was increased to 12,050,000 (see Note 17).

The exercise price for stock options granted is not less than the fair value of common stock as determined by the board of directors as of the date of grant. The Company's board of directors values the Company's common stock, taking into consideration its most recently available valuation of common stock performed by third parties as well as additional relevant factors which may have changed since the date of the most recent contemporaneous valuation through the date of grant.

Stock option valuation

The fair value of stock option grants is estimated using the Black-Scholes option-pricing model. The Company is a private company and lacks company-specific historical and implied volatility information. Therefore, it estimates its expected stock volatility based on the historical volatility of a publicly traded set of peer companies. The expected term of the Company's stock options has been determined utilizing the "simplified" method for awards that qualify as "plain-vanilla" options. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. Expected dividend yield is based on the fact that the Company has never paid cash dividends and does not expect to pay any cash dividends in the foreseeable future.

The following table presents, on a weighted average basis, the assumptions used in the Black-Scholes option-pricing model to determine the grant-date fair value of stock options granted in 2018 and 2019:

	Year Ended December 31,	
	2018	2019
Risk-free interest rate	2.7%	2.2%
Expected volatility	80.6%	78.2%
Expected dividend yield	—	—
Expected term (in years)	6.0	6.0

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The following table summarizes the Company's option activity during the year ended December 31, 2019:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding as of December 31, 2018	3,870,589	$ 0.34	8.7	
Granted	4,308,137	2.01		
Exercised	(932,046)	0.74		
Forfeited	(56,563)	0.36		
Outstanding as of December 31, 2019	7,190,117	$ 1.29	8.7	$ 5,184
Vested and expected to vest as of December 31, 2019	7,190,117	$ 1.29	8.7	$ 5,184
Options exercisable as of December 31, 2019	1,578,333	$ 0.47	7.8	$ 2,432

The aggregate intrinsic value of stock options is calculated as the difference between the exercise price of the stock options and the fair value of the Company's common stock for those stock options that had exercise prices lower than the fair value of the Company's common stock. The aggregate intrinsic value of stock options exercised during the years ended December 31, 2018 and 2019 was $0.1 million and $1.2 million, respectively.

The weighted average grant-date fair value of stock options granted during the years ended December 31, 2018 and 2019 was $0.27 per share and $1.37 per share, respectively.

Restricted common stock

During 2015, the Company issued and sold 8,250,000 shares of restricted common stock at par value to the scientific founders of the Company. The shares are subject to vesting over a period of five years and began vesting upon the closing of the Series A-1 Preferred Stock in April 2016. The following table summarizes the Company's restricted common stock activity during the year ended December 31, 2019:

	Shares
Unvested restricted common stock as of December 31, 2018	3,300,001
Issued	—
Vested	(1,650,000)
Unvested restricted common stock as of December 31, 2019	1,650,001

The aggregate fair value of restricted stock that vested during the years ended December 2018 and 2019 was $1.3 million and $3.3 million, respectively.

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Stock-based compensation

The Company recorded stock-based compensation expense related to common stock options and restricted common stock in the following expense categories of its consolidated statements of operations and comprehensive loss (in thousands):

	Year Ended December 31,	
	2018	2019
Research and development expenses	$ 495	$ 1,140
General and administrative expenses	237	554
	$ 732	$ 1,694

As of December 31, 2019, total unrecognized compensation cost related to unvested options and unvested restricted stock was $5.2 million, which is expected to be recognized over a weighted average period of 3.0 years.

11. Income Taxes

During the years ended December 31, 2018 and 2019, the Company recorded no income tax benefits for the net operating losses incurred or for the research and development tax credits generated in each year, due to its uncertainty of realizing a benefit from those items.

All of the Company's operating losses since inception have been generated in the United States.

A reconciliation of the U.S. federal statutory income tax rate to the Company's effective income tax rate is as follows:

	Year Ended December 31,	
	2018	2019
Federal statutory income tax rate	(21.0)%	(21.0)%
State taxes, net of federal benefit	(6.1)	(7.1)
Federal and state research and development tax credits	0.4	(2.2)
Other	(0.3)	0.4
Change in deferred tax asset valuation allowance	27.0	29.9
Effective income tax rate	0.0%	0.0%

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Net deferred tax assets consisted of the following (in thousands):

	December 31,	
	2018	2019
Deferred tax assets:		
Net operating loss carryforwards	$ 10,831	$ 23,769
Research and development tax credit carryforwards	555	2,415
Capitalized start-up costs	194	190
Accrued expenses	218	596
Operating lease liabilities	—	414
Total deferred tax assets	11,798	27,384
Deferred tax liabilities:		
Depreciation	(472)	(482)
Operating lease right-of-use assets	—	(281)
Total deferred tax liabilities	(472)	(763)
Valuation allowance	(11,326)	(26,621)
Net deferred tax assets	$ —	$ —

As of December 31, 2019, the Company had U.S. federal and state net operating loss carryforwards of $87.6 million and $84.9 million, respectively, which may be available to offset future taxable income. The federal net operating loss carryforwards include $12.5 million which expire at various dates beginning in 2035 and $75.1 million which carryforward indefinitely but in some circumstances may be limited to offset 80% of annual taxable income. The state net operating loss carryforwards expire at various dates beginning in 2036. As of December 31, 2019, the Company also had U.S. federal and state research and development tax credit carryforwards of $1.5 million and $1.2 million, respectively, which may be available to offset future tax liabilities and expire at various dates beginning in 2036 and 2031, respectively.

Utilization of the U.S. federal and state net operating loss carryforwards and research and development tax credit carryforwards may be subject to a substantial annual limitation under Sections 382 and 383 of the Internal Revenue Code of 1986, and corresponding provisions of state law, due to ownership changes that have occurred previously or that could occur in the future. These ownership changes may limit the amount of carryforwards that can be utilized annually to offset future taxable income or tax liabilities. In general, an ownership change, as defined by Section 382, results from transactions increasing the ownership of certain stockholders or public groups in the stock of a corporation by more than 50% over a three-year period. The Company has not conducted a study to assess whether a change of control has occurred or whether there have been multiple changes of control since inception due to the significant complexity and cost associated with such a study. If the Company has experienced a change of control, as defined by Section 382, at any time since inception, utilization of the net operating loss carryforwards or research and development tax credit carryforwards would be subject to an annual limitation under Section 382. Any limitation may result in expiration of a portion of the net operating loss carryforwards or research and development tax credit carryforwards before utilization. Further, until a study is completed by the Company and any limitation is known, no amounts are being presented as an uncertain tax position.

The Company has evaluated the positive and negative evidence bearing upon its ability to realize the deferred tax assets. Management has considered the Company's history of cumulative net losses incurred since inception and its lack of commercialization of any products that would generate revenue from product sales and has concluded that it is more likely than not that the Company will not realize the benefits of the deferred tax assets.

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Accordingly, a full valuation allowance has been established against the net deferred tax assets as of December 31, 2018 and 2019. Management reevaluates the positive and negative evidence at each reporting period.

The valuation allowance increased by $7.1 million and $15.3 million during the years ended December 31, 2018 and 2019, respectively, primarily as a result of the increase in net operating loss carryforwards.

As of December 31, 2018 and 2019, the Company had not recorded any amounts for unrecognized tax benefits. The Company files income tax returns in the U.S. and Massachusetts, as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by federal and state jurisdictions, where applicable. There are currently no pending tax examinations. The Company is open to future tax examination under statute from 2016 to the present.

12. Net Loss per Share and Unaudited Pro Forma Net Loss per Share

Net loss per share

Basic and diluted net loss per share attributable to common stockholders was calculated as follows (in thousands, except share and per share amounts):

	Year Ended December 31,	
	2018	2019
Numerator:		
Net loss attributable to common stockholders	$ (26,337)	$ (51,128)
Denominator:		
Weighted average common shares outstanding basic and diluted	5,452,123	7,754,818
Net loss per share attributable to common stockholders, basic and diluted	$ (4.83)	$ (6.59)

Common stock equivalents

The following common stock equivalents presented based on amounts outstanding at each period end, have been excluded from the calculation of diluted net loss per share because including them would have had an anti-dilutive impact:

	Year Ended December 31,	
	2018	2019
Convertible preferred stock (as converted to common stock)	26,575,544	28,615,546
Warrants to purchase convertible preferred stock (as converted to common stock)	14,076	14,076
Unvested restricted common stock	3,300,001	1,650,001
Stock options to purchase common stock	3,870,589	7,190,117
	33,760,210	37,469,740

Unaudited pro forma net loss per share

Unaudited pro forma basic and diluted net loss per share attributable to common stockholders for the year ended December 31, 2019 has been prepared to give effect to adjustments arising upon the completion of a qualified IPO. Unaudited pro forma net loss attributable to common stockholders used in the calculation of unaudited pro

forma basic and diluted net loss per share attributable to common stockholders does not include the effects of the change in the fair value of the preferred stock warrant liability because the calculation gives effect to the automatic conversion of all shares of convertible preferred stock outstanding into shares of common stock as if the proposed IPO had occurred on January 1, 2019.

Unaudited pro forma basic and diluted weighted-average common shares outstanding used in the calculation of unaudited pro forma basic and diluted net loss per share attributable to common stockholders for the year ended December 31, 2019 has been prepared to give effect, upon a qualified IPO, to the automatic conversion of all outstanding shares of convertible preferred stock into common stock as if the proposed IPO had occurred on January 1, 2019.

Unaudited pro forma basic and diluted net loss per share attributable to common stockholders was calculated as follows (in thousands, except share and per share amounts):

	Year Ended December 31, 2019 (unaudited)
Numerator:	
Net loss attributable to common stockholders	$ (51,128)
Add: Change in fair value of preferred stock warrant liability	(1)
Pro forma net loss attributable to common stockholders	$ (51,129)
Denominator:	
Weighted average common shares outstanding, basic and diluted	7,754,818
Pro forma adjustment to reflect automatic conversion of convertible preferred stock to common stock upon the completion of the proposed initial public offering	28,559,656
Pro forma weighted average common shares outstanding, basic and diluted	36,314,474
Pro forma net loss per share attributable to common stockholders, basic and diluted	$ (1.41)

13. Leases

ASC 842

The Company leases its office and laboratory facilities in Cambridge, Massachusetts under a noncancelable operating lease that began in August 2017 and expires in March 2025 with an option for an additional three-year term at fair-market rent at the time of the extension (the "Existing Lease"). The initial annual base rent was $1.6 million, with such base rent increasing annually during the initial term by 3%. The extension was not included in the right-of-use assets and lease liabilities as it was not reasonably certain of being exercised. In October 2019, with the consent of the landlord, the Company entered into an agreement, with a related party, for the assignment and assumption of the Existing Lease effective the later of May 1, 2020 or when the Company has fully vacated the premises, which is expected to be in October 2020 (see Note 17). In accordance with the operating lease guidance under ASC 842, this assignment was accounted for as a lease reassessment and the right-of-use asset and lease liability were remeasured at the reassessment date of October 2019 resulting in a reduction of $6.5 million to both the right-of-use asset and lease liabilities.

The Company is required to maintain a letter of credit, secured by restricted cash, for a security deposit of $0.5 million in conjunction with this lease. This amount was classified as restricted cash (non-current) on the consolidated balance sheet as of December 31, 2018 and as restricted cash (current) on the consolidated balance sheet as of December 31, 2019.

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The Company also leases office space in Cambridge, Massachusetts for a period of less than one year, which was included in short-term lease cost.

The Company's real estate leases may require the Company to pay for certain operating expenses based on actual costs incurred, including costs of operations, maintenance, repair, replacement, and management of leased premises. As the amounts are variable in nature, these costs are expensed in the period incurred and included in variable lease costs in the table below.

In September 2019, the Company entered into a 36-month lease for laboratory equipment with fixed annual payments of $0.1 million that was accounted for as an operating lease.

The components of lease expense under ASC 842 were as follows (in thousands):

	Year Ended December 31, 2019
Operating lease cost	$ 1,671
Short-term lease cost	60
Variable lease cost	547
	$ 2,278

Supplemental disclosure of cash flow information related to leases was as follows (in thousands):

	Year Ended December 31, 2019
Cash paid for amounts included in the measurement of operating lease liabilities	$ 1,731
Operating lease liabilities arising from obtaining right-of-use assets	$ 271
Reduction of operating lease liabilities and right-of-use assets due to lease remeasurement	$ 6,513

The weighted-average remaining lease term and discount rate were as follows:

	December 31, 2019
Weighted-average remaining lease term—operating leases (in years)	1.06
Weighted-average discount rate—operating leases	7.53%

Future annual minimum lease payments under operating leases as of December 31, 2019 were as follows (in thousands):

Year Ending December 31,	
2020	$1,410
2021	100
2022	66
Total future minimum lease payments	1,576
Less: imputed interest	(59)
Total operating lease liabilities	$1,517

Foghorn Therapeutics Inc.

Notes to Consolidated Financial Statements

Included on the consolidated balance sheet (in thousands):

	December 31, 2019
Current operating lease liabilities	$ 1,360
Operating lease liabilities, net of current portion	157
Total operating lease liabilities	$ 1,517

In October 2019, the Company entered into a lease for 81,441 square feet of office and laboratory space in Cambridge, Massachusetts, commencing in January 2020 (the "New Lease"). The initial term of the New Lease is eight years with a five-year option to extend at fair-market rent at the time of the extension. The base rent payments escalate annually over the eight-year lease term and total approximately $60.3 million. In connection with the New Lease, the landlord agreed to fund up to $3.0 million in tenant improvements to the leased facility as well as up to an additional $16.3 million, which will result in additional rent payments to the landlord. The Company will be obligated to pay its portion of real estate taxes and costs related to the premises, including costs of operations and management of the new leased premises. As of December 31, 2019, the lease commencement date under ASU 2016-02 had not occurred and therefore the Company did not record a right-of-use asset or the corresponding lease liabilities for its New Lease on its consolidated balance sheet.

The Company is required to maintain a cash balance of $1.7 million to secure a letter of credit associated with the lease. This amount was classified as restricted cash (non-current) on the consolidated balance sheet as of December 31, 2019.

ASC 840

Under the previous lease accounting standard, *ASC 840, Leases,* the following table summarizes the future minimum lease payments due under the operating leases as of December 31, 2018 (in thousands):

Year Ending December 31,	
2019	$ 1,665
2020	1,715
2021	1,766
2022	1,819
2023	1,874
Thereafter	2,253
	$ 11,092

The Company incurred rent expense of $1.8 million for the year ended December 31, 2018.

14. Commitments and Contingencies

Leases

The Company's commitments under its leases are described in Note 13.

License agreements

Dana-Farber Cancer Institute

In 2016, the Company entered into a license agreement with the Dana-Farber Cancer Institute, Inc. ("Dana Farber") for an exclusive license for certain biological materials as well as patent rights to methods of identifying

compounds to treat prostate cancer. In consideration for the right to develop, manufacture, and commercialize products based on certain of Dana Farber's intellectual property, the Company is obligated to reimburse Dana Farber for patent expenses and pay low single-digit sales-based royalties upon the occurrence of specific events as outlined in the license agreement. Unless terminated earlier, in accordance with the provisions of the agreement, the agreement will terminate on the expiration date of the last to expire of the applicable Dana Farber patents. None of the Company's product candidates utilize technology covered by this license.

Stanford

In July 2017, the Company entered into a license agreement with the Board of Trustees of the Leland Stanford Junior University ("Stanford") for a non-exclusive license for patent rights to certain diseases associated with chromatin remodeling. In consideration for the right to develop, manufacture, and commercialize products based on certain of Stanford's intellectual property, the Company paid a one-time, non-refundable license fee of less than $0.1 million and reimbursed Stanford for $0.1 million of costs incurred related to the patented technology. The Company also agreed to issue 79,146 shares of the Company's common stock upon execution of a share purchase agreement. In addition to annual license maintenance fees of less than $0.1 million, the Company will reimburse Stanford for patent expenses, pay low single-digit sales-based royalties, and pay up to $1.1 million in regulatory milestones on each licensed product upon the occurrence of specific events as outlined in the license agreement. None of the Company's product candidates utilize technology covered by this license.

In April 2018, the Company issued the 79,146 shares of common stock upon the execution of a share purchase agreement.

Indemnification agreements

In the ordinary course of business, the Company may provide indemnification of varying scope and terms to vendors, lessors, contract research organizations, business partners and other parties with respect to certain matters including, but not limited to, losses arising out of breach of such agreements or from intellectual property infringement claims made by third parties. In addition, the Company has entered into indemnification agreements with members of its board of directors and its executive officers that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is, in many cases, unlimited. The Company has not incurred any material costs as a result of such indemnifications and is not currently aware of any indemnification claims.

Legal Proceedings

From time to time, the Company may become involved in litigation or other legal proceedings. The Company is not currently a party to any material litigation or legal proceedings.

15. Defined Contribution Plan

The Company has a 401(k) defined contribution plan (the "401(k) Plan") for its employees. Eligible employees may make pretax contributions to the 401(k) Plan up to statutory limits. There was no discretionary match made under the 401(k) Plan as of December 31, 2018 and 2019.

16. Related Parties

In October 2015, the Company entered into a five-year service agreement with Flagship Pioneering ("Flagship"), an affiliate of one of its stockholders Flagship Venture Funds, to provide general and administrative services to

the Company, including certain consulting services and the provision of employee health and dental benefit plans for the Company's employees. The Company made cash payments for services received under this agreement of $0.5 million and $0.9 million during the years ended December 31, 2018 and 2019, respectively. As of December 31, 2018 and 2019, the Company had no accounts payable to Flagship for costs related to the service agreement.

In October 2015, the Company entered into a five-year consulting agreement with a scientific founder of the Company who is also a board member and a shareholder. During the years ended December 31, 2018 and 2019, the Company paid the scientific founder $0.2 million and $0.2 million, respectively. As of December 31, 2018 and 2019, the Company had no accounts payable to this scientific founder.

17. Subsequent Events

The Company has evaluated subsequent events for financial statement purposes occurring through August 28, 2020, the date the consolidated financial statements were issued and determined that no subsequent events have occurred that require disclosure, except for those described below.

Series B preferred stock

In April 2020, in two separate closings, the Company sold an additional 6,407,867 shares of Series B preferred stock at a purchase price of $7.50 per share resulting in gross proceeds to the Company of $48.1 million.

In July and August 2020, in two separate closings, the Company sold an additional 5,600,000 shares of Series B preferred stock at a purchase price of $7.50 per share resulting in gross proceeds to the Company of $42.0 million.

Loan and security agreement

In April 2020, the Company amended its Loan and Security Agreement with Comerica to waive the requirement to begin making principal payments on March 1, 2020 and to extend the interest-only period through May 31, 2020 upon the closure of a certain qualified financing by a determinable date as defined in the agreement. In addition, the amendment further extended the interest-only period through August 1, 2020 upon the achievement of certain specified operational milestones or a qualified financing as defined in the agreement. In April 2020, upon closing of the Company's sale of Series B preferred stock, a qualified financing, the interest-only portion was extended through May 31, 2020 to be followed by monthly payments of equal principal plus interest until the loan maturity date of February 1, 2023. In June 2020, the Loan and Security Agreement was amended to extend the interest-only period through August 31, 2020 effective upon confirmation of receipt by the Company of at least a $15.0 million payment from a strategic partner, which condition was satisfied in July 2020.

Sublease agreement

In April 2020, the Company entered into a two-year sublease of approximately 16,843 square feet of office space under the New Lease, for which it will receive $3.4 million of base rent payments over the sublease term. In accordance with the terms of the sublease, rent payments commenced in July 2020.

New Lease amendment

In June 2020, the Company amended the New Lease to defer payment of a portion of the base rent and operating expenses and to extend the lease term by nine months to September 2028.

Foghorn Therapeutics Inc.

Notes to Consolidated Financial Statements

Collaboration agreement

In July 2020, the Company entered into a research collaboration and license agreement (the "Collaboration Agreement") with Merck Sharp & Dohme Corp. ("Merck"). The Company and Merck will apply Foghorn's proprietary Gene Traffic Control platform to discover and develop novel therapeutics against a transcription factor target believed to be relevant to a broad range of cancer patients. Under the Collaboration Agreement, the Company granted Merck exclusive global rights to develop and commercialize drugs that target dysregulation of a single transcription factor. Under the terms of the agreement, Foghorn received an upfront payment of $15.0 million from Merck, and is eligible to receive up to $245.0 million upon first achievement of specified research, development and regulatory milestones by any product candidate generated by the collaboration, and up to $165.0 million upon achievement of specified sales-based milestones per approved product from the collaboration, if any. The Company will be eligible to receive tiered royalties, calculated on a product-by-product basis, on net sales of approved products from the collaboration, if any, at royalty rates ranging from the low single digits to low double digits, depending on whether the products are covered by patent rights it licenses to Merck.

Increase in shares available for issuance under the 2016 Plan and Grant of Options

In June 2020, the number of common shares that may be issued under the 2016 plan was increased from 8,900,000 shares to 9,300,000 shares. In August 2020, the number of shares of common stock authorized for issuance under the 2016 Plan was increased from 9,300,000 shares to 12,050,000 shares. In August 2020, the Company granted options with service-based vesting criteria for the purchase of an aggregate of 2,301,000 shares of common stock, at an exercise price of $4.74 per share. The aggregate grant-date fair value of these options is approximately $7.3 million, which is expected to be recognized over approximately four years.

Foghorn Therapeutics Inc.

Condensed Consolidated Balance Sheets

(In thousands, except share and per share amounts)
(Unaudited)

	December 31, 2019	June 30, 2020	Pro Forma June 30, 2020
Assets			
Current assets:			
Cash and cash equivalents	$ 14,981	$ 36,563	$ 36,563
Restricted cash	541	541	541
Prepaid expenses and other current assets	1,363	1,863	1,863
Total current assets	16,885	38,967	38,967
Property and equipment, net	2,683	8,191	8,191
Restricted cash	1,733	1,735	1,735
Deferred offering costs	—	75	75
Other assets	11	—	—
Operating lease right-of-use assets	1,030	45,346	45,346
Total assets	$ 22,342	$ 94,314	$ 94,314
Liabilities, Convertible Preferred Stock and Stockholders' Equity (Deficit)			
Current liabilities:			
Accounts payable	$ 3,439	$ 2,981	$ 2,981
Accrued expenses	3,701	7,516	7,516
Operating lease liabilities	1,360	380	380
Notes payable, net of discount	4,152	4,988	4,988
Total current liabilities	12,652	15,865	15,865
Notes payable, net of discount and current portion	10,960	10,250	10,250
Operating lease liabilities, net of current portion	157	50,086	50,086
Preferred stock warrant liability	45	44	—
Total liabilities	23,814	76,245	76,201
Commitments and contingencies (Note 10)			
Convertible preferred stock (Series A-1, A-2 and B), $0.0001 par value; 28,629,622 and 36,629,622 shares authorized at December 31, 2019 and June 30, 2020, respectively; 28,615,546 and 35,023,413 shares issued and outstanding at December 31, 2019 and June 30, 2020, respectively; liquidation preference of $134,841 at June 30, 2020; no shares authorized, issued or outstanding, pro forma as of June 30, 2020	86,544	134,480	—
Stockholders' equity (deficit):			
Common stock, $0.0001 par value; 46,600,000 and 55,000,000 shares authorized at December 31, 2019 and June 30, 2020, respectively; 10,661,123 and 10,879,152 shares issued and 9,011,122 and 10,054,151 shares outstanding at December 31, 2019 and June 30, 2020, respectively; 45,902,565 shares issued and 45,077,564 shares outstanding, pro forma at June 30, 2020	1	1	5
Additional paid-in capital	6,119	7,399	141,919
Accumulated deficit	(94,136)	(123,811)	(123,811)
Total stockholders' equity (deficit)	(88,016)	(116,411)	18,113
Total liabilities, convertible preferred stock and stockholders' equity (deficit)	$ 22,342	$ 94,314	$ 94,314

The accompanying notes are an integral part of these condensed consolidated financial statements.

Foghorn Therapeutics Inc.

Condensed Consolidated Statements of Operations and Comprehensive Loss

(In thousands, except share and per share amounts)
(Unaudited)

	Six Months Ended June 30,	
	2019	2020
Operating expenses:		
Research and development	$ 19,550	$ 25,131
General and administrative	3,248	4,132
Total operating expenses	22,798	29,263
Loss from operations	(22,798)	(29,263)
Other income (expense):		
Interest expense	(249)	(456)
Interest income and other expense, net	303	43
Change in fair value of preferred stock warrant liability	—	1
Total other income (expense), net	54	(412)
Net loss and comprehensive loss	$ (22,744)	$ (29,675)
Net loss per share attributable to common stockholders—basic and diluted	$ (3.19)	$ (3.03)
Weighted average common shares outstanding—basic and diluted	7,125,540	9,780,095
Pro forma net loss per share attributable to common stockholders—basic and diluted		$ (0.72)
Pro forma weighted average common shares outstanding—basic and diluted		40,935,661

The accompanying notes are an integral part of these condensed consolidated financial statements.

Foghorn Therapeutics Inc.

Condensed Consolidated Statements of Convertible Preferred Stock and Stockholders' Deficit

(In thousands)
(Unaudited)

	Series A-1, A-2 and B Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
Balances at December 31, 2018	26,575,544	$ 71,250	6,429,076	$ 1	$ 3,734	$ (43,008)	$ (39,273)
Issuance of Series B convertible preferred stock, net of issuance costs of $6	2,040,002	15,294	—	—	—	—	—
Issuance of common stock upon exercise of stock options	—	—	173,031	—	53	—	53
Vesting of restricted stock	—	—	825,000	—	—	—	—
Stock-based compensation expense	—	—	—	—	681	—	681
Net loss	—	—	—	—	—	(22,744)	(22,744)
Balances at June 30, 2019	28,615,546	$ 86,544	7,427,107	$ 1	$ 4,468	$ (65,752)	$ (61,283)

	Series A-1, A-2 and B Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
Balances at December 31, 2019	28,615,546	$ 86,544	9,011,122	$ 1	$ 6,119	$ (94,136)	$ (88,016)
Issuance of Series B convertible preferred stock, net of issuance costs of $123	6,407,867	47,936	—	—	—	—	—
Issuance of common stock upon exercise of stock options	—	—	218,029	—	274	—	274
Vesting of restricted stock	—	—	825,000	—	—	—	—
Stock-based compensation expense	—	—	—	—	1,006	—	1,006
Net loss	—	—	—	—	—	(29,675)	(29,675)
Balances at June 30, 2020	35,023,413	$134,480	10,054,151	$ 1	$ 7,399	$ (123,811)	$ (116,411)

The accompanying notes are an integral part of these condensed consolidated financial statements.

Foghorn Therapeutics Inc.

Condensed Consolidated Statements of Cash Flows

(In thousands)
(Unaudited)

	Six Months Ended June 30,	
	2019	2020
Cash flows from operating activities:		
Net loss	$ (22,744)	$ (29,675)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation expense	681	1,006
Depreciation and amortization expense	290	509
Loss on disposal of property and equipment	1	—
Change in fair value of preferred stock warrant liability	—	(1)
Noncash lease expense	537	1,659
Noncash interest expense	39	126
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(98)	(774)
Accounts payable	1,097	(285)
Accrued expenses and other current liabilities	(155)	819
Operating lease liabilities	(509)	3,259
Net cash used in operating activities	(20,861)	(23,357)
Cash flows from investing activities:		
Purchases of property and equipment	(794)	(3,269)
Net cash used in investing activities	(794)	(3,269)
Cash flows from financing activities:		
Proceeds from issuance of convertible preferred stock, net of issuance costs	15,294	47,936
Proceeds from issuance of common stock upon exercise of stock options	53	274
Payment of notes payable issuance costs	(16)	—
Net cash provided by financing activities	15,331	48,210
Net increase (decrease) in cash, cash equivalents and restricted cash	(6,324)	21,584
Cash, cash equivalents and restricted cash at beginning of period	40,585	17,255
Cash, cash equivalents and restricted cash at end of period	$ 34,261	$ 38,839
Supplemental cash flow information:		
Cash paid for interest	$ 216	$ 341
Supplemental disclosure of noncash investing and financing information:		
Purchases of property and equipment included in accounts payable and accrued expenses	$ —	$ 3,115
Deferred offering costs included in accounts payable and accrued expenses	$ —	$ 75
Reconciliation of cash, cash equivalents and restricted cash:		
Cash and cash equivalents	$ 33,695	$ 36,563
Restricted cash (current and non-current)	566	2,276
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	$ 34,261	$ 38,839

The accompanying notes are an integral part of these condensed consolidated financial statements.

Foghorn Therapeutics Inc.

Notes to Condensed Consolidated Financial Statements

(Unaudited)

1. Nature of Business and Basis of Presentation

Foghorn Therapeutics Inc. (the "Company") is a development-stage biopharmaceutical company discovering and developing a new class of medicines targeting genetically determined dependencies within the chromatin regulatory system. The Company uses its proprietary Gene Traffic Control platform to identify, validate and potentially drug targets within the system. The Company was founded in October 2015 as a Delaware corporation. The Company is headquartered in Cambridge, Massachusetts.

The Company is subject to risks similar to those of other development-stage companies in the biopharmaceutical industry, including dependence on key individuals, the need to develop commercially viable products, competition from other companies, many of whom are larger and better capitalized, the impact of the COVID-19 pandemic and the need to obtain adequate additional financing to fund the development of its products. There can be no assurance that the Company's research and development will be successfully completed, that adequate protection for the Company's intellectual property will be maintained, that any products developed will obtain required regulatory approval or that any approved products will be commercially viable. Even if the Company's development efforts are successful, it is uncertain when, if ever, the Company will generate significant revenue from the sale of its products.

In March 2020, the World Health Organization declared the global novel coronavirus disease 2019 ("COVID-19") outbreak a pandemic. The Company's operations have not been significantly impacted by the COVID-19 pandemic. However, the Company cannot at this time predict the specific extent, duration, or full impact that the COVID-19 pandemic will have on its financial condition and operations, including planned clinical trials. The impact of the COVID-19 coronavirus outbreak on the Company's financial performance will depend on future developments, including the duration and spread of the pandemic and related governmental advisories and restrictions. These developments and the impact of COVID-19 on the financial markets and the overall economy are highly uncertain and cannot be predicted. If the financial markets and/or the overall economy are impacted for an extended period, the Company's results may be materially adversely affected.

Basis of presentation

The Company's condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The accompanying condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiary. All intercompany accounts and transactions have been eliminated in consolidation. Any reference in these notes to applicable guidance is meant to refer to the authoritative GAAP as found in the Accounting Standards Codification ("ASC") and Accounting Standards Update ("ASU") of the Financial Accounting Standards Board ("FASB").

Going concern

Since its inception, the Company has funded its operations primarily with proceeds from sales of preferred stock and debt financing. The Company has incurred losses since inception, including net losses of $51.1 million for the year ended December 31, 2019 and $29.7 million for the six months ended June 30, 2020. In addition, as of June 30, 2020, the Company had an accumulated deficit of $123.8 million. The Company expects to continue to generate operating losses for the foreseeable future. In July 2020, the Company received a $15.0 million upfront

Foghorn Therapeutics Inc.

Notes to Condensed Consolidated Financial Statements

(Unaudited)

payment under a collaboration agreement and in July and August 2020, the Company received gross proceeds of $42.0 million from the sale of 5,600,000 shares of Series B convertible preferred stock (see Note 13). The future viability of the Company is dependent on its ability to raise additional capital to finance its operations.

The Company is seeking to complete an initial public offering ("IPO") of its common stock. Upon the closing of a qualified public offering on specified terms, the Company's outstanding convertible preferred stock will automatically convert into shares of common stock (see Note 6). In the event the Company does not complete an IPO, the Company expects to seek additional funding through private equity financings, debt financings, or other capital sources, including collaborations with other companies, government funding arrangements or other strategic transactions.

If the Company is unable to obtain funding, the Company could be forced to delay, reduce or eliminate some or all of its research and development programs, product portfolio expansion or commercialization efforts, which could adversely affect its business prospects, or the Company may be unable to continue operations. Although management continues to pursue these plans, there is no assurance that the Company will be successful in obtaining sufficient funding on terms acceptable to the Company to fund continuing operations, if at all.

Based on its recurring losses from operations incurred since inception, expectation of continuing operating losses for the foreseeable future, and need to raise additional capital to finance its future operations, the Company has concluded that there is substantial doubt about its ability to continue as a going concern within one year after the date that the condensed consolidated interim financial statements are issued.

The accompanying condensed consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Accordingly, the condensed consolidated interim financial statements have been prepared on a basis that assumes the Company will continue as a going concern and which contemplates the realization of assets and satisfaction of liabilities and commitments in the ordinary course of business.

2. Summary of Significant Accounting Policies

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Significant estimates and assumptions reflected in these consolidated financial statements include, but are not limited to, the valuation of common stock, the valuation of stock-based awards and the accrual of research and development expenses. The Company bases its estimates on historical experience, known trends and other market-specific or other relevant factors that it believes to be reasonable under the circumstances. On an ongoing basis, management evaluates its estimates as there are changes in circumstances, facts and experience. Actual results may differ from those estimates or assumptions.

Unaudited interim financial information

The accompanying condensed consolidated balance sheet as of June 30, 2020, the condensed consolidated statements of operations and comprehensive loss, convertible preferred stock and stockholders' deficit and cash flows for the six months ended June 30, 2019 and 2020 are unaudited. The unaudited interim condensed consolidated financial statements have been prepared on the same basis as the audited annual consolidated

Foghorn Therapeutics Inc.

Notes to Condensed Consolidated Financial Statements

(Unaudited)

financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary for the fair statement of the Company's financial position as of June 30, 2020 and the results of its operations and its cash flows for the six months ended June 30, 2019 and 2020. The financial data and other information disclosed in these consolidated notes related to the six months ended June 30, 2019 and 2020 are also unaudited. The results for the six months ended June 30, 2020 are not necessarily indicative of results to be expected for the year ending December 31, 2020, any other interim periods, or any future year or period.

Unaudited pro forma information

The accompanying unaudited pro forma balance sheet as of June 30, 2020 has been prepared to give effect to the automatic conversion of all outstanding shares of convertible preferred stock into shares of common stock as if the Company's proposed initial public offering had occurred on June 30, 2020.

In the accompanying consolidated statements of operations and comprehensive loss, the unaudited pro forma basic and diluted net loss per share attributable to common stockholders for the six months ended June 30, 2020 has been prepared to give effect to the automatic conversion of all outstanding shares of convertible preferred stock as if the Company's proposed initial public offering had occurred on the later of January 1, 2019 or the issuance date of the convertible preferred stock.

Concentrations of credit risk and of significant suppliers

Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash and cash equivalents. As of June 30, 2020, the Company maintained cash balances in excess of federally insured limits. The Company does not believe that it is subject to unusual credit risk beyond the normal credit risk associated with commercial banking relationships.

The Company relies, and expects to continue to rely, on a small number of vendors to provide services, supplies and materials for certain activities related to its discovery programs. These programs could be adversely affected by a significant interruption in these services or the availability of materials.

Deferred offering costs

The Company capitalizes certain legal, professional, accounting and other third-party fees that are directly associated with in-process equity financings as deferred offering costs until such financings are consummated. After consummation of the equity financing, these costs are recorded as a reduction of the carrying value of the preferred stock or, for issuances of common stock, in stockholder's equity (deficit) as a reduction of additional paid-in capital generated as a result of the offering. Should the planned equity financing be abandoned, the deferred offering costs will be expensed immediately as a charge to operating expenses in the consolidated statement of operations and comprehensive loss. As of December 31, 2019, the Company had no deferred offering costs. As of June 30, 2020, the Company had $0.1 million of deferred offering costs on its consolidated balance sheet.

Foghorn Therapeutics Inc.

Notes to Condensed Consolidated Financial Statements

(Unaudited)

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization expense is recognized using the straight-line method over the estimated useful life of each asset as follows:

	Estimated Useful Life
Laboratory equipment	5 years
Furniture and fixtures	5 years
Computer equipment and software	3 years
Leasehold improvements	Shorter of useful life or remaining term of lease

Costs for capital assets not yet placed into service are capitalized and depreciated once placed into service. As of June 30, 2020, the Company had $6.1 million of capitalized costs not yet placed in service related to leasehold improvements for its new lease.

Upon retirement or sale, the cost of assets disposed of and the related accumulated depreciation and amortization are removed from the accounts and any resulting gain or loss is included in loss from operations. Expenditures for repairs and maintenance are charged to expense as incurred.

Fair value measurements

Certain assets and liabilities are carried at fair value under GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

- Level 1—Quoted prices in active markets for identical assets or liabilities.
- Level 2—Observable inputs (other than Level 1 quoted prices), such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data.
- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

The Company’s cash equivalents and preferred stock warrant liability are carried at fair value, determined according to the fair value hierarchy described above (see Note 3). The carrying values of the Company’s accounts payable and accrued expenses approximate their fair values due to the short-term nature of these liabilities. The carrying value of the Company’s long-term debt approximates its fair value (a level 2 measurement) due to its variable interest rate.

Net loss per share

The Company follows the two-class method when computing net income (loss) per share as the Company has issued shares that meet the definition of participating securities. The two-class method determines net income

Foghorn Therapeutics Inc.

Notes to Condensed Consolidated Financial Statements

(Unaudited)

(loss) per share for each class of common and participating securities according to dividends declared or accumulated and participation rights in undistributed earnings. The two-class method requires income (loss) available to common stockholders for the period to be allocated between common stock and participating securities based upon their respective rights to share in the earnings as if all income (loss) for the period had been distributed.

Basic net income (loss) per share attributable to common stockholders is computed by dividing net income (loss) attributable to common stockholders by the weighted average number of common shares outstanding for the period. Diluted net income (loss) per share attributable to common stockholders is computed by adjusting net income (loss) attributable to common stockholders to reallocate undistributed earnings based on the potential impact of dilutive securities. Diluted net income (loss) per share attributable to common stockholders is computed by dividing the diluted net income (loss) attributable to common stockholders by the weighted average number of common shares outstanding for the period, including potential dilutive common shares.

The Company's participating securities contractually entitle the holders of such shares to participate in dividends but do not contractually require the holders of such shares to participate in losses of the Company. Accordingly, in periods in which the Company reports a net loss, such losses are not allocated to such participating securities. In periods in which the Company reports a net loss attributable to common stockholders, diluted net loss per share attributable to common stockholders is the same as basic net loss per share attributable to common stockholders, since dilutive common shares are not assumed to have been issued if their effect is anti-dilutive. The Company reported a net loss attributable to common stockholders for the six months ended June 30, 2019 and 2020.

Recently issued accounting pronouncements

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies that the Company adopts as of the specified effective date. The Company qualifies as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 and has elected not to "opt out" of the extended transition related to complying with new or revised accounting standards, which means that when a standard is issued or revised and it has different application dates for public and nonpublic companies, the Company can adopt the new or revised standard at the time nonpublic companies adopt the new or revised standard and can do so until such time that the Company either (i) irrevocably elects to "opt out" of such extended transition period or (ii) no longer qualifies as an emerging growth company.

3. Fair Value Measurements

The following tables present information about the Company's financial assets and liabilities measured at fair value on a recurring basis and indicate the level of the fair value hierarchy utilized to determine such fair values (in thousands):

	Fair Value Measurements at December 31, 2019 Using:			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market funds	$ 14,951	$ —	$ —	$ 14,951
Liabilities:				
Preferred stock warrant liability	$ —	$ —	$ 45	$ 45

Foghorn Therapeutics Inc.

Notes to Condensed Consolidated Financial Statements

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	Fair Value Measurements at June 30, 2020 Using:			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market funds	$ 36,443	$ —	$ —	$ 36,443
Liabilities:				
Preferred stock warrant liability	$ —	$ —	$ 44	$ 44

During the six months ended June 30, 2020, there were no transfers between Level 1, Level 2 and Level 3.

The preferred stock warrant liability in the tables above consisted of the fair value of warrants to purchase 14,076 shares of Series A-1 convertible preferred stock at $1.00 per share and was based on significant inputs not observable in the market, which represent a Level 3 measurement within the fair value hierarchy. The Company's valuation of the preferred stock warrants utilized the Black-Scholes option-pricing model, which incorporates assumptions and estimates to value the preferred stock warrants. The Company assesses these assumptions and estimates at the end of each reporting period. Changes in the fair value of the preferred stock warrants are recognized within other income (expense) in the consolidated statements of operations and comprehensive loss.

The quantitative elements associated with the Company's Level 3 inputs impacting the fair value measurement of the preferred stock warrant liability include the fair value per share of the underlying Series A-1 convertible preferred stock, the remaining contractual term of the warrants, risk-free interest rate, expected dividend yield and expected volatility of the price of the underlying preferred stock. The most significant assumption in the Black-Scholes option-pricing model impacting the fair value of the preferred stock warrants is the fair value of the Company's Series A-1 convertible preferred stock as of each remeasurement date. The Company determines the fair value per share of the underlying Series A-1 convertible preferred stock by taking into consideration its most recent sales of its convertible preferred stock as well as additional factors that the Company deems relevant. The change in the fair value of the preferred stock warrant liability was not material during the six months ended June 30, 2019 and 2020.

4. Accrued Expenses

Accrued expenses consisted of the following (in thousands):

	December 31, 2019	June 30, 2020
Accrued employee compensation and benefits	$ 1,867	$3,304
Accrued construction in progress	119	3,115
Accrued external research and development expenses	1,384	706
Other	331	391
	$ 3,701	$7,516

Foghorn Therapeutics Inc.

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5. Notes Payable

Long-term debt consisted of the following (in thousands):

	December 31, 2019	June 30, 2020
Principal amount of long-term debt	$ 15,000	$15,000
Less: Current portion of long-term debt	(4,152)	(4,988)
Long-term debt, net of current portion	10,848	10,012
Final payment fee	530	530
Debt discount, net of accretion	(418)	(292)
Long-term debt, net of discount and current portion	$ 10,960	$10,250

The Company has outstanding loans under its amended loan and security agreement (the "Loan") of $7.0 million ("Term Loan A") and $8.0 million ("Term Loan B") so that the total amount outstanding under the Loan was $15.0 million as of June 30, 2020.

Borrowings under both Term Loan A and Term Loan B were repayable in monthly payments of interest-only through February 2020 with the option to extend the interest-only period through August 2020 upon closure of a qualified financing, to be followed by monthly payments of equal principal plus interest until the loan maturity date of February 1, 2023. Interest for Term Loan A is the greater of 1) Comerica's Prime Rate or 2) LIBOR plus 2.5%, and for Term Loan B, 1.0% plus the greater of 1) Comerica's Prime Rate or 2) LIBOR plus 2.5%. A final payment fee of 3.0% of the aggregate amounts drawn under Term Loan A and 4.0% under Term Loan B is due upon the earlier of the maturity date, the repayment date if paid early, whether voluntary or upon acceleration due to default, the sale of substantially all of the Company's assets, or the Company's IPO. The Company may repay the Loan at any time by paying the outstanding principal balance in full, along with any unpaid accrued interest and the final payment fee. The final payment fee of $0.5 million is being amortized to interest expense over the term of the debt using the effective interest method.

In April 2020, the Company amended the Loan to extend the interest only period through May 31, 2020 upon the closure of a certain qualified financing by a determinable date as defined in the agreement, and to further extend the interest-only period through August 1, 2020 upon the achievement of certain specified operational milestones or a qualified financing as defined in the agreement. In April 2020, upon closing of the Company's sale of Series B preferred stock, a qualified financing, the interest-only portion was extended through May 31, 2020 to be followed by monthly payments of equal principal plus interest until the loan maturity date of February 1, 2023. In June 2020, the Loan was further amended to extend the interest-only period through August 31, 2020 effective upon confirmation of receipt by the Company of at least a $15.0 million payment from a strategic partner, which condition was satisfied in July 2020 (see Note 13).

Borrowings under the Loan are collateralized by substantially all of the Company's assets, other than its intellectual property. There are no financial covenants associated with the Loan; however, the Company is subject to certain affirmative and negative covenants restricting the Company's activities, including limitations on dispositions, mergers or acquisitions; encumbering its intellectual property; incurring indebtedness or liens; paying dividends; making certain investments; and engaging in certain other business transactions. The obligations under the Loan are subject to acceleration upon the occurrence of specified events of default, including a material adverse change in the Company's business, operations or financial or other condition. Upon the occurrence of an event of default and until such event of default is no longer continuing, the annual interest

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rate will be 5.0% above the otherwise applicable rate. As of December 31, 2019 and June 30, 2020, the Company believes an event of default would be remote.

As of June 30, 2020, the interest rate applicable to outstanding borrowings under the Loan was 3.8%. During the six months ended June 30, 2020, the weighted average effective interest rate on outstanding borrowings under the Loan was approximately 6.1%.

As of June 30, 2020, future principal payments due are as follows (in thousands):

Remainder of 2020 (six months)	$ 2,000
2021	6,000
2022	6,000
2023	1,000
	$ 15,000

6. Convertible Preferred Stock

As of each balance sheet date, the Preferred Stock consisted of the following (in thousands, except share amounts):

	As of December 31, 2019				
	Preferred Stock Authorized	Preferred Stock Issued and Outstanding	Carrying Value	Liquidation Preference	Common Stock Issuable Upon Conversion
Series A-1 Preferred Stock	9,707,826	9,693,750	$ 9,609	$ 9,694	9,693,750
Series A-2 Preferred Stock	10,804,165	10,804,165	16,179	16,206	10,804,165
Series B Preferred Stock	8,117,631	8,117,631	60,756	60,882	8,117,631
	28,629,622	28,615,546	$ 86,544	$ 86,782	28,615,546

	As of June 30, 2020				
	Preferred Stock Authorized	Preferred Stock Issued and Outstanding	Carrying Value	Liquidation Preference	Common Stock Issuable Upon Conversion
Series A-1 Preferred Stock	9,707,826	9,693,750	$ 9,609	$ 9,694	9,693,750
Series A-2 Preferred Stock	10,804,165	10,804,165	16,179	16,206	10,804,165
Series B Preferred Stock	16,117,631	14,525,498	108,692	108,941	14,525,498
	36,629,622	35,023,413	$ 134,480	$ 134,841	35,023,413

7. Stock-Based Compensation

2016 Stock incentive plan

The Company grants stock-based awards under its 2016 Stock Incentive Plan, (the "2016 Plan"). The total number of shares of common stock that may be issued under the 2016 Plan was 9,300,000 shares as of June 30, 2020, of which 84,548 shares remained available for future grant as of June 30, 2020. In August 2020, the number of shares that may be issued under the 2016 Plan was increased to 12,050,000 (see Note 13).

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Notes to Condensed Consolidated Financial Statements

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Common stock option valuation

The following table presents, on a weighted average basis, the assumptions used in the Black-Scholes option-pricing model to determine the grant-date fair value of stock options granted in the six months ended June 30, 2019 and 2020:

	Six Months Ended June 30,	
	2019	2020
Risk-free interest rate	2.5%	0.5%
Expected volatility	78.3%	75.3%
Expected dividend yield	—	—
Expected term (in years)	6.0	5.8

Common stock option activity

The following table summarizes the Company's option activity during the six months ended June 30, 2020:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding as of December 31, 2019	7,190,117	$ 1.29		
Granted	649,500	2.12		
Exercised	(218,029)	1.26		
Forfeited	(239,084)	1.05		
Outstanding as of June 30, 2020	7,382,504	$ 1.37	8.3	$ 5,531
Vested and expected to vest as of June 30, 2020	7,382,504	$ 1.37	8.3	$ 5,531
Options exercisable as of June 30, 2020	2,466,303	$ 0.76	7.5	$ 3,346

The aggregate intrinsic value of stock options is calculated as the difference between the exercise price of the stock options and the fair value of the Company's common stock for those stock options that had exercise prices lower than the fair value of the Company's common stock. The aggregate intrinsic value of stock options exercised during the six months ended June 30, 2019 and 2020 was $0.3 million and $0.2 million, respectively.

The weighted average grant-date fair value per share of options granted during the six months ended June 30, 2019 and 2020 was $1.38 and $1.36, respectively.

Restricted common stock

During 2015, the Company issued and sold 8,250,000 shares of restricted common stock at par value to the scientific founders of the Company. The shares are subject to vesting over a period of five years and began vesting upon the closing of the Series A-1 Preferred Stock in April 2016. The following table summarizes the Company's restricted common stock activity during the six months ended June 30, 2020:

	Shares
Unvested restricted common stock as of December 31, 2019	1,650,001
Issued	—
Vested	(825,000)
Unvested restricted common stock as of June 30, 2020	825,001

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The total fair value of restricted stock vested during each of the six months ended June 30, 2019 and 2020 was $1.7 million.

Stock-based compensation

Stock-based compensation expense was classified in the statements of operations and comprehensive loss as follows (in thousands):

	Six Months Ended June 30,	
	2019	2020
Research and development expenses	$ 455	$ 625
General and administrative expenses	226	381
	$ 681	$ 1,006

As of June 30, 2020, total unrecognized compensation cost related to unvested options and unvested restricted stock was $4.9 million, which is expected to be recognized over a weighted average period of 2.7 years.

8. Net Loss per Share and Unaudited Pro Forma Net Loss per Share

Net loss per share

Basic and diluted net loss per share attributable to common stockholders was calculated as follows (in thousands, except share and per share amounts):

	Six Months Ended June 30,	
	2019	2020
Numerator:		
Net loss attributable to common stockholders	$ (22,744)	$ (29,675)
Denominator:		
Weighted average common shares outstanding basic and diluted	7,125,540	9,780,095
Net loss per share attributable to common stockholders, basic and diluted	$ (3.19)	$ (3.03)

Common stock equivalents

The following common stock equivalents presented based on amounts outstanding at each period end, have been excluded from the calculation of diluted net loss per share because including them would have had an anti-dilutive impact:

	June 30,	
	2019	2020
Convertible preferred stock (as converted to common stock)	28,615,546	35,023,413
Warrants to purchase convertible preferred stock (as converted to common stock)	14,076	14,076
Unvested restricted common stock	2,475,001	825,001
Stock options to purchase common stock	6,366,457	7,382,504
	37,471,080	43,244,994

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Unaudited pro forma net loss per share

Unaudited pro forma basic and diluted net loss per share attributable to common stockholders for the six months ended June 30, 2020 has been prepared to give effect to adjustments arising upon the completion of a qualified IPO. Unaudited pro forma net loss attributable to common stockholders used in the calculation of unaudited pro forma basic and diluted net loss per share attributable to common stockholders does not include the effects of the change in the fair value of the preferred stock warrant liability because the calculation gives effect to the automatic conversion of all shares of convertible preferred stock outstanding into shares of common stock as if the proposed IPO had occurred on January 1, 2019.

Unaudited pro forma basic and diluted weighted-average common shares outstanding used in the calculation of unaudited pro forma basic and diluted net loss per share attributable to common stockholders for the six months ended June 30, 2020 has been prepared to give effect, upon a qualified IPO, to the automatic conversion of all outstanding shares of convertible preferred stock into common stock as if the proposed IPO had occurred on the later of January 1, 2019 or the issuance date of the convertible preferred stock.

Unaudited pro forma basic and diluted net loss per share attributable to common stockholders was calculated as follows (in thousands, except share and per share amounts):

	Six Months Ended June 30, 2020
Numerator:	
Net loss attributable to common stockholders	$ (29,675)
Add: Change in fair value of preferred stock warrant liability	(1)
Pro forma net loss attributable to common stockholders	$ (29,676)
Denominator:	
Weighted average common shares outstanding, basic and diluted	9,780,095
Pro forma adjustment to reflect automatic conversion of convertible preferred stock to common stock upon the completion of the proposed initial public offering	31,155,566
Pro forma weighted average common shares outstanding, basic and diluted	40,935,661
Pro forma net loss per share attributable to common stockholders, basic and diluted	$ (0.72)

9. Leases

The Company has a lease for office and laboratory facilities in Cambridge, Massachusetts (the "Existing Lease") under a noncancelable operating lease that began in August 2017 and expires in March 2025. The Company has an agreement, with a related party, for the assignment and assumption of the Existing Lease effective when the Company has fully vacated the premises, which is expected to be in October 2020.

In October 2019, the Company entered into a lease for 81,441 square feet of office and laboratory space in Cambridge, Massachusetts, commencing in January 2020 (the "New Lease"). The initial term of the New Lease was eight years with a five-year option to extend at fair-market rent at the time of the extension. The base rent payments escalate annually over the eight-year lease term and totaled approximately $60.3 million. In connection with the New Lease, the landlord agreed to fund up to $3.0 million in tenant improvements to the leased facility as well as up to an additional $16.3 million, which will result in additional rent payments to the landlord. During

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the six months ended June 30, 2020, $3.0 million of leasehold improvements were reimbursed by the landlord, which resulted in an increase to operating lease liabilities. The Company will be obligated to pay its portion of real estate taxes and costs related to the premises, including costs of operations and management of the leased premises. On January 1, 2020, the lease commencement date, the Company recorded an operating lease asset of $38.6 million and corresponding lease liability of $38.3 million.

In June 2020, the Company amended the New Lease to defer payment of a portion of the base rent and operating expenses and to extend the lease term by nine months to September 2028. The amendment was accounted for as a lease modification and the right-of-use asset and lease liability were remeasured at the modification date of June 29, 2020 resulting in an increase of $7.4 million to both the right-of-use asset and lease liabilities.

The components of lease expense were as follows (in thousands):

	Six Months Ended June 30,	
	2019	2020
Operating lease cost	$ 873	$ 2,983
Short-term lease cost	15	46
Variable lease cost	238	392
	$ 1,126	$ 3,421

Supplemental disclosure of cash flow information related to leases was as follows (in thousands):

	Six Months Ended June 30,	
	2019	2020
Cash paid for amounts included in the measurement of operating lease liabilities	$ 845	$ 1,064
Operating lease liabilities arising from obtaining right-of-use assets	$ —	$ 38,306
Increase in operating lease liabilities and right-of-use assets due to lease remeasurement	$ —	$ 7,384

The weighted-average remaining lease term and discount rate as of period ends were as follows:

	December 31, 2019	June 30, 2020
Weighted-average remaining lease term—operating leases (in years)	1.06	8.11
Weighted-average discount rate—operating leases	7.53%	5.36%

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Future annual minimum lease payments under the Company's operating leases as of June 30, 2020 were as follows (in thousands):

Remainder of 2020 (six months)	$ 1,982
2021	9,766
2022	10,011
2023	10,116
2024	10,356
Thereafter	41,130
Total future minimum lease payments	83,361
Less: imputed interest	(16,569)
Less: estimated lease incentives	(16,326)
Total operating lease liabilities	$ 50,466

Included in the consolidated balance sheet (in thousands):

	June 30, 2020
Current operating lease liabilities	$ 380
Operating lease liabilities, net of current portion	50,086
Total operating lease liabilities	$ 50,466

Sublease agreement

In April 2020, the Company entered into a two-year sublease of approximately 16,843 square feet of office space under the New Lease, for which it will receive $3.4 million of base rent payments over the sublease term which began in July 2020.

10. Commitments and Contingencies

Leases

The Company's commitments under its leases are described in Note 9.

License agreements

Dana-Farber Cancer Institute

In 2016, the Company entered into a license agreement with the Dana-Farber Cancer Institute, Inc. ("Dana Farber") for an exclusive license for certain biological materials as well as patent rights to methods of identifying compounds to treat prostate cancer. In consideration for the right to develop, manufacture, and commercialize products based on certain of Dana Farber's intellectual property, the Company is obligated to reimburse Dana Farber for patent expenses and pay low single-digit sales-based royalties upon the occurrence of specific events as outlined in the license agreement. Unless terminated earlier, in accordance with the provisions of the agreement, the agreement will terminate on the expiration date of the last to expire of the applicable Dana Farber patents. None of the Company's product candidates utilize technology covered by this license.

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Stanford

In July 2017, the Company entered into a license agreement with the Board of Trustees of the Leland Stanford Junior University ("Stanford") for a non-exclusive license for patent rights to certain diseases associated with chromatin remodeling. In consideration for the right to develop, manufacture, and commercialize products based on certain of Stanford's intellectual property, the Company paid a one-time, non-refundable license fee of less than $0.1 million and reimbursed Stanford for $0.1 million of costs incurred related to the patented technology. The Company also issued 79,146 shares of the Company's common stock upon execution of a share purchase agreement. In addition to annual license maintenance fees of less than $0.1 million, the Company will reimburse Stanford for patent expenses, pay low single-digit sales-based royalties, and pay up to $1.1 million in regulatory milestones on each licensed product upon the occurrence of specific events as outlined in the license agreement. None of the Company's product candidates utilize technology covered by this license.

Indemnification agreements

In the ordinary course of business, the Company may provide indemnification of varying scope and terms to vendors, lessors, contract research organizations, business partners and other parties with respect to certain matters including, but not limited to, losses arising out of breach of such agreements or from intellectual property infringement claims made by third parties. In addition, the Company has entered into indemnification agreements with members of its board of directors and its executive officers that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is, in many cases, unlimited. The Company has not incurred any material costs as a result of such indemnifications and is not currently aware of any indemnification claims.

Legal Proceedings

From time to time, the Company may become involved in litigation or other legal proceedings. The Company is not currently a party to any material litigation or legal proceedings.

11. Defined Contribution Plan

The Company has a 401(k) defined contribution plan (the "401(k) Plan") for its employees. Eligible employees may make pretax contributions to the 401(k) Plan up to statutory limits. There has been no discretionary match made under the 401(k) Plan as of June 30, 2020.

12. Related Parties

In October 2015, the Company entered into a five-year service agreement with Flagship Pioneering ("Flagship"), an affiliate of one of its stockholders Flagship Venture Funds, to provide general and administrative services to the Company, including certain consulting services and the provision of employee health and dental benefit plans for the Company's employees. The Company made cash payments for services received under this agreement of $0.4 million and $0.6 million during the six months ended June 30, 2019 and 2020, respectively. As of December 31, 2019, the Company had no accounts payable to Flagship related to this service agreement. At June 30, 2020, the Company had less than $0.1 million in accounts payable to Flagship for costs related to the service agreement.

In October 2015, the Company entered into a five-year consulting agreement with a scientific founder of the Company who is also a board member and a shareholder. During each of the six months ended June 30, 2019 and

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2020, the Company paid the scientific founder $0.1 million. As of December 31, 2019 and June 30, 2020, the Company had no accounts payable to this scientific founder.

13. Subsequent Events

For its interim consolidated financial statements as of June 30, 2020 and for the six months then ended, the Company evaluated subsequent events through August 28, 2020, the date on which those consolidated financial statements were issued.

Series B preferred stock

In July and August 2020, in two separate closings, the Company sold an additional 5,600,000 shares of Series B preferred stock at a purchase price of $7.50 per share resulting in gross proceeds to the Company of $42.0 million.

Collaboration agreement

In July 2020, the Company entered into a research collaboration and license agreement (the "Collaboration Agreement") with Merck Sharp & Dohme Corp. ("Merck"). The Company and Merck will apply Foghorn's proprietary Gene Traffic Control platform to discover and develop novel therapeutics against a transcription factor target believed to be relevant to a broad range of cancer patients. Under the Collaboration Agreement, the Company granted Merck exclusive global rights to develop and commercialize drugs that target dysregulation of a single transcription factor. Under the terms of the agreement, Foghorn received an upfront payment of $15.0 million from Merck, and is eligible to receive up to $245.0 million upon first achievement of specified research, development and regulatory milestones by any product candidate generated by the collaboration, and up to $165.0 million upon achievement of specified sales-based milestones per approved product from the collaboration, if any. The Company will be eligible to receive tiered royalties, calculated on a product-by-product basis, on net sales of approved products from the collaboration, if any, at royalty rates ranging from the low single digits to low double digits, depending on whether the products are covered by patent rights it licenses to Merck.

Increase in shares available for issuance under the 2016 Plan and Grant of Options

In August 2020, the number of shares of common stock authorized for issuance under the 2016 Plan was increased from 9,300,000 shares to 12,050,000 shares. In August 2020, the Company granted options with service-based vesting criteria for the purchase of an aggregate of 2,301,000 shares of common stock, at an exercise price of $4.74 per share. The aggregate grant-date fair value of these options was approximately $7.3 million, which is expected to be recognized over approximately four years.

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shares of common stock

Goldman Sachs & Co. LLC **Morgan Stanley** **Cowen**

Wedbush PacGrow

, 2020

Through and including , 2020 (the 25th day after the date of this prospectus), all dealers effecting transactions in the Common Stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement 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.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. other expenses of issuance and distribution.

The following table sets forth the costs and expenses, other than the underwriting discounts and commissions, payable by the registrant in connection with the sale of common stock being registered. All amounts are estimates except for the SEC registration fee, the FINRA filing fee and the exchange listing fee:

Item	Amount to be paid
SEC registration fee	$ *
FINRA filing fee	*
Exchange listing fee	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Transfer Agent fees and expenses	*
Miscellaneous expenses	*
Total	$ *

* To be completed by amendment

Item 14. indemnification of directors and officers.

As permitted by Section 102(b)(7) of the DGCL, we plan to include in our amended and restated certificate of incorporation a provision to eliminate the personal liability of our directors for monetary damages for breach of their fiduciary duties as directors, subject to certain exceptions. In addition, our amended and restated certificate of incorporation and by-laws will provide that we are required to indemnify our officers and directors under certain circumstances, including those circumstances in which indemnification would otherwise be discretionary, and we are required to advance expenses to our officers and directors as incurred in connection with proceedings against them for which they may be indemnified, in each case except to the extent that the DGCL prohibits the elimination or limitation of liability of directors for breaches of fiduciary duty.

Section 145(a) of the DGCL provides that a corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interest of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or 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 the 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 his conduct was unlawful.

Section 145(b) of the DGCL provides that a corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the

right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made with respect to 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.

We expect to enter into indemnification agreements with our directors and officers prior to the completion of this offering. These indemnification agreements will provide broader indemnity rights than those provided under the DGCL and our amended and restated certificate of incorporation. These indemnification agreements are not intended to deny or otherwise limit third-party or derivative suits against us or our directors or officers, but to the extent a director or officer were entitled to indemnity or contribution under the indemnification agreement, the financial burden of a third-party suit would be borne by us, and we would not benefit from derivative recoveries against the director or officer. Such recoveries would accrue to our benefit but would be offset by our obligations to the director or officer under the indemnification agreement.

The underwriting agreement will provide that the underwriters are obligated, under certain circumstances, to indemnify our directors, officers and controlling persons against certain liabilities, including liabilities under the Securities Act.

We maintain directors' and officers' liability insurance for the benefit of our directors and officers.

Item 15. Recent sales of unregistered securities.

The following list sets forth information regarding all unregistered securities sold by us since August 28, 2017. No underwriters were involved in the sales and the certificates representing the securities sold and issued contain legends restricting transfer of the securities without registration under the Securities Act or an applicable exemption from registration.

Issuances of capital stock

In 2018, we issued an aggregate of 6,077,629 shares of our Series B convertible preferred stock for aggregate consideration of $45,582,217.50 to 10 investors; and 79,146 shares of our common stock for partial consideration of a license with the Leland Stanford Junior University and six inventors. Of the shares of Series B convertible preferred stock issued, 669,625 shares were issued upon the conversion of a convertible promissory note held by one investor.

In 2019, we issued an aggregate of 2,040,002 shares of our Series B convertible preferred stock for aggregate consideration of $15,300,015 to two investors.

In 2020, we issued an aggregate of 12,007,867 shares of our Series B convertible preferred stock for aggregate consideration of $90,059,002.50 to 22 investors.

All sales of securities described above were made in reliance upon the exemption from registration provided by Section 4(a)(2) of the Securities Act for transactions by an issuer not involving a public offering.

Grants of stock options and restricted stock

Since August 28, 2017, we have granted stock options to purchase an aggregate of 9,224,537 shares of our common stock at a weighted-average exercise price of $2.35 to employees, directors and consultants.

The issuances of the above securities were exempt either pursuant to Rule 701, as transactions pursuant to a compensatory benefit plan, or pursuant to Section 4(a)(2), as transactions by an issuer not involving a public offering.

Item 16. exhibits and consolidated financial statement schedules.

(a) Exhibits

Exhibit number	Description of document
1.1*	Form of Underwriting Agreement
3.1*	Second Amended and Restated Certificate of Incorporation of Foghorn Therapeutics Inc.
3.2*	Certificate of Amendment to Second Amended and Restated Certificate of Incorporation of Foghorn Therapeutics Inc.
3.3*	Form of Third Amended and Restated Certificate of Incorporation of Foghorn Therapeutics Inc. (to be effective upon the closing of this offering)
3.4*	Amended and Restated By-laws of Foghorn Therapeutics Inc.
3.5*	Form of Second Amended and Restated By-laws of Foghorn Therapeutics Inc. (to be effective upon the closing of this offering)
4.1*	Specimen stock certificate evidencing shares of common stock
4.2	Amended and Restated Investors' Rights Agreement, by and among Foghorn Therapeutics Inc. and the investors party thereto, dated as of December 18, 2018
4.3	Amendment to the Investors' Rights Agreement and the Voting Agreement, dated December 18, 2018, by and among Foghorn Therapeutics Inc. and the investors party thereto, dated as of April 17, 2020
4.4	Form of Warrant to Purchase Series A-2 Preferred Stock of the Registrant issued to Silicon Valley Bank, dated November 29, 2016
5.1*	Opinion of Ropes & Gray LLP
10.1	Lease Agreement by and between ARE-MA Region No. 45, LLC and Foghorn Therapeutics Inc., dated August 24, 2017
10.2	Lease Agreement by and between ARE-Tech Square, LLC and Foghorn Therapeutics Inc., dated October 23, 2019
10.3++	Exclusive Collaboration and License Agreement, by and between Merck Sharp & Dohme Corp. and Foghorn Therapeutics Inc., dated as of July 2, 2020
10.4	Foghorn Therapeutics Inc. 2016 Stock Incentive Plan, as amended
10.5	Form of Stock Restriction Agreement under the Foghorn Therapeutics Inc. 2016 Stock Incentive Plan
10.6	Form of Incentive Stock Option Grant Notice under the Foghorn Therapeutics Inc. 2016 Stock Incentive Plan
10.7	Form of Non-Qualified Stock Option Grant Notice under the Foghorn Therapeutics Inc. 2016 Stock Incentive Plan
10.8*	Form of Indemnification Agreement between Foghorn Therapeutics Inc. and its directors and officers
10.9	Letter Agreement between Foghorn Therapeutics Inc. and Adrian Gottschalk, dated April 20, 2017
10.10	Letter Agreement between Foghorn Therapeutics Inc. and Samuel Agresta, M.D., M.P.H. & T.M., dated July 22, 2019
10.11	Letter Agreement between Foghorn Therapeutics Inc. and Carl P. Decicco, Ph.D., dated December 5, 2018

Exhibit number	Description of document
10.12*	Foghorn Therapeutics Inc. 2020 Stock Incentive Plan
10.13*	Form of Restricted Stock Agreement under the Foghorn Therapeutics Inc. 2020 Stock Incentive Plan
10.14*	Form of Incentive Stock Option Grant Notice under the Foghorn Therapeutics Inc. 2020 Stock Incentive Plan
10.15*	Form of Non-Qualified Stock Option Grant Notice under the Foghorn Therapeutics Inc. 2020 Stock Incentive Plan
21.1	List of Subsidiaries of Foghorn Therapeutics Inc.
23.1*	Consent of Deloitte & Touche LLP
23.2*	Consent of Ropes & Gray LLP (included in Exhibit 5.1)
24.1*	Power of Attorney (included on signature page)

* To be filed by amendment

++ Portions of this exhibit (indicated by asterisks) have been omitted because the Registrant has determined they are not material and would likely cause competitive harm to the Registrant if publicly disclosed.

(b) Consolidated Financial Statement Schedules

Schedules not listed above have been omitted because the information required to be set forth therein is not applicable or is shown in the consolidated financial statements or notes thereto.

Item 17. Undertakings.

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer, or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

1. For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

2. For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

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 Cambridge, Commonwealth of Massachusetts, on , 2020.

FOGHORN THERAPEUTICS INC.

By: _____
Adrian Gottschalk
President and Chief Executive Officer

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Adrian Gottschalk and Allan Reine, M.D., and each of them singly, our true and lawful attorneys, with full power to them, and to each of them singly, to sign for us and in our names in the capacities indicated below, the registration statement on Form S-1 filed herewith, and any and all pre-effective and post-effective amendments to said registration statement, and any registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, in connection with the registration under the Securities Act of 1933, as amended, of equity securities of the Company, and to file or cause to be filed the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as each of us might or could do in person, and hereby ratifying and confirming all that said attorneys, and each of them, or their substitute or substitutes, shall do or cause to be done by virtue of this Power of Attorney.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities and on the dates indicated:

Signature	Title	Date
_____ Adrian Gottschalk	President, Chief Executive Officer and Director (Principal Executive Officer)	, 2020
_____ Allan Reine, M.D.	Chief Financial Officer (Principal Accounting and Financial Officer)	, 2020
_____ José Baselga, M.D., Ph.D.	Director	, 2020
_____ Scott Biller, Ph.D.	Director	, 2020
_____ Douglas Cole, M.D.	Director	, 2020
_____ Simba Gill, Ph.D.	Director	, 2020
_____ Cigall Kadoch, Ph.D.	Director	, 2020
_____ Adam Koppel, M.D., Ph.D.	Director	, 2020
_____ Michael Mendelsohn, M.D.	Director	, 2020

FOGHORN THERAPEUTICS INC.

AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

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AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

THIS AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (this "**Agreement**"), is made as of December 18, 2018, by and among (i) Foghorn Therapeutics Inc., a Delaware corporation (the "**Company**"), (ii) each of the Investors (as defined below) listed on Schedule A hereto, and (iii) each Person who hereafter becomes a party to this Agreement in accordance with Subsection 6.1 or Subsection 6.9 hereof (together, with the Company and the Investors, collectively, the "**Parties**," and individually, a "**Party**").

RECITALS

WHEREAS, the Company and certain of the Investors are parties to that certain Series A-1 and A-2 Preferred Stock Purchase Agreement, dated April 11, 2016;

WHEREAS, certain of the Investors hold shares of the Company's Series A-1 Preferred Stock, par value $0.0001 per share ("**Series A-1 Preferred Stock**") and Series A-2 Preferred Stock, par value $0.0001 per share ("**Series A-2 Preferred Stock**") and possess certain registration rights, information rights, right of first offer and other rights pursuant to an Investors' Rights Agreement dated as of April 11, 2016 (the "**Prior Agreement**");

WHEREAS, concurrently with the execution of this Agreement, the Company and certain of the Investors are entering to a Series B Preferred Stock Purchase Agreement (the "**Series B Purchase Agreement**") providing for the sale of shares of the Company's Series B Preferred Stock, par value $0.0001 per share ("**Series B Preferred Stock**" and, together with the Series A-1 Preferred Stock and Series A-2 Preferred Stock, the "**Preferred Stock**"); and

WHEREAS, it is a condition to the closing of the sale of the Series B Preferred Stock to certain of the Investors that the parties to the Prior Agreement amend and restate that agreement, and the Investors and the Company execute and deliver this Agreement.

WHEREAS, in order to induce the Company to enter into the Series B Purchase Agreement and to induce certain of the Investors to invest funds in the Company pursuant to the Series B Purchase Agreement, the Investors (as defined in Section 1 below) and the Company hereby agree that this Agreement shall govern the rights of the Investors to cause the Company to register shares of the Company's common stock, par value $0.0001, (the "**Common Stock**") issuable to the Investors, to receive certain information from the Company, and to participate in future equity offerings by the Company, and shall govern certain other matters as set forth in this Agreement.

NOW, THEREFORE, in consideration of mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree to amend and restate the Prior Agreement in its entirety as set forth herein, and the parties hereto further agree as follows:

1. Definitions. For purposes of this Agreement:

1.1 "**Affiliate**" means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person,

including any general partner, managing member, officer or director of such Person or any venture capital fund now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same management company with, such Person, and, if the Person referred to is a natural Person, any Immediate Family Member of such Person or any trust for the benefit of such Person or for the benefit of such one or more of such Person's Immediate Family Members, and, if the Person is a trust, to its beneficiaries.

1.2 "**Board of Directors**" means the board of directors of the Company.

1.3 "**Damages**" means any loss, damage, claim or liability (joint or several) to which a Party may become subject under the Securities Act, the Exchange Act, or other federal or state law, insofar as such loss, damage, claim or liability (or any action in respect thereof) arises out of or is based upon: (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement of the Company, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto; (ii) an 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 (iii) any violation or alleged violation by the indemnifying Party (or any of its agents or Affiliates) of the Securities Act, the Exchange Act, any state securities law, or any rule or regulation promulgated under the Securities Act, the Exchange Act, or any state securities law.

1.4 "**Deemed Liquidation Event**" shall have the meaning set forth in the Restated Certificate.

1.5 "**Derivative Securities**" means any securities or rights convertible into, or exercisable or exchangeable for (in each case, directly or indirectly)**,** Common Stock, including options and warrants.

1.6 "**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

1.7 "**Excluded Registration**" means (i) a registration relating to the sale of securities to employees of the Company or a subsidiary pursuant to a stock option, stock purchase, or similar plan; (ii) a registration relating to an SEC Rule 145 transaction; (iii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities; or (iv) a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered.

1.8 "**FOIA Party**" means a Person that, in the reasonable determination of the Board of Directors, may be subject to, and thereby required to disclose non-public information furnished by or relating to the Company under, the Freedom of Information Act, 5 U.S.C. 552 ("**FOIA**"), any state public records access law, any state or other jurisdiction's laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement.

1.9 "**Form S-1**" means such form under the Securities Act as in effect on the date hereof or any successor registration form under the Securities Act subsequently adopted by the SEC.

1.10 "**Form S-3**" means such form under the Securities Act as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the SEC that permits incorporation of substantial information by reference to other documents filed by the Company with the SEC.

1.11 "**GAAP**" means generally accepted accounting principles in the United States.

1.12 "**Holder**" means any holder of Registrable Securities who is a party to this Agreement.

1.13 "**Immediate Family Member**" means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including, adoptive relationships, of a natural person referred to herein.

1.14 "**Initiating Holders**" means, collectively, Holders who properly initiate a registration request under this Agreement.

1.15 "**Investors**" shall mean, collectively, (i) the Persons listed on Schedule A hereto, (ii) each Person who hereafter becomes a party to this Agreement pursuant to Subsection 6.1 hereof and (iii) each Person who hereafter becomes a party to this Agreement pursuant to Subsection 6.9 hereof. Notwithstanding the foregoing, a Person shall cease being an Investor for all purposes of this Agreement if and when such Person no longer owns or holds any Registrable Securities.

1.16 "**IPO**" means the Company's first underwritten public offering of its Common Stock under the Securities Act.

1.17 "**Key Employee**" means any executive-level employee (including, division director and vice president-level positions) as well as any employee who, either alone or in concert with others, develops, invents, programs, or designs any Company Intellectual Property (as defined in the Series B Purchase Agreement).

1.18 "**Lead Preferred Director**" means the director of the Company that the holders of Series A-1 Preferred Stock and Series A-2 Preferred Stock are entitled to elect, voting together as a single class on an as converted basis, pursuant to the Restated Certificate (as the same may be amended and/or restated from time to time).

1.19 "**Major Investor**" means any Investor that, individually or together with such Investor's Affiliates, holds at least 700,000 shares of Registrable Securities (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof).

1.20 "**New Securities**" means, collectively, equity securities of the Company, whether or not currently authorized, as well as rights, options, or warrants to purchase such equity securities, or securities of any type whatsoever that are, or may become, convertible or exchangeable into or exercisable for such equity securities; provided, however, any Preferred Stock of the Company issued and sold to the Company's investors pursuant to the Series B Purchase Agreement shall not be New Securities for the purposes of this Agreement.

1.21 "**Person**" means any individual, corporation, association, general partnership, limited partnership, joint venture, trust, estate, limited liability company, limited liability partnership, unincorporated organization, government (or any agency or political subdivision thereof) or other legal entity or organization.

1.22 "**Registrable Securities**" means (i) the Common Stock issuable or issued upon conversion of any series of the Preferred Stock; (ii) any Common Stock held by the Investors as of the date of this Agreement or acquired by the Investors at any time and from time to time after the date of this Agreement; (iii) any Common Stock issued or issuable (directly or indirectly) upon conversion and/or exercise of any other securities of the Company held by the Investors as of the date of this Agreement or acquired by the Investors at any time and from time to time after the date of this Agreement; and (iv) any Common Stock issued as (or issuable upon the conversion or exercise of any warrant, right, or other security that is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the securities referenced in clauses (i), (ii) and (iii) above; excluding in all cases, however, any Registrable Securities sold by a Person in a transaction in which the applicable rights under this Agreement are not assigned pursuant to Subsection 6.1, and excluding for purposes of Section 2 any shares for which registration rights have terminated pursuant to Subsection 2.13 of this Agreement.

1.23 "**Registrable Securities then outstanding**" means the number of shares determined by adding the number of shares of outstanding Common Stock that are Registrable Securities and the number of shares of Common Stock issuable (directly or indirectly) pursuant to then exercisable and/or convertible securities that are Registrable Securities.

1.24 "**Restated Certificate**" means the Company's Second Amended and Restated Certificate of Incorporation, as amended and in effect from time to time.

1.25 "**Restricted Securities**" means the securities of the Company required to be notated with the legend set forth in Subsection 2.12(b) hereof.

1.26 "**Right of First Refusal and Co-Sale Agreement**" means that Amended and Restated Right of First Refusal and Co-Sale Agreement dated as of the date hereof, as amended from time to time, entered into among the Company and the parties thereto.

1.27 "**SEC**" means the Securities and Exchange Commission.

1.28 "**SEC Rule 144**" means Rule 144 promulgated by the SEC under the Securities Act.

1.29 "**SEC Rule 145**" means Rule 145 promulgated by the SEC under the Securities Act.

1.30 "**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

1.31 "**Selling Expenses**" means all underwriting discounts, selling commissions, and stock transfer taxes applicable to the sale of Registrable Securities, and fees and disbursements of counsel for any Holder, except for the fees and disbursements of the Selling Holder Counsel borne and paid by the Company as provided in Subsection 2.6.

1.32 "**Voting Agreement**" means that Amended and Restated Voting Agreement dated as of the date hereof, as amended from time to time, entered into among the Company and the Parties thereto.

2. Registration Rights. The Company covenants and agrees as follows:

2.1 Demand Registration.

(a) Form S-1 Demand. If, at any time after the earlier of (i) five (5) years after the date of this Agreement or (ii) one hundred eighty (180) days after the effective date of the registration statement for the IPO, the Company receives a request from Holders of a majority of the Registrable Securities then outstanding having an anticipated aggregate offering price expected to exceed $10,000,000 that the Company file a Form S-1 registration statement with respect to any or all of such Registrable Securities, then the Company shall (x) within ten (10) days after the date such request is given, give notice thereof (the "**Demand Notice**") to all Holders other than the Initiating Holders; and (y) as soon as practicable, and in any event within sixty (60) days after the date such request is given by the Initiating Holders, file a Form S-1 registration statement under the Securities Act covering all Registrable Securities that the Initiating Holders requested to be registered and any additional Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within twenty (20) days of the date the Demand Notice is given, and, in each case, subject to the limitations of Subsections 2.1(c) and 2.3.

(b) Form S-3 Demand. If, at any time when it is eligible to use a Form S-3 registration statement, the Company receives a request from Holders of at least thirty percent (30%) of the Registrable Securities then outstanding that the Company file a Form S-3 registration statement with respect to outstanding Registrable Securities of such Holders having an anticipated aggregate offering price of at least $5,000,000, then the Company shall (i) within ten (10) days after the date such request is given, give a Demand Notice to all Holders other than the Initiating Holders; and (ii) as soon as practicable, and in any event within forty-five (45) days after the date such request is given by the Initiating Holders, file a Form S-3 registration statement under the Securities Act covering all Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within twenty (20) days of the date the Demand Notice is given, and, in each case, subject to the limitations of Subsections 2.1(c) and 2.3.

(c) Notwithstanding the foregoing obligations, if the Company furnishes to Holders requesting a registration pursuant to this Subsection 2.1 a certificate signed by the Company's chief executive officer stating that in the good faith judgment of the Board of

Directors it would be materially detrimental to the Company and its stockholders for such registration statement to either become effective or remain effective for as long as such registration statement otherwise would be required to remain effective, because such action would (i) materially interfere with a significant acquisition, corporate reorganization, or other similar transaction involving the Company; (ii) require premature disclosure of material information that the Company has a bona fide business purpose for preserving as confidential; or (iii) render the Company unable to comply with requirements under the Securities Act or Exchange Act, then the Company shall have the right to defer taking action with respect to such filing, and any time periods with respect to filing or effectiveness thereof shall be tolled correspondingly, for a period of not more than ninety (90) days after the request of the Initiating Holders is given; provided, however, that the Company may not invoke this right more than once in any twelve (12) month period; and provided further that the Company shall not register any securities for its own account or that of any other stockholder during such ninety (90) day period other than an Excluded Registration.

(d) The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Subsection 2.1(a) (i) during the period that is sixty (60) days before the Company's good faith estimate of the date of filing of, and ending on a date that is one hundred eighty (180) days after the effective date of, a Company-initiated registration, provided that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; (ii) after the Company has effected two registrations pursuant to Subsection 2.1(a); or (iii) if the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form S-3 pursuant to a request made pursuant to Subsection 2.1(b). The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Subsection 2.1(b) (i) during the period that is thirty (30) days before the Company's good faith estimate of the date of filing of, and ending on a date that is ninety (90) days after the effective date of, a Company-initiated registration, provided that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; or (ii) if the Company has effected two registrations pursuant to Subsection 2.1(b) within the twelve (12) month period immediately preceding the date of such request. A registration shall not be counted as "effected" for purposes of this Subsection 2.1(d) until such time as the applicable registration statement has been declared effective by the SEC, unless the Initiating Holders (i) withdraw their request for such registration other than due to the Initiating Holders having learned of a material adverse change in the condition, business or prospects of the Company from that known to the Initiating Holders at the time of their request for registration, (ii) elect not to pay the registration expenses therefor, and (iii) forfeit their right to one demand registration statement pursuant to Subsection 2.6, in which case such withdrawn registration statement shall be counted as "effected" for purposes of this Subsection 2.1(d).

2.2 Company Registration. If the Company proposes to register (including, for this purpose, a registration effected by the Company for stockholders other than the Holders) any of its securities under the Securities Act in connection with the public offering of such securities solely for cash (other than in an Excluded Registration or the IPO), the Company shall, at such time, promptly give each Holder notice of such registration. Upon the request of each Holder given within twenty (20) days after such notice is given by the Company, the Company shall, subject to the provisions of Subsection 2.3, cause to be registered all of the Registrable Securities that each such Holder has requested to be included in such registration. The Company shall have

the right to terminate or withdraw any registration initiated by it under this Subsection 2.2 before the effective date of such registration, whether or not any Holder has elected to include Registrable Securities in such registration. The expenses (other than Selling Expenses) of such withdrawn registration shall be borne by the Company in accordance with Subsection 2.6.

2.3 Underwriting Requirements.

(a) If, pursuant to Subsection 2.1, the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to Subsection 2.1, and the Company shall include such information in the Demand Notice. The underwriter(s) will be selected by the Company and shall be reasonably acceptable to a majority in interest of the Initiating Holders. In such event, the right of any Holder to include such Holder's Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company as provided in Subsection 2.4(e)) enter into an underwriting agreement in customary form with the underwriter(s) selected for such underwriting. Notwithstanding any other provision of this Subsection 2.3, if the managing underwriter(s) advise(s) the Initiating Holders in writing that marketing factors require a limitation on the number of shares to be underwritten, then the Initiating Holders shall so advise all Holders of Registrable Securities that otherwise would be underwritten pursuant hereto, and the number of Registrable Securities that may be included in the underwriting shall be allocated among such Holders of Registrable Securities, including the Initiating Holders, in proportion (as nearly as practicable) to the number of Registrable Securities owned by each Holder or in such other proportion as shall mutually be agreed to by all such selling Holders; provided, however, that the number of Registrable Securities held by the Holders to be included in such underwriting shall not be reduced unless all other securities are first entirely excluded from the underwriting. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder to the nearest one hundred (100) shares.

(b) In connection with any offering involving an underwriting of shares of the Company's capital stock pursuant to Subsection 2.2, the Company shall not be required to include any of the Holders' Registrable Securities in such underwriting unless the Holders accept the terms of the underwriting as agreed upon between the Company and its underwriters, and then only in such quantity as the underwriters in their sole discretion determine will not jeopardize the success of the offering by the Company. If the total number of securities, including Registrable Securities, requested by stockholders to be included in such offering exceeds the number of securities to be sold (other than by the Company) that the underwriters in their reasonable discretion determine is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, which the underwriters and the Company in their sole discretion determine will not jeopardize the success of the offering. If the underwriters determine that less than all of the Registrable Securities requested to be registered can be included in such offering, then the Registrable Securities that are included in such offering shall be allocated among the selling Holders in proportion (as nearly as practicable to) the number of Registrable Securities owned by each selling Holder or in such other proportions as shall mutually be agreed to by all such selling

Holders. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder to the nearest one hundred (100) shares. Notwithstanding the foregoing, in no event shall (i) the number of Registrable Securities included in the offering be reduced unless all other securities (other than securities to be sold by the Company) are first entirely excluded from the offering or (ii) the number of Registrable Securities included in the offering be reduced below thirty percent (30%) of the total number of securities included in such offering, unless such offering is the IPO, in which case the selling Holders may be excluded further if the underwriters make the determination described above and no other stockholder's securities are included in such offering. For purposes of the provision in this Subsection 2.3(b) concerning apportionment, for any selling Holder that is a partnership, limited liability company, or corporation, the partners, members, retired partners, retired members, stockholders, and Affiliates of such Holder, or the estates and Immediate Family Members of any such partners, retired partners, members, and retired members and any trusts for the benefit of any of the foregoing Persons, shall be deemed to be a single "selling Holder," and any pro rata reduction with respect to such "selling Holder" shall be based upon the aggregate number of Registrable Securities owned by all Persons included in such "selling Holder," as defined in this sentence.

(c) For purposes of Subsection 2.1, a registration shall not be counted as "effected" if, as a result of an exercise of the underwriter's cutback provisions in Subsection 2.3(a), fewer than fifty percent (50%) of the total number of Registrable Securities that Holders have requested to be included in such registration statement are actually included.

2.4 Obligations of the Company. Whenever required under this Section 2 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its commercially reasonable efforts to cause such registration statement to become effective and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for a period of up to one hundred twenty (120) days or, if earlier, until the distribution contemplated in the registration statement has been completed; provided, however, that (i) such one hundred twenty (120) day period shall be extended for a period of time equal to the period the Holder refrains, at the request of an underwriter of Common Stock (or other securities) of the Company, from selling any securities included in such registration, and (ii) in the case of any registration of Registrable Securities on Form S-3 that are intended to be offered on a continuous or delayed basis, subject to compliance with applicable SEC rules, such one hundred twenty (120) day period shall be extended for up to one hundred eighty (180) days, if necessary, to keep the registration statement effective until all such Registrable Securities are sold;

(b) prepare and file with the SEC such amendments and supplements to such registration statement, and the prospectus used in connection with such registration statement, as may be necessary to comply with the Securities Act in order to enable the disposition of all securities covered by such registration statement;

(c) furnish to the selling Holders such numbers of copies of a prospectus, including a preliminary prospectus, as required by the Securities Act, and such other documents as the Holders may reasonably request in order to facilitate their disposition of their Registrable Securities;

(d) use its commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or blue-sky laws of such jurisdictions as shall be reasonably requested by the selling Holders; provided that the Company shall not be required to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(e) in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the underwriter(s) of such offering;

(f) use its commercially reasonable efforts to cause all such Registrable Securities covered by such registration statement to be listed on a national securities exchange or trading system and each securities exchange and trading system (if any) on which similar securities issued by the Company are then listed;

(g) provide a transfer agent and registrar for all Registrable Securities registered pursuant to this Agreement and provide a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

(h) promptly make available for inspection by the selling Holders, any managing underwriter(s) participating in any disposition pursuant to such registration statement, and any attorney or accountant or other agent retained by any such underwriter or selected by the selling Holders, all financial and other records, pertinent corporate documents, and properties of the Company, and cause the Company's officers, directors, employees, and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant, or agent, in each case, as necessary or advisable to verify the accuracy of the information in such registration statement and to conduct appropriate due diligence in connection therewith;

(i) notify each selling Holder, promptly after the Company receives notice thereof, of the time when such registration statement has been declared effective or a supplement to any prospectus forming a part of such registration statement has been filed; and

(j) after such registration statement becomes effective, notify each selling Holder of any request by the SEC that the Company amend or supplement such registration statement or prospectus.

In addition, the Company shall ensure that, at all times after any registration statement covering a public offering of securities of the Company under the Securities Act shall have become effective, its insider trading policy shall provide that the Company's directors may implement a trading program under Rule 10b5-1 of the Exchange Act.

2.5 Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 2 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as is reasonably required to effect the registration of such Holder's Registrable Securities.

2.6 Expenses of Registration. All expenses (other than Selling Expenses) incurred in connection with registrations, filings, or qualifications pursuant to this Section 2, including all registration, filing, and qualification fees; printers' and accounting fees; fees and disbursements of counsel for the Company; and the reasonable fees and disbursements of one counsel for the selling Holders selected by the Holders of a majority of the Registrable Securities to be registered not to exceed $50,000 ("**Selling Holder Counsel**"), shall be borne and paid by the Company; provided, however, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Subsection 2.1 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all selling Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration), unless the Holders of a majority of the Registrable Securities agree to forfeit their right to one registration pursuant to Subsections 2.1(a) or 2.1(b), as the case may be; and provided further that if, at the time of such withdrawal, the Holders shall have learned of a material adverse change in the condition, business, or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness after learning of such information then the Holders shall not be required to pay any of such expenses and shall not forfeit their right to one registration pursuant to Subsections 2.1(a) or 2.1(b), as the case may be. All Selling Expenses relating to Registrable Securities registered pursuant to this Section 2 shall be borne and paid by the Holders pro rata on the basis of the number of Registrable Securities registered on their behalf.

2.7 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any registration pursuant to this Agreement as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

2.8 Indemnification. If any Registrable Securities are included in a registration statement under this Section 2:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each selling Holder, and the partners, members, officers, directors, and stockholders of each such Holder; legal counsel and accountants for each such Holder; any underwriter (as defined in the Securities Act) for each such Holder; and each Person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any Damages, and the Company will pay to each such Holder, underwriter, controlling Person, or other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Subsection 2.8(a) shall not apply to amounts paid in settlement of any such claim or proceeding if

such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, nor shall the Company be liable for any Damages to the extent that they arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of any such Holder, underwriter, controlling Person, or other aforementioned Person expressly for use in connection with such registration.

(b) To the extent permitted by law, each selling Holder, severally and not jointly, will indemnify and hold harmless the Company, and each of its directors, each of its officers who has signed the registration statement, each Person (if any), who controls the Company within the meaning of the Securities Act, legal counsel and accountants for the Company, any underwriter (as defined in the Securities Act), any other Holder selling securities in such registration statement, and any controlling Person of any such underwriter or other Holder, against any Damages, in each case only to the extent that such Damages arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of such selling Holder expressly for use in connection with such registration; and each such selling Holder will pay to the Company and each other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Subsection 2.8(b) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; and provided further that in no event shall the aggregate amounts payable by any Holder by way of indemnity or contribution under Subsections 2.8(b) and 2.8(d) exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of fraud or willful misconduct by such Holder.

(c) Promptly after receipt by an indemnified Party under this Subsection 2.8 of notice of the commencement of any action (including any governmental action) for which a Party may be entitled to indemnification hereunder, such indemnified Party will, if a claim in respect thereof is to be made against any indemnifying Party under this Subsection 2.8, give the indemnifying Party notice of the commencement thereof. The indemnifying Party shall have the right to participate in such action and, to the extent the indemnifying Party so desires, participate jointly with any other indemnifying Party to which notice has been given, and to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified Party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying Party, if representation of such indemnified Party by the counsel retained by the indemnifying Party would be inappropriate due to actual or potential differing interests between such indemnified Party and any other Party represented by such counsel in such action. The failure to give notice to the indemnifying Party within a reasonable time of the commencement of any such action shall relieve such indemnifying Party of any liability to the indemnified Party under this Subsection 2.8, to the extent that such failure materially prejudices the indemnifying Party's ability to defend such action. The failure to give notice to the indemnifying Party will not relieve it of any liability that it may have to any indemnified Party otherwise than under this Subsection 2.8.

(d) To provide for just and equitable contribution to joint liability under the Securities Act in any case in which either: (i) any Party otherwise entitled to indemnification hereunder makes a claim for indemnification pursuant to this Subsection 2.8 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case, notwithstanding the fact that this Subsection 2.8 provides for indemnification in such case, or (ii) contribution under the Securities Act may be required on the part of any Party for which indemnification is provided under this Subsection 2.8, then, and in each such case, such parties will contribute to the aggregate losses, claims, damages, liabilities, or expenses to which they may be subject (after contribution from others) in such proportion as is appropriate to reflect the relative fault of each of the indemnifying Party and the indemnified Party in connection with the statements, omissions, or other actions that resulted in such loss, claim, damage, liability, or expense, as well as to reflect any other relevant equitable considerations. The relative fault of the indemnifying Party and of the indemnified Party shall be determined by reference to, among other things, whether the untrue or allegedly untrue statement of a material fact, or the omission or alleged omission of 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; provided, however, that, in any such case (x) no Holder will be required to contribute any amount in excess of the public offering price of all such Registrable Securities offered and sold by such Holder pursuant to such registration statement, and (y) no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation; and provided further that in no event shall a Holder's liability pursuant to this Subsection 2.8(d), when combined with the amounts paid or payable by such Holder pursuant to Subsection 2.8(b), exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of willful misconduct or fraud by such Holder.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

(f) Unless otherwise superseded by an underwriting agreement entered into in connection with the underwritten public offering, the obligations of the Company and Holders under this Subsection 2.8 shall survive the completion of any offering of Registrable Securities in a registration under this Section 2, and otherwise shall survive the termination of this Agreement.

2.9 Reports Under Exchange Act. With a view to making available to the Holders the benefits of SEC Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company shall:

(a) make and keep available adequate current public information, as those terms are understood and defined in SEC Rule 144, at all times after the effective date of the registration statement filed by the Company for the IPO;

(b) use commercially reasonable efforts to file with the SEC 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 the Company has become subject to such reporting requirements); and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) to the extent accurate, a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 (at any time after ninety (90) days after the effective date of the registration statement filed by the Company for the IPO), the Securities Act, and the Exchange Act (at any time after the Company has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after the Company so qualifies); (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents filed, in each case, by the Company with the SEC and (iii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration (at any time after the Company has become subject to the reporting requirements under the Exchange Act) or pursuant to Form S-3 (at any time after the Company so qualifies to use such form).

2.10 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Holders of a majority of the Registrable Securities then outstanding, enter into any agreement with any holder or prospective holder of any securities of the Company that would (i) provide to such holder the right to include securities in any registration on other than either a pro rata basis with respect to the Registrable Securities or on a subordinate basis after all Holders have had the opportunity to include in the registration and offering all shares of Registrable Securities that they wish to so include or (ii) allow such holder or prospective holder to initiate a demand for registration of any securities held by such holder or prospective holder; provided that this limitation shall not apply to any additional Investor who becomes a party to this Agreement in accordance with Subsection 6.9.

2.11 "Market Stand-off" Agreement. Each Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to the IPO and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days, plus up to an additional eighteen (18) days as may be requested by the managing underwriter to accommodate the restrictions contained in FINRA Rule 2241 or any similar successor provisions or amendments thereto), (i) 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 Common Stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Common Stock held immediately before the effective date of the registration statement for such offering or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash, or otherwise; provided that: (A) the foregoing provisions of this Subsection 2.11 (1) shall apply only to the IPO, (2) shall not apply to the sale of any shares to an underwriter pursuant to an

underwriting agreement for such IPO or the transfer of any shares to any trust for the direct or indirect benefit of the Holder or the immediate family of the Holder, provided that the trustee of the trust agrees to be bound in writing by the restrictions set forth herein, and provided further that any such transfer shall not involve a disposition for value, and (3) shall be applicable to the Holders only if all officers and directors of the Company and holders of at least five percent (5%) of the Company's outstanding Common Stock (after giving effect to conversion into Common Stock of all outstanding shares of Preferred Stock) are subject to the same restrictions; and (B)(1) the Company shall agree to use its reasonable efforts to obtain the agreement of the managing underwriter to periodic early releases of portions of the securities subject to the restrictions set forth in this Subsection 2.11 and/or any lockup agreements with the underwriters upon the occurrence of certain specified events and (2) any discretionary waiver or termination by the Company or the underwriters of the restrictions set forth in this Subsection 2.11 and/or in any or all of such lockup agreements with the underwriters shall apply pro rata to all Holders subject to this Subsection 2.11 and/or such lockup agreements, based on the number of shares subject to this Subsection 2.11 and/or such lockup agreements. The underwriters in connection with such registration are intended third-party beneficiaries of this Subsection 2.11 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such registration that are consistent with this Subsection 2.11 or that are necessary to give further effect thereto.

2.12 Restrictions on Transfer.

(a) The Preferred Stock and the Registrable Securities shall not be sold, pledged, or otherwise transferred in violation of this Agreement, and the Company shall not recognize and shall issue stop-transfer instructions to its transfer agent with respect to any such sale, pledge, or transfer, except upon the conditions specified in this Agreement, which conditions are intended to ensure compliance with the provisions of the Securities Act. A transferring Holder will cause any proposed purchaser, pledgee, or transferee of the Preferred Stock and the Registrable Securities held by such Holder to agree to take and hold such securities subject to the provisions and upon the conditions specified in this Agreement.

(b) Each certificate, instrument, or book entry representing (i) the Preferred Stock, (ii) the Registrable Securities, and (iii) any other securities issued in respect of the securities referenced in clauses (i) and (ii), upon any stock split, stock dividend, recapitalization, merger, consolidation, or similar event, shall (unless otherwise permitted by the provisions of Subsection 2.12(c)) be notated with a legend substantially in the following form:

THE SECURITIES REPRESENTED HEREBY HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. SUCH SHARES MAY NOT BE SOLD, PLEDGED, OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR A VALID EXEMPTION FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SAID ACT.

THE SECURITIES REPRESENTED HEREBY MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF THE AMENDED AND

RESTATED INVESTORS' RIGHTS AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

The Holders consent to the Company making a notation in its records and giving instructions to any transfer agent of the Restricted Securities in order to implement the restrictions on transfer set forth in this Subsection 2.12.

(c) The holder of such Restricted Securities, by acceptance of ownership thereof, agrees to comply in all respects with the provisions of this Section 2. Before any proposed sale, pledge, or transfer of any Restricted Securities, unless there is in effect a registration statement under the Securities Act covering the proposed transaction, the Holder thereof shall give notice to the Company of such Holder's intention to effect such sale, pledge, or transfer. Each such notice shall describe the manner and circumstances of the proposed sale, pledge, or transfer in sufficient detail and, if reasonably requested by the Company, shall be accompanied at such Holder's expense by either (i) a written opinion of legal counsel who shall, and whose legal opinion shall, be reasonably satisfactory to the Company, addressed to the Company, to the effect that the proposed transaction may be effected without registration under the Securities Act; (ii) a "no action" letter from the SEC to the effect that the proposed sale, pledge, or transfer of such Restricted Securities without registration will not result in a recommendation by the staff of the SEC that action be taken with respect thereto; or (iii) any other evidence reasonably satisfactory to counsel to the Company to the effect that the proposed sale, pledge, or transfer of the Restricted Securities may be effected without registration under the Securities Act, whereupon the Holder of such Restricted Securities shall be entitled to sell, pledge, or transfer such Restricted Securities in accordance with the terms of the notice given by the Holder to the Company. The Company will not require such a legal opinion or "no action" letter (x) in any transaction in compliance with SEC Rule 144; or (y) in any transaction in which such Holder distributes Restricted Securities to an Affiliate of such Holder for no consideration; provided that each transferee agrees in writing to be subject to the terms of this Subsection 2.12. Each certificate, instrument, or book entry representing the Restricted Securities transferred as above provided shall be notated with, except if such transfer is made pursuant to SEC Rule 144, the appropriate restrictive legend set forth in Subsection 2.12(b), except that such certificate instrument, or book entry shall not be notated with such restrictive legend if, in the opinion of counsel for such Holder and the Company, such legend is not required in order to establish compliance with any provisions of the Securities Act. Once the Restricted Securities are eligible for transfer pursuant to SEC Rule 144, the Holder shall have the right to request that the Company remove the applicable restrictive legend set forth in Subsection 2.12(b), and the Company agrees to promptly comply with such request to remove such legend.

2.13 Termination of Registration Rights. The right of any Holder to request registration or inclusion of Registrable Securities in any registration pursuant to Subsections 2.1 or 2.2 shall terminate upon the earliest to occur of:

(a) the closing of a Deemed Liquidation Event;

(b) such time after consummation of the IPO as Rule 144 or another similar exemption under the Securities Act is available for the sale of all of such Holder's shares without limitation during a ninety (90) day period without registration; and

(c) the fifth (5th) anniversary of the date of the IPO.

3. Information Rights.

3.1 Delivery of Financial Statements. The Company shall deliver to each Major Investor, provided that the Board of Directors has not reasonably determined that such Major Investor is a competitor of the Company:

(a) as soon as practicable, but in any event within one hundred eighty (180) days after the end of each fiscal year of the Company (i) a balance sheet as of the end of such year, (ii) statements of income and of cash flows for such year, and (iii) a statement of stockholders' equity as of the end of such year, all such financial statements audited and certified by independent public accountants of regional or national reputation and recognized standing selected by the Company (which selection has been approved by the Audit Committee of the Board, which approval includes the Lead Preferred Director);

(b) as soon as practicable, but in any event within forty five (45) days after the end of each of the first three (3) quarters of each fiscal year of the Company, unaudited statements of income for such fiscal quarter, and an unaudited balance sheet as of the end of such fiscal quarter, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments; and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(c) as soon as practicable, but in any event within forty five (45) days after the end of each of the first three (3) quarters of each fiscal year of the Company, a statement showing the number of shares of each class and series of capital stock and securities convertible into or exercisable for shares of capital stock outstanding at the end of the period, the Common Stock issuable upon conversion or exercise of any outstanding securities convertible or exercisable for Common Stock and the exchange ratio or exercise price applicable thereto, and the number of shares of issued stock options and stock options not yet issued but reserved for issuance, if any, all in sufficient detail as to permit the Major Investors to calculate their respective percentage equity ownership in the Company;

(d) as soon as practicable, but in any event within thirty (30) days of the end of each month, an unaudited income statement for such month, and an unaudited balance sheet as of the end of such month, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments and (ii) not contain all notes thereto that may be required in accordance with GAAP); and

(e) as soon as practicable, but in any event within thirty (30) days after the beginning of each fiscal year, a budget for the next fiscal year (the "**Budget**"), forecasting the Company's revenues, expenses and cash position on a quarter-to-quarter basis for such fiscal year, approved by the Board of Directors, except that the Budget for the 2016 fiscal year of the Company shall be approved by the Board of Directors within thirty (30) days after the date of this Agreement.

If, for any period, the Company has any subsidiary whose accounts are consolidated with those of the Company, then in respect of such period the financial statements delivered pursuant to the foregoing sections shall be the consolidated and consolidating financial statements of the Company and all such consolidated subsidiaries.

Notwithstanding anything else in this Subsection 3.1 to the contrary, the Company may cease providing the information set forth in this Subsection 3.1 during the period starting with the date sixty (60) days before the Company's good-faith estimate of the date of filing of a registration statement if it reasonably concludes it must do so to comply with the SEC rules applicable to such registration statement and related offering; provided that the Company's covenants under this Subsection 3.1 shall be reinstated at such time as the Company is no longer actively employing its commercially reasonable efforts to cause such registration statement to become effective.

3.2 Inspection. The Company shall permit each Major Investor (provided that the Board of Directors has not reasonably determined that such Major Investor is a competitor of the Company), at such Major Investor's expense, to visit and inspect the Company's properties; examine its books of account and records; and discuss the Company's affairs, finances, and accounts with its officers, during normal business hours of the Company as may be reasonably requested by the Major Investor; provided, however, that the Company shall not be obligated pursuant to this Subsection 3.2 to provide access to any information that it reasonably and in good faith considers to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in form acceptable to the Company) or the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

3.3 Termination of Information Rights. The covenants set forth in Subsection 3.1 and Subsection 3.2 shall terminate and be of no further force or effect (i) immediately before the consummation of an underwritten initial public offering that results in an automatic conversion of all outstanding shares of Preferred Stock (a "**Qualified Public Offering**"), (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act or the outstanding capital stock of the Company is exchanged for shares that are registered under the Exchange Act, or (iii) upon a Deemed Liquidation Event, whichever event occurs first.

3.4 Confidentiality. Each Investor agrees that such Investor will keep confidential and will not disclose, divulge, or use for any purpose (other than to monitor its investment in the Company) any confidential information obtained from the Company pursuant to the terms of this Agreement (including notice of the Company's intention to file a registration statement), unless such confidential information (a) is known or becomes known to the public in general (other than as a result of a breach of this Subsection 3.4 by such Investor), (b) is or has been independently developed or conceived by the Investor without use of the Company's confidential information, or (c) is or has been made known or disclosed to the Investor by a third party without a breach of any obligation of confidentiality such third party may have to the Company; provided, however, that an Investor may disclose confidential information (i) to its attorneys, accountants, consultants, and other professionals to the extent necessary to obtain their services in connection with monitoring its investment in the Company; (ii) to any prospective purchaser of any Registrable Securities from such Investor, if such prospective purchaser agrees

to be bound by the provisions of this Subsection 3.4; (iii) to any existing or prospective Affiliate, partner, member, stockholder, or wholly owned subsidiary of such Investor in the ordinary course of business, provided that such Investor informs such Person that such information is confidential and directs such Person to maintain the confidentiality of such information; or (iv) as may otherwise be required by law, provided that the Investor promptly notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure.

4. Rights to Future Stock Issuances.

4.1 Right of First Offer. Subject to the terms and conditions of this Subsection 4.1 and applicable securities laws, if the Company proposes to offer or sell any New Securities, the Company shall first offer such New Securities to each Major Investor. A Major Investor shall be entitled to apportion the right of first offer hereby granted to it, in such proportions as it deems appropriate, among (i) itself (ii) its Affiliates and (iii) its beneficial interest holders, such as limited partners, members or any other Person having "beneficial ownership," as such term is defined in Rule 13d-3 promulgated under the Exchange Act, of such Major Investor ("**Investor Beneficial Owners**"); provided that each such Affiliate or Investor Beneficial Owner (x) is not a competitor or FOIA Party, unless such party's purchase of New Securities is otherwise consented to by the Board of Directors, (y) agrees to enter into this Agreement and each of the Voting Agreement and Right of First Refusal and Co-Sale Agreement as an "**Investor**" under each such agreement (provided that any competitor or FOIA Party shall not be entitled to any rights as a Investor under Subsections 3.1, 3.2 and 4.1 hereof), and (z) agrees to purchase at least such number of New Securities as are allocable hereunder to the Major Investor holding the fewest number of Preferred Stock and any other Derivative Securities.

(a) The Company shall give notice (the "**Offer Notice**") to each Major Investor, stating (i) its bona fide intention to offer such New Securities, (ii) the number of such New Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such New Securities.

(b) By notification to the Company within twenty (20) days after the Offer Notice is given, each Major Investor may elect to purchase or otherwise acquire, at the price and on the terms specified in the Offer Notice, up to that portion of such New Securities which equals the proportion that the Common Stock then held by such Major Investor (including all shares of Common Stock then issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held by such Major Investor) bears to the total Common Stock of the Company then outstanding (assuming full conversion and/or exercise, as applicable, of all Preferred Stock and other Derivative Securities). At the expiration of such twenty (20) day period, the Company shall promptly notify each Major Investor that elects to purchase or acquire all the shares available to it (each, a "**Fully Exercising Investor**") of any other Major Investor's failure to do likewise. During the ten (10) day period commencing after the Company has given such notice, each Fully Exercising Investor may, by giving notice to the Company, elect to purchase or acquire, in addition to the number of shares specified above, up to that portion of the New Securities for which Major Investors were entitled to subscribe but that were not subscribed for by the Major Investors which is equal to the proportion that the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of Preferred Stock and any other Derivative Securities

then held, by such Fully Exercising Investor bears to the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held, by all Fully Exercising Investors who wish to purchase such unsubscribed shares. The closing of any sale pursuant to this Subsection 4.1(b) shall occur within the later of ninety (90) days of the date that the Offer Notice is given and the date of initial sale of New Securities pursuant to Subsection 4.1(c).

(c) If all New Securities referred to in the Offer Notice are not elected to be purchased or acquired as provided in Subsection 4.1(b), the Company may, during the ninety (90) day period following the expiration of the periods provided in Subsection 4.1(b), offer and sell the remaining unsubscribed portion of such New Securities to any Person or Persons at a price not less than, and upon terms no more favorable to the offeree than, those specified in the Offer Notice. If the Company does not enter into an agreement for the sale of the New Securities within such period, or if such agreement is not consummated within thirty (30) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first reoffered to the Major Investors in accordance with this Subsection 4.1.

(d) The right of first offer in this Subsection 4.1 shall not be applicable to (i) Exempted Securities (as defined in the Restated Certificate), (ii) shares of Common Stock issued in the IPO, (iii) any issuance of shares of Preferred Stock pursuant to the Series B Purchase Agreement and (iv) any issuance of shares that the holders of a majority of the then outstanding shares of Preferred Stock elect in writing to be exempt from this Subsection 4.1.

4.2 Termination. The covenants set forth in Subsection 4.1 shall terminate and be of no further force or effect (i) immediately before the consummation of a Qualified Public Offering, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act or the outstanding capital stock of the Company is exchanged for shares that are registered under the Exchange Act, or (iii) upon a Deemed Liquidation Event, whichever event occurs first.

5. Additional Covenants.

5.1 Insurance. The Company shall use its commercially reasonable efforts to (i) maintain Directors and Officers liability insurance and (ii) obtain "key person" insurance on the Company's Chief Executive Officer within ninety (90) days of the date hereof, in each case ((i) and (ii)) in an amount and on terms and conditions satisfactory to the Board of Directors, including the Lead Preferred Director. The Company will use commercially reasonable efforts to cause such insurance policies to be maintained until such time as the Board of Directors, including the Lead Preferred Director, determines that such insurance should be discontinued. Such policies shall not be cancelable by the Company without prior approval by the Board of Directors, including the Lead Preferred Director.

5.2 Employee Agreements. The Company will cause (i) each person now or hereafter employed by it or by any subsidiary (or engaged by the Company or any subsidiary as a consultant/independent contractor or scientific advisory board member, subject to the policies of any academic or research institution with whom such consultant/independent contractor or scientific advisory board member may be affiliated) with access to confidential information and/or

trade secrets to enter into a nondisclosure and proprietary rights assignment agreement, and (ii) each Key Employee to enter into a one (1) year noncompetition and nonsolicitation agreement, in each case ((i) and (ii)), substantially in a form approved by the Board of Directors, including the Lead Preferred Director. In addition, the Company shall not amend, modify, terminate, waive, or otherwise alter, in whole or in part, any of the above-referenced agreements or any restricted stock agreement between the Company and any employee, without the consent of the Board of Directors, including the Lead Preferred Director.

5.3 Employee Stock. Unless otherwise approved by the Board of Directors (which approval shall include the approval of the Lead Preferred Director) or any committee of the Board acting within its delegated authority (which delegation of authority has been approved by a majority of the Board, including the Lead Preferred Director), all future employees, directors and consultants of the Company who purchase, receive options to purchase, or receive awards of shares of the Company's capital stock after the date hereof shall be required to execute restricted stock or option agreements, as applicable, providing for (i) vesting of shares over a four (4) year period, with the first twenty-five percent (25%) of such shares vesting following twelve (12) months of continued employment or service, and the remaining shares vesting in equal monthly installments over the following thirty-six (36) months, and (ii) a market stand-off provision substantially similar to that in Subsection 2.11. In addition, unless otherwise approved by the Board of Directors, including the Lead Preferred Director, the Company shall retain a "right of first refusal" on employee transfers until the Company's IPO and shall have the right to repurchase unvested shares at cost upon termination of employment of a holder of restricted stock.

5.4 Qualified Small Business Stock. The Company shall use commercially reasonable efforts to cause the Initial Closing Shares (as defined in the Series B Purchase Agreement) and the shares of Series A-1 Preferred Stock and Series A-2 Preferred Stock originally issued by the Company, as well as any shares into which such shares are converted, within the meaning of Section 1202(f) of the Internal Revenue Code (the "**Code**"), to constitute "qualified small business stock" as defined in Section 1202(c) of the Code; provided, however, that such requirement shall not be applicable if a majority of the Board of Directors, including the Lead Preferred Director, determines, in its good-faith business judgment, that such qualification is inconsistent with the best interests of the Company. The Company shall submit to its stockholders (including the Investors) and to the Internal Revenue Service any reports that may be required under Section 1202(d)(1)(C) of the Code and the regulations promulgated thereunder. In addition, within twenty (20) business days after any Investor's written request therefor, the Company shall, at its option, either (i) deliver to such Investor a written statement indicating whether (and what portion of) such Investor's interest in the Company constitutes "qualified small business stock" as defined in Section 1202(c) of the Code or (ii) deliver to such Investor such factual information in the Company's possession as is reasonably necessary to enable such Investor to determine whether (and what portion of) such Investor's interest in the Company constitutes "qualified small business stock" as defined in Section 1202(c) of the Code.

5.5 Matters Requiring Investor Director Approval. So long as the holders of record of Preferred Stock are entitled to elect any director of the Company pursuant to the Restated Certificate or the holders of record of Series A-1 Preferred Stock and Series A-2 Preferred Stock are entitled, as a single class voting together on an as converted basis, to elect the Lead Preferred Director, the Company hereby covenants and agrees with each of the Investors that it shall not, and shall not permit any subsidiary to, without approval of the Board of Directors, which approval must include the affirmative vote of the Lead Preferred Director:

(a) make any loan or advance to, or own any stock or other securities of, any subsidiary or other corporation, partnership or other entity, unless it is wholly owned by the Company;

(b) make any loan or advance to any Person, including any employee or director of the Company or any subsidiary, except loans, advances and similar expenditures in the ordinary course of business or under the terms of an employee stock or option plan approved by the Board of Directors, including the Lead Preferred Director, or that are permitted under Subsection 5.5(a) above;

(c) guarantee, directly or indirectly, any indebtedness except for trade accounts of the Company or any subsidiary arising in the ordinary course of business;

(d) make any investment inconsistent with any investment policy (I) approved by the Board of Directors, including the Lead Preferred Director or (II) unanimously approved by any committee of the Board acting within its delegated authority that includes the Lead Preferred Director;

(e) incur any aggregate indebtedness in excess of $100,000 that is not already included in an annual budget approved by the Board of Directors, other than trade credit incurred in the ordinary course of business;

(f) otherwise enter into or be a party to any transaction with any director, officer, or employee of the Company or any "associate" (as defined in Rule 12b-2 promulgated under the Exchange Act) of any such Person, including any "management bonus" or similar plan providing payments to employees in connection with a Deemed Liquidation Event, except for the following: (1) transactions contemplated by this Agreement, the Series B Purchase Agreement; (2) any grant or issuance of stock options or other equity incentives under any stock option plan or equity incentive plan approved by a majority of the Board of Directors, including the Lead Preferred Director; (3) any payments or benefits provided under any employee benefit plan approved by a majority of the Board of Directors, including the Lead Preferred Director; (4) payment of salary or other cash compensation to officers, directors or employees in amounts that have been approved by a majority of the Board of Directors, including the Lead Preferred Director, that are reflected in a budget approved by a majority of the Board of Directors, including the Lead Preferred Director; (5) transactions resulting in payments to or by the Company in an aggregate amount of less than $60,000 per year; or (6) transactions made in the ordinary course of business and pursuant to reasonable requirements of the Company's business and upon fair and reasonable terms that are approved by a majority of the Board of Directors, including the Lead Preferred Director;

(g) hire or terminate any of the executive officers of the Company, or change any of the compensation of (including approving the payment of bonuses or the award of option grants or other securities to) any executive officers unless approved by the Compensation Committee of the Board acting within its delegated authority, which approval includes the Lead Preferred Director;

(h) enter new lines of business, or exit the current line of business, or change the principal business of the Company;

(i) sell, assign, license, pledge, or encumber any material technology or intellectual property of the Company, other than licenses granted in the ordinary course of business;

(j) acquire all or substantially all of the properties, assets or stock of another company or entity;

(k) enter into any corporate strategic relationship involving the payment, contribution, or assignment by the Company or to the Company of money or assets;

(l) increase the number of shares of Common Stock reserved for issuance under any stock option plan or equity incentive plan of the Company; or

(m) adopt any other stock option plan or equity incentive plan.

5.6 Board Matters. Unless otherwise determined by the vote of a majority of the directors then in office, the Board of Directors shall meet at least quarterly, unless otherwise agreed by a majority of the Board, including the Lead Preferred Director. At least four (4) of such meetings per year shall be in person. The Company shall reimburse the directors for all reasonable out-of-pocket travel expenses incurred (consistent with the Company's travel policy) in connection with attending meetings of the Board of Directors, including committees thereof. The Company shall maintain an audit and compensation committee, each of which shall include the Lead Preferred Director unless the Lead Preferred Director notifies the Company otherwise. All board committees shall consist of non-management directors.

5.7 Successor Indemnification. If the Company or any of its successors or assignees consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger, then to the extent necessary, proper provision shall be made so that the successors and assignees of the Company assume the obligations of the Company with respect to indemnification of members of the Board of Directors as in effect immediately before such transaction, whether such obligations are contained in the Company's Bylaws, the Restated Certificate, or elsewhere, as the case may be.

5.8 Indemnification Matters. The Company hereby acknowledges that one (1) or more of the directors nominated to serve on the Board of Directors by the Investors (each a "**Fund Director**") may have certain rights to indemnification, advancement of expenses and/or insurance provided by one or more of the Investors and certain of their affiliates (collectively, the "**Fund Indemnitors**"). The Company hereby agrees (a) that it is the indemnitor of first resort (*i.e.*, its obligations to any such Fund Director are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by such Fund Director are secondary), (b) that it shall be required to advance the full amount of expenses incurred by such Fund Director and shall be liable for the full amount of all expenses,

judgments, penalties, fines and amounts paid in settlement by or on behalf of any such Fund Director to the extent legally permitted and as required by the Restated Certificate or the Company's Bylaws (or any agreement between the Company and such Fund Director, each as may be amended an in effect from time to time), without regard to any rights such Fund Director may have against the Fund Indemnitors, and, (c) that it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Fund Indemnitors on behalf of any such Fund Director with respect to any claim for which such Fund Director has sought indemnification from the Company shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such Fund Director against the Company.

5.9 FCPA. The Company represents that it shall not (and shall not permit any of its subsidiaries or affiliates or any of its or their respective directors, officers, managers, employees, independent contractors, representatives or agents to) promise, authorize or make any payment to, or otherwise contribute any item of value to, directly or indirectly, to any third party, including any Non-U.S. Official (as such term is defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "**FCPA**")), in each case, in violation of the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. The Company further represents that it shall (and shall cause each of its subsidiaries and affiliates to) cease all of its or their respective activities, as well as remediate any actions taken by the Company, its subsidiaries or affiliates, or any of their respective directors, officers, managers, employees, independent contractors, representatives or agents in violation of the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. The Company further represents that it shall (and shall cause each of its subsidiaries and affiliates to) maintain systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) to ensure compliance with the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. Upon request, the Company agrees to provide responsive information and/or certifications concerning its compliance with applicable anti-corruption laws. The Company shall promptly notify each Investor if the Company, or, to the Company's knowledge, any of its officers, directors or employees, are the subject of any allegation, voluntary disclosure, investigation, prosecution or other enforcement action related to the FCPA or any other anti-corruption law. The Company shall, and shall cause any direct or indirect subsidiary or entity controlled by it, whether now in existence or formed in the future, to comply with the FCPA. The Company shall use its best efforts to cause any direct or indirect subsidiary, whether now in existence or formed in the future, to comply in all material respects with all applicable laws.

5.10 Termination of Covenants. The covenants set forth in this Section 5, except for Subsection 5.6, shall terminate and be of no further force or effect (i) immediately before the consummation of a Qualified Public Offering, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act or the outstanding capital stock of the Company is exchanged for shares that are registered under the Exchange Act, or (ii) upon a Deemed Liquidation Event, whichever event occurs first.

6. Miscellaneous.

6.1 Successors and Assigns. The rights under this Agreement may be assigned (but only with all related obligations) by a Holder to a transferee of Registrable Securities that (i) is an Affiliate, partner, member, limited partner, retired or former partner or former or retired member or shareholder of such Holder, (ii) is such Holder's Immediate Family Member or is a trust for the benefit of such Holder or one or more of such Holder's Immediate Family Members, in either case if such Holder is an individual, or (iii) after such transfer either holds at least 300,000 shares of Registrable Securities (subject to appropriate adjustment for stock splits, stock dividends, combinations, and other recapitalizations) or all of the Registrable Securities held by such Holder prior to such transfer; provided, however, that (x) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee and the Registrable Securities with respect to which such rights are being transferred; and (y) such transferee becomes a party to this Agreement by executing and delivering an Adoption Agreement, substantially in the form attached hereto as Exhibit A, whereupon such transferee shall be deemed an "Investor" for all purposes of this Agreement and shall be bound by and subject to the terms and conditions of this Agreement that are applicable to Investors, including the provisions of Subsection 2.11. For the purposes of determining the number of shares of Registrable Securities held by a transferee, the holdings of a transferee (1) that is an Affiliate or stockholder of a Holder; (2) who is a Holder's Immediate Family Member; or (3) that is a trust for the benefit of an individual Holder or such Holder's Immediate Family Member shall be aggregated together and with those of the transferring Holder; provided further that all transferees who would not qualify individually for assignment of rights shall have a single attorney-in-fact for the purpose of exercising any rights, receiving notices, or taking any action under this Agreement. The terms and conditions of this Agreement inure to the benefit of and are binding upon the respective successors and permitted assignees of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any person other than the parties hereto or their respective successors and permitted assignees any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

6.2 Governing Law. This Agreement and any controversy arising out of or relating to this Agreement shall be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts, without regard to conflict of law principles that would result in the application of any law other than the law of the Commonwealth of Massachusetts.

6.3 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

6.4 Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.

6.5 Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual

receipt or (i) personal delivery to the Party to be notified; (ii) when sent, if sent by electronic mail during the recipient's normal business hours, and if not sent during normal business hours, then on the recipient's next business day; (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iv) one (1) business day after the business day of deposit with a nationally recognized overnight courier, freight prepaid, specifying next-day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their addresses as set forth on Schedule A hereto, or to the principal office of the Company and to the attention of the Chief Executive Officer, in the case of the Company, or to such email address or address as subsequently modified by written notice given in accordance with this Subsection 6.5. If notice is given to the Company, it shall be sent to:

Foghorn Therapeutics Inc.
101 Binney Street, Suite 610
Cambridge, MA 02142
Attention: Head of Legal

and a copy (which shall not constitute notice) to:

Ropes & Gray LLP
Prudential Tower, 800 Boylston Street
Boston, MA 02199
Attention: Marc A. Rubenstein

6.6 Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of the Company and the holders of a majority of the Registrable Securities then outstanding; provided that the Company may in its sole discretion waive compliance with Subsection 2.12(c) (and the Company's failure to object promptly in writing after notification of a proposed assignment allegedly in violation of Subsection 2.12(c) shall be deemed to be a waiver); and provided further that any provision hereof may be waived by any waiving Party on such Party's own behalf, without the consent of any other Party. Notwithstanding the foregoing, this Agreement may not be amended or terminated and the observance of any term hereof may not be waived with respect to any Investor without the written consent of such Investor, unless such amendment, termination, or waiver applies to all Investors in the same fashion (it being agreed that a waiver of the provisions of Section 4 with respect to a particular transaction shall be deemed to apply to all Investors in the same fashion if such waiver does so by its terms, notwithstanding the fact that certain Investors may nonetheless, by agreement with the Company, purchase securities in such transaction). The Company shall give prompt notice of any amendment or termination hereof or waiver hereunder to any Party that did not consent in writing to such amendment, termination, or waiver. Any amendment, termination, or waiver effected in accordance with this Subsection 6.6 shall be binding on all parties hereto, regardless of whether any such Party has consented thereto. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition, or provision.

6.7 Severability. In case any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and such invalid, illegal, or unenforceable provision shall be reformed and construed so that it will be valid, legal, and enforceable to the maximum extent permitted by law.

6.8 Aggregation of Stock. All shares of Registrable Securities held or acquired by Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement and such Affiliated Persons may apportion such rights as among themselves in any manner they deem appropriate.

6.9 Additional Investors. Notwithstanding anything to the contrary contained herein, if the Company issues additional shares of Preferred Stock after the date hereof, whether pursuant to the Series B Purchase Agreement or otherwise, any purchaser of such shares of Preferred Stock may become a party to this Agreement by executing and delivering an Adoption Agreement, substantially in the form attached hereto as Exhibit A, and thereafter shall be deemed an "Investor" for all purposes hereunder. No action or consent by the Investors shall be required for such joinder to this Agreement by such additional Investor, so long as such additional Investor has agreed in writing to be bound by all of the obligations as an "Investor" hereunder.

6.10 Entire Agreement. This Agreement (including any Schedules and Exhibits hereto) constitutes the full and entire understanding and agreement among the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties is expressly canceled. Upon the effectiveness of this Agreement, the Prior Agreement shall be deemed amended and restated and superseded and replaced in its entirety by this Agreement, and shall be of no further force or effect.

6.11 Dispute Resolution. The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of the State of Delaware and the Commonwealth of Massachusetts and to the jurisdiction of the United States District Court for the District of Delaware or Massachusetts for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the state courts of the State of Delaware and the Commonwealth of Massachusetts or the United States District Court for the District of Delaware or Massachusetts, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

6.12 Waiver of Jury Trial. EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS, THE SECURITIES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER

OF THIS TRANSACTION, INCLUDING CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

6.13 Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any Party under this Agreement, upon any breach or default of any other Party under this Agreement, shall impair any such right, power, or remedy of such nonbreaching or nondefaulting Party, nor shall it be construed to be a waiver of or acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies, whether under this Agreement or by law or otherwise afforded to any Party, shall be cumulative and not alternative.

6.14 Acknowledgment. The Company acknowledges that the Investors are in the business of venture capital investing and therefore review the business plans and related proprietary information of many enterprises, including enterprises which may have products or services which compete directly or indirectly with those of the Company. Nothing in this Agreement shall preclude or in any way restrict the Investors from investing or participating in any particular enterprise whether or not such enterprise has products or services which compete with those of the Company.

6.15 Further Assurances. At any time or from time to time after the date hereof, the parties agree to cooperate with each other, and at the request of any other party, to execute and deliver any further instruments or documents and to take all such further action as the other party may reasonably request in order to evidence or effectuate the consummation of the transactions contemplated hereby and to otherwise carry out the intent of the parties hereunder.

6.16 Interpretation. Except where the context expressly requires otherwise:

(a) the words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation;”

(b) the word “will” shall be construed to have the same meaning and effect as the word “shall;”

(c) all dollar ($) amounts herein are in United States dollars (USD);

(d) the words “herein” “hereof” and “hereunder,” and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof;

(e) the term “or” shall be interpreted in the inclusive sense commonly associated with the term “and/or;” and

(f) whenever this Agreement refers to a number of days, such number shall refer to calendar days unless business days are specified.

(*Signatures follow.*)

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

COMPANY:

FOGHORN THERAPEUTICS INC.

By: /s/ Adrian Gottschalk
Name: Adrian Gottschalk
Title: President and CEO

(*Signature Page to Amended and Restated Investors' Rights Agreement*)

INVESTORS:

Flagship Ventures Opportunities Fund I, L.P.

By its General Partner
Flagship Ventures Opportunities Fund I General Partner LLC

By: /s/ Noubar B. Afeyan, Ph.D.
Noubar B. Afeyan, Ph.D.
Its Manager

Flagship Ventures Fund V, L.P.

By its General Partner
Flagship Ventures Fund V General Partner LLC

By: /s/ Noubar B. Afeyan, Ph.D.
Noubar B. Afeyan, Ph.D.
Its Manager

(*Signature Page to Amended and Restated Investors' Rights Agreement*)

Adrian H. Gottschalk Living Trust dated September 5, 2008

By: /s/ Adrian Gottschalk
Name: Adrian Gottschalk
Title: Trustee

(*Signature Page to Amended and Restated Investors' Rights Agreement*)

ALEXANDRIA VENTURE INVESTMENTS, LLC,
a Delaware limited liability company

By: ALEXANDRIA REAL ESTATE EQUITIES, INC.,
a Maryland corporation, managing member

By: /s/ Aaron Jacobson
Name: Aaron Jacobson
Title: SVP – Venture Counsel

(*Signature Page to Amended and Restated Investors' Rights Agreement*)

HASNAIN REVOCABLE TRUST U/A DTD 2/19/2010

By: /s/ Faheem Hasnain
Name: Faheem Hasnain
Title: Trustee

(*Signature Page to Amended and Restated Investors' Rights Agreement*)

IGOR SILL

By: /s/ Igor Sill
Name: Igor Sill

(*Signature Page to Amended and Restated Investors' Rights Agreement*)

GREENLAND FP LLC

By: /s/ Monique Miller
Name: Monique Miller
Title: Senior Vice President of Euclidean Capital LLC, its Manager

GREENLAND NFP LLC

By: /s/ Monique Miller
Name: Monique Miller
Title: Senior Vice President of Euclidean Capital LLC, its Manager

(*Signature Page to Amended and Restated Investors' Rights Agreement*)

GW 2018 VC HOLDINGS, LLC

By: /s/ Gary Weber
Name: Gary Weber
Title: Manager

(*Signature Page to Amended and Restated Investors' Rights Agreement*)

HERITAGE MEDICAL SYSTEMS

By: /s/ Dr. Richard Merkin
Name: Dr. Richard Merkin
Title: Authorized Signatory

(*Signature Page to Amended and Restated Investors' Rights Agreement*)

SCHEDULE A

Investors

Name and Address

Flagship Ventures Fund V, L.P.
55 Cambridge Parkway, Suite 800E
Cambridge, MA 02142

Flagship Opportunities Fund I
55 Cambridge Parkway, Suite 800E
Cambridge, MA 02142

Klarman Family Foundation
P.O. Box 171627
Boston, MA 02117

EBTKS, LLC
100 Beacon St.
Boston, MA 02116

David P. Schenkein 2004 Revocable Trust, dated Sept. 21, 2004, as amended
21 Wormwood St., Apt. 622
Boston, MA 02210

Amy P. Schenkein 2004 Revocable Trust, dated Sept. 21, 2004, as amended
21 Wormwood St., Apt. 622
Boston, MA 02210

Igor Sill
P.O. 7172-PMB 249
Stateline NV 89449

Adrian H. Gottschalk Living Trust dated September 5, 2008
44 Audubon Road
Wellesley MA, 02481

Greenland FP LLC
c/o Euclidean Capital LLC
160 Fifth Avenue, 9th Floor
New York, NY 10010

Greenland NFP LLC
c/o Euclidean Capital LLC
160 Fifth Avenue, 9th Floor
New York, NY 10010

GW 2018 VC Holdings, LLC
8214 Westchester Drive #645
Dallas, Texas 75225

Alexandria Venture Investments, LLC
385 E. Colorado Blvd., Suite 299
Pasadena, CA 91101

Hasnain Revocable Trust U/A DTD 2/19/2010
4840 Rancho Del Mar Trail
San Diego, CA 92130

Heritage Medical Systems
c/o Paracorp International
318 N. Carson St., #208
Carson City, NV 89701

EXHIBIT A

ADOPTION AGREEMENT

This Adoption Agreement ("**Adoption Agreement**") is executed on , by the undersigned (the "**Holder**") pursuant to the terms of that certain Amended and Restated Investors' Rights Agreement dated as of December 18, 2018 (the "**Agreement**"), by and among the Company and certain holders of securities of the Company, as such Agreement may be amended or amended and restated hereafter. Capitalized terms used but not defined in this Adoption Agreement shall have the respective meanings ascribed to such terms in the Agreement. By the execution of this Adoption Agreement, the Holder agrees as follows.

1.1 Acknowledgement. Holder acknowledges that Holder is acquiring certain Registrable Securities of the Company, and desires to become an Investor party to the Agreement with respect to such Registrable Securities.

1.2 Agreement. Holder hereby (a) agrees that the Registrable Securities and any other securities of the Company required by the Agreement to be bound thereby, shall be bound by and subject to the terms of the Agreement and (b) adopts the Agreement with the same force and effect as if Holder were originally an Investor party thereto.

1.3 Notice. Any notice required or permitted by the Agreement shall be given to Holder at the address listed below Holder's signature hereto.

(*Signature Page to Follow*)

IN WITNESS WHEREOF, the Parties have executed this Adoption Agreement as of the date first above written.

HOLDER: _____

By: _____
Name:
Title:

Address: _____

ACCEPTED AND AGREED:

FOGHORN THERAPEUTICS INC.

By: _____
Name:
Title:

Exhibit 4.3

FOGHORN THERAPEUTICS INC.

AMENDMENT TO THE INVESTORS' RIGHTS AGREEMENT AND THE VOTING AGREEMENT

THIS AMENDMENT (this "**Amendment**") is made as of April 17, 2020, by and among **FOGHORN THERAPEUTICS INC.**, a Delaware corporation (the "**Company**") and the Investors set forth on the signature pages hereto and amends (i) that certain Amended and Restated Investors' Rights Agreement, dated as of December 18, 2018 by and among the Company and stockholders of the Company set forth therein (the "**Investors' Rights Agreement**") and (ii) the Voting Agreement, dated as of December 18, 2018, by and among the Company and the stockholders of the Company set forth therein, as amended as of January 2, 2020 (the "**Voting Agreement**" and collectively with the Investors' Rights Agreement, the "**Agreements**")). Capitalized terms used herein but not otherwise defined shall have the meanings given to such terms in the Agreements.

WHEREAS, the Company has entered into the Investors' Rights Agreement with the Investors and pursuant to Section 6.6 of the Investors' Rights Agreement, terms of the Investors' Rights Agreement may be amended only by written instrument executed by the Company and the holders of a majority of the Registrable Securities then outstanding (the "**IRA Requisite Holders**");

WHEREAS, the Company has entered into the Voting Agreement with the Investors and pursuant to Section 8.8 of the Voting Agreement, provisions of the Voting Agreement may be waived only by written instrument executed by the Company and the Majority Investors (the "**Voting Agreement Requisite Holders**"); and

WHEREAS, the undersigned parties constitute the IRA Requisite Holders and the Voting Agreement Requisite Holders and, in connection with the execution and delivery of that certain Series B Preferred Stock Purchase Agreement between the Company and certain of the Investors dated April 17, 2020, desire to amend the Agreements as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company, the IRA Requisite Holders and the Voting Agreement Requisite Holders parties, on behalf of all Investors, agree as follows:

1. The following definition is hereby inserted as a new Section 1.30 of the Investors' Rights Agreement, and the existing Sections 1.30, 1.31 and 1.32 of the Investors' Rights Agreement are renumbered as Sections 1.31, 1.32 and 1.33, respectively:

""**Second Series B Purchase Agreement**" means the Series B Preferred Stock Purchase Agreement between the Company and certain of the Investors dated April 17, 2020."

2. Section 1.20 of the Investors' Rights Agreement is hereby deleted and replaced in its entirety with the following:

"1.20 "**New Securities**" means, collectively, equity securities of the Company, whether or not currently authorized, as well as rights, options, or warrants to purchase such equity securities, or securities of any type whatsoever that are, or may become, convertible or exchangeable into or exercisable for such equity securities; provided, however, any

Preferred Stock of the Company issued and sold to the Company's investors pursuant to the Series B Purchase Agreement or the Second Series B Purchase Agreement shall not be New Securities for the purposes of this Agreement."

3. Subsection 4.1(d) of the Investors' Rights Agreement is hereby deleted and replaced in its entirety with the following:

"(d) The right of first offer in this Subsection 4.1 shall not be applicable to (i) Exempted Securities (as defined in the Restated Certificate), (ii) shares of Common Stock issued in the IPO, (iii) any issuance of shares of Preferred Stock pursuant to the Series B Purchase Agreement or Second Series B Purchase Agreement and (iv) any issuance of shares that the holders of a majority of the then outstanding shares of Preferred Stock elect in writing to be exempt from this Subsection 4.1."

4. Subsection 5.5(f) of the Investors' Rights Agreement is hereby deleted and replaced in its entirety with the following:

"(f) otherwise enter into or be a party to any transaction with any director, officer, or employee of the Company or any "associate" (as defined in Rule 12b-2 promulgated under the Exchange Act) of any such Person, including any "management bonus" or similar plan providing payments to employees in connection with a Deemed Liquidation Event, except for the following: (1) transactions contemplated by this Agreement, the Series B Purchase Agreement, or the Second Series B Purchase Agreement; (2) any grant or issuance of stock options or other equity incentives under any stock option plan or equity incentive plan approved by a majority of the Board of Directors, including the Lead Preferred Director; (3) any payments or benefits provided under any employee benefit plan approved by a majority of the Board of Directors, including the Lead Preferred Director; (4) payment of salary or other cash compensation to officers, directors or employees in amounts that have been approved by a majority of the Board of Directors, including the Lead Preferred Director, that are reflected in a budget approved by a majority of the Board of Directors, including the Lead Preferred Director; (5) transactions resulting in payments to or by the Company in an aggregate amount of less than $60,000 per year; or (6) transactions made in the ordinary course of business and pursuant to reasonable requirements of the Company's business and upon fair and reasonable terms that are approved by a majority of the Board of Directors, including the Lead Preferred Director"

5. Section 8.11 of the Voting Agreement is hereby deleted and replaced in its entirety with the following:

"Entire Agreement. This Agreement (including the Schedules and Exhibits hereto), the Restated Certificate, and the other Transaction Agreements (as defined in each of the Purchase Agreement and that certain Series B Preferred Stock Purchase Agreement between the Company and certain of the Investors dated April 17, 2020), constitute the full and entire understanding and agreement between the Parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties is expressly canceled. Upon the effectiveness of this

Agreement, the Prior Agreement shall be deemed amended and restated and superseded and replaced in its entirety by this Agreement, and shall be of no further force or effect."

6. This Amendment may be executed in any number of counterparts, each of which shall be enforceable against the parties that execute such counterparts, and all of which together shall constitute one instrument. A facsimile, telecopy or other reproduction of this Amendment may be executed by one or more parties and delivered by such party by facsimile or any similar electronic transmission device pursuant to which the signature of or on behalf of such party can be seen. Such execution and delivery shall be considered valid, binding and effective for all purposes.

7. The Voting Agreement and the Investors' Rights Agreement as modified herein shall remain in full force and effect as so modified.

8. This Amendment and any controversy arising out of or relating to this Amendment shall be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts, without regard to conflict of law principles that would result in the application of any law other than the law of the Commonwealth of Massachusetts.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date and year first written above.

COMPANY:

FOGHORN THERAPEUTICS INC.

By: /s/ Adrian H.B. Gottschalk
Name: Adrian H.B. Gottschalk
Title: President and CEO

[Signature Page to Omnibus Amendment]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date and year first written above.

INVESTORS:

FLAGSHIP VENTURES FUND V, L.P.

By: Flagship Ventures Fund V General Partner LLC, its General Partner

By: /s/ Noubar B. Afeyan, Ph.D.
Name: Noubar B. Afeyan, Ph.D.
Title: Manager

FLAGSHIP VENTURES OPPORTUNITIES FUND I, L.P.

By: Flagship Ventures Opportunities Fund I General Partner LLC, its General Partner

By: /s/ Noubar B. Afeyan, Ph.D.
Name: Noubar B. Afeyan, Ph.D.
Title: Manager

ALEXANDRIA VENTURE INVESTMENTS, LLC,

a Delaware limited liability company

By: ALEXANDRIA REAL ESTATE EQUITIES, INC.,

a Maryland corporation, managing member

By: /s/ Aaron Jacobson
Name: Aaron Jacobson
Title: SVP – Venture Counsel

[Signature Page to Omnibus Amendment]

HASNAIN REVOCABLE TRUST U/A DTD 2/19/2010

By: /s/ Faheem Hasnain
Name: Faheem Hasnain
Title: Trustee

[Signature Page to Omnibus Amendment]

IGOR SILL

By: /s/ Igor Sill
Name: Igor Sill

[Signature Page to Omnibus Amendment]

GREENLAND FP LLC

By: /s/ Monique Miller
Name: Monique Miller
Title: Senior Vice President of Euclidean Capital LLC, its manager

GREENLAND NFP LLC

By: /s/ Monique Miller
Name: Monique Miller
Title: Senior Vice President of Euclidean Capital LLC, its manager

GW 2018 VC HOLDINGS, LLC

By: /s/ Garry Weber
Name: Garry Weber
Title: Manager

[Signature Page to Omnibus Amendment]

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN SECTIONS 5.3 AND 5.4 BELOW, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

WARRANT TO PURCHASE STOCK

Company: Foghorn Therapeutics, Inc., a Delaware corporation
Number of Shares: As set forth in Paragraph A below
Type/Series of Stock: Series A-2 Preferred Stock, $0.0001 par value per share
Warrant Price: $1.50 per Share, subject to adjustment
Issue Date:
Expiration Date: **See also Section 5.1(b).**
Credit Facility: This Warrant to Purchase Stock ("**Warrant**") is issued in connection with that certain Loan and Security Agreement of even date herewith between Silicon Valley Bank and the Company (as amended and/or modified and in effect from time to time, the "**Loan Agreement**").

THIS WARRANT CERTIFIES THAT, for good and valuable consideration, SILICON VALLEY BANK (together with any successor or permitted assignee or transferee of this Warrant or of any shares issued upon exercise hereof, "**Holder**") is entitled to purchase up to such number of fully paid and non-assessable shares of the above-stated Type/Series of Stock (the "**Class**") of the above-named company (the "**Company**") as determined pursuant to Paragraph A below, at the above-stated Warrant Price, all as set forth above and as adjusted pursuant to Section 2 of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant. Reference is made to Section 5.4 of this Warrant whereby Silicon Valley Bank shall transfer this Warrant to its parent company, SVB Financial Group.

A. Number of Shares. Upon the making of each Equipment Advance (as defined in the Loan Agreement), if any, on or after the Series A-2 Closing Date (as defined below), this Warrant automatically shall become exercisable for such number of shares of the Class as shall equal (i)(a) 0.015, multiplied by (b) the amount of such Equipment Advance divided by (ii) the Warrant Price in effect on and as of the date of such Equipment Advance, subject to adjustment thereafter from time to time in accordance with the provisions of this Warrant. All shares for which this Warrant shall become exercisable pursuant to this Paragraph A are referred hereinafter cumulatively and collectively as the "**Shares**." As used herein, "**Series A-2 Closing Date**" means the date (if any) of the initial closing of the Company's sale and issuance of shares of its Series A-2 Preferred Stock, $0.0001 par value per share for cash to one or more investors in a bona fide equity financing of the Company in which at least $500,000 of such shares are sold.

For the avoidance of doubt, in the event that Equipment Advances in the full aggregate amount of the Equipment Line (as defined in the Loan Agreement) are made prior to the Series A-2 Closing Date, then, upon the making of the last Equipment Advance prior to such date, this Warrant shall automatically terminate and be of no further force or effect.

SECTION 1. EXERCISE.

1.1 Method of Exercise. Holder may at any time and from time to time exercise this Warrant, in whole or in part, by delivering to the Company the original of this Warrant together with a duly executed Notice of Exercise in substantially the form attached hereto as Appendix 1 and, unless Holder is exercising this Warrant pursuant to a cashless exercise set forth in Section 1.2, a check, wire transfer of same-day funds (to an account designated by the Company), or other form of payment acceptable to the Company for the aggregate Warrant Price for the Shares being purchased.

1.2 Cashless Exercise. On any exercise of this Warrant, in lieu of payment of the aggregate Warrant Price in the manner as specified in Section 1.1 above, but otherwise in accordance with the requirements of Section 1.1, Holder may elect to receive Shares equal to the value of this Warrant, or portion hereof as to which this Warrant is being exercised. Thereupon, the Company shall issue to the Holder such number of fully paid and non-assessable Shares as are computed using the following formula:

$$X = Y(A-B)/A$$

where:

X = the number of Shares to be issued to the Holder;

Y = the number of Shares with respect to which this Warrant is being exercised (inclusive of the Shares surrendered to the Company in payment of the aggregate Warrant Price);

A = the Fair Market Value (as determined pursuant to Section 1.3 below) of one Share; and

B = the Warrant Price.

1.3 Fair Market Value. If the Company's common stock is then traded or quoted on a nationally recognized securities exchange, inter-dealer quotation system or over-the-counter market (a "**Trading Market**") and the Class is common stock, the fair market value of a Share shall be the closing price or last sale price of a share of common stock reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company. If the Company's common stock is then traded in a Trading Market and the Class is a series of the Company's convertible preferred stock, the fair market value of a Share shall be the closing price or last sale price of a share of the Company's common stock reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company multiplied by the number of shares of the Company's common stock into which a Share is then convertible. If the Company's common stock is not traded in a Trading Market, the Board of Directors of the Company shall determine the fair market value of a Share in its reasonable good faith judgment.

1.4 Delivery of Certificate and New Warrant. Within a reasonable time after Holder exercises this Warrant in the manner set forth in Section 1.1 or 1.2 above, the Company shall deliver to Holder a certificate representing the Shares issued to Holder upon such exercise and, if this Warrant has not been fully exercised and has not expired, a new warrant of like tenor representing the Shares not so acquired.

1.5 Replacement of Warrant. On receipt 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, on delivery of an indemnity agreement reasonably satisfactory in form, substance and amount to the Company or, in the case of mutilation, on surrender of this Warrant to the Company for cancellation, the Company shall, within a reasonable time, execute and deliver to Holder, in lieu of this Warrant, a new warrant of like tenor and amount.

1.6 Treatment of Warrant Upon Acquisition of Company.

(a) Acquisition. For the purpose of this Warrant, "**Acquisition**" means any transaction or series of related transactions involving: (i) the sale, lease, exclusive license, or other disposition of all or substantially all of the assets of the Company; (ii) any merger or consolidation of the Company into or with another person or entity (other than a merger or consolidation effected exclusively to change the Company's domicile), or any other corporate reorganization, in which the stockholders of the Company in their capacity as such immediately prior to such merger, consolidation or reorganization, own less than a majority of the Company's (or the surviving or successor entity's) outstanding voting power immediately after such merger, consolidation or reorganization (or, if such Company stockholders beneficially own a majority of the outstanding voting power of the surviving or successor entity as of immediately after such merger, consolidation or reorganization, such surviving or successor entity is not the Company); or (iii) any sale or other transfer by the stockholders of the Company of shares representing at least a majority of the Company's then-total outstanding combined voting power.

(b) Treatment of Warrant at Acquisition. In the event of an Acquisition in which the consideration to be received by the Company's stockholders consists solely of cash, solely of Marketable Securities or a combination of cash and Marketable Securities (a "**Cash/Public Acquisition**"), and the fair market value of one Share as determined in accordance with Section 1.3 above would be greater than the Warrant Price in effect on such date immediately prior to such Cash/Public Acquisition, and Holder has not exercised this Warrant pursuant to Section 1.1 above as to all Shares, then this Warrant shall automatically be deemed to be Cashless Exercised pursuant to Section 1.2 above as to all Shares effective immediately prior to and contingent upon the consummation of a Cash/Public Acquisition. In connection with such Cashless Exercise, Holder shall be deemed to have restated each of the representations and warranties in Section 4 of the Warrant as of the date thereof and the Company shall promptly notify the Holder of the number of Shares (or such other securities) issued upon exercise. In the event of a Cash/Public Acquisition where the fair market value of one Share as determined in accordance with Section 1.3 above would be less than the Warrant Price in effect immediately prior to such Cash/Public Acquisition, then this Warrant will expire immediately prior to the consummation of such Cash/Public Acquisition.

(c) Upon the closing of any Acquisition other than a Cash/Public Acquisition, the acquiring, surviving or successor entity shall assume the obligations of this Warrant, and this Warrant shall thereafter be exercisable for the same securities and/or other property as would have been paid for the Shares issuable upon exercise of the unexercised portion of this Warrant as if such Shares were outstanding on and as of the closing of such Acquisition, subject to further adjustment from time to time in accordance with the provisions of this Warrant.

(d) As used in this Warrant, "**Marketable Securities**" means securities meeting all of the following requirements: (i) the issuer thereof is then subject to the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and is then current in its filing of all required reports and other information under the Act and the Exchange Act;

(ii) the class and series of shares or other security of the issuer that would be received by Holder in connection with the Acquisition were Holder to exercise this Warrant on or prior to the closing thereof is then traded in a Trading Market, and (iii) following the closing of such Acquisition, Holder would not be restricted from publicly re-selling all of the issuer's shares and/or other securities that would be received by Holder in such Acquisition were Holder to exercise this Warrant in full on or prior to the closing of such Acquisition, except to the extent that any such restriction (x) arises solely under federal or state securities laws, rules or regulations, and (y) does not extend beyond six (6) months from the closing of such Acquisition.

1.7 Voting Agreement. Following any exercise of this Warrant and solely with respect to the Shares issued thereupon (and the shares of Common Stock, if any, issued upon conversion of such Shares), Holder shall, if the Company so requests in writing, become a party to, by execution and delivery to the Company of a counterpart signature page, joinder agreement, instrument of accession or similar instrument, the Company's Voting Agreement, as amended and in effect from time to time (the "**Voting Agreement**"), only if (i) all holders of outstanding shares of the Class are then parties thereto, and (ii) such agreement is then by its terms in force and effect. Provided that the conditions described in the foregoing clauses (i) and (ii) are met as to any such agreement at the time of any exercise of this Warrant, Holder shall, effective upon such exercise, automatically become bound by, and the Shares issued upon such exercise (and the shares of Common Stock, if any, issuable upon conversion of such Shares), automatically become subject to, such Voting Agreement.

SECTION 2. ADJUSTMENTS TO THE SHARES AND WARRANT PRICE.

2.1 Stock Dividends, Splits, Etc. If the Company declares or pays a dividend or distribution on the outstanding shares of the Class payable in common stock or other securities or property (other than cash), then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without additional cost to Holder, the total number and kind of securities and property which Holder would have received had Holder owned the Shares of record as of the date the dividend or distribution occurred. If the Company subdivides the outstanding shares of the Class by reclassification or otherwise into a greater number of shares, the number of Shares purchasable hereunder shall be proportionately increased and the Warrant Price shall be proportionately decreased. If the outstanding shares of the Class are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Warrant Price shall be proportionately increased and the number of Shares shall be proportionately decreased.

2.2 Reclassification, Exchange, Combinations or Substitution. Upon any event whereby all of the outstanding shares of the Class are reclassified, exchanged, combined, substituted, or replaced for, into, with or by Company securities of a different class and/or series, then from and after the consummation of such event, this Warrant will be exercisable for the number, class and series of Company securities that Holder would have received had the Shares been outstanding on and as of the consummation of such event, and subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant. The provisions of this Section 2.2 shall similarly apply to successive reclassifications, exchanges, combinations, substitutions, replacements or other similar events.

2.3 Conversion of Preferred Stock. If the Class is a class and series of the Company's convertible preferred stock, in the event that all outstanding shares of the Class are converted, automatically or by action of the holders thereof, into common stock pursuant to the provisions of the Company's Certificate of Incorporation, including, without limitation, in connection with the Company's initial, underwritten public offering and sale of its common stock pursuant to an effective registration statement under the Act (the "**IPO**"), then from and after the date on which all outstanding shares of the

Class have been so converted, this Warrant shall be exercisable for such number of shares of common stock into which the Shares would have been converted had the Shares been outstanding on the date of such conversion, and the Warrant Price shall equal the Warrant Price in effect as of immediately prior to such conversion divided by the number of shares of common stock into which one Share would have been converted, all subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant.

2.4 Adjustments for Diluting Issuances. Without duplication of any adjustment otherwise provided for in this Section 2, the number of shares of common stock issuable upon conversion of the Shares shall be subject to anti-dilution adjustment from time to time in the manner set forth in the Company's Certificate of Incorporation as if the Shares were issued and outstanding on and as of the date of any such required adjustment.

2.5 No Fractional Share. No fractional Share shall be issuable upon exercise of this Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional Share interest arises upon any exercise of the Warrant, the Company shall eliminate such fractional Share interest by paying Holder in cash the amount computed by multiplying the fractional interest by (i) the fair market value (as determined in accordance with Section 1.3 above) of a full Share, less (ii) the then-effective Warrant Price.

2.6 Notice/Certificate as to Adjustments. Upon each adjustment of the Warrant Price, Class and/or number of Shares, the Company, at the Company's expense, shall notify Holder in writing within a reasonable time setting forth the adjustments to the Warrant Price, Class and/or number of Shares and facts upon which such adjustment is based. The Company shall, upon written request from Holder, furnish Holder with a certificate of its Chief Financial Officer, including computations of such adjustment and the Warrant Price, Class and number of Shares in effect upon the date of such adjustment.

SECTION 3. REPRESENTATIONS AND COVENANTS OF THE COMPANY.

3.1 Representations and Warranties. The Company represents and warrants to, and agrees with, the Holder as follows:

(a) The initial Warrant Price first set forth above shall not be greater than the price per share for which shares of the Class shall be sold and issued on the Series A-2 Closing Date.

(b) All Shares which may be issued upon the exercise of this Warrant, and all securities, if any, issuable upon conversion of the Shares, shall, upon issuance, be duly authorized, validly issued, fully paid and non-assessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein, under the Voting Agreement (to the extent Holder is then a party thereto or otherwise subject thereto in accordance with the provisions of Section 1.7 above) or under applicable federal and state securities laws. The Company covenants that it shall at all times cause to be reserved and kept available out of its authorized and unissued capital stock such number of shares of the Class, common stock and other securities as will be sufficient to permit the exercise in full of this Warrant and the conversion of the Shares into common stock or such other securities.

(c) The Company's capitalization table attached hereto as Schedule 1 is true and complete, in all material respects, as of the Issue Date.

3.2 Notice of Certain Events. If the Company proposes at any time to:

(a) declare any dividend or distribution upon the outstanding shares of the Class or common stock, whether in cash, property, stock, or other securities and whether or not a regular cash dividend;

(b) offer for subscription or sale pro rata to the holders of the outstanding shares of the Class any additional shares of any class or series of the Company's stock (other than pursuant to contractual pre-emptive rights);

(c) effect any reclassification, exchange, combination, substitution, reorganization or recapitalization of the outstanding shares of the Class;

(d) effect an Acquisition or to liquidate, dissolve or wind up; or

(e) effect an IPO;

then, in connection with each such event, the Company shall give Holder:

(1) in the case of the matters referred to in (a) and (b) above, at least seven (7) Business Days prior written notice of the earlier to occur of the effective date thereof or the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of outstanding shares of the Class will be entitled thereto) or for determining rights to vote, if any;

(2) in the case of the matters referred to in (c) and (d) above at least seven (7) Business Days prior written notice of the date when the same will take place (and specifying the date on which the holders of outstanding shares of the Class will be entitled to exchange their shares for the securities or other property deliverable upon the occurrence of such event and such reasonable information as Holder may reasonably require regarding the treatment of this Warrant in connection with such event giving rise to the notice); and

(3) with respect to the IPO, at least seven (7) Business Days prior written notice of the date on which the Company proposes to file its registration statement in connection therewith.

The Company will also provide information requested by Holder that is reasonably necessary to enable Holder to comply with Holder's accounting or reporting requirements.

SECTION 4. REPRESENTATIONS, WARRANTIES OF THE HOLDER.

The Holder represents and warrants to the Company as follows:

4.1 Purchase for Own Account. This Warrant and the securities to be acquired upon exercise of this Warrant by Holder are being acquired for investment for Holder's account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the Act. Holder also represents that it has not been formed for the specific purpose of acquiring this Warrant or the Shares.

4.2 Disclosure of Information. Holder is aware of the Company's business affairs and financial condition and has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and

its underlying securities. Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to Holder or to which Holder has access.

4.3 Investment Experience. Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. Holder has experience as an investor in securities of companies in the development stage and acknowledges that Holder can bear the economic risk of such Holder's investment in this Warrant and its underlying securities and has such knowledge and experience in financial or business matters that Holder is capable of evaluating the merits and risks of its investment in this Warrant and its underlying securities and/or has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables Holder to be aware of the character, business acumen and financial circumstances of such persons.

4.4 Accredited Investor Status. Holder is an "accredited investor" within the meaning of Regulation D promulgated under the Act.

4.5 The Act. Holder understands that this Warrant and the Shares issuable upon exercise hereof have not been registered under the Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Holder's investment intent as expressed herein. Holder understands that this Warrant and the Shares issued upon any exercise hereof must be held indefinitely unless subsequently registered under the Act and qualified under applicable state securities laws, or unless exemption from such registration and qualification are otherwise available. Holder is aware of the provisions of Rule 144 promulgated under the Act.

4.6 Market Stand-off Agreement. The Holder agrees that the Shares shall be subject to the market standoff provisions in Section 2.11 of the Company's Investor Rights Agreement, as amended and in effect from time to time.

4.7 No Voting Rights. Holder, as a Holder of this Warrant, will not have any voting rights until the exercise of this Warrant.

SECTION 5. MISCELLANEOUS.

5.1 Term; Automatic Cashless Exercise Upon Expiration.

(a) Term. Subject to the provisions of Section 1.6 above, this Warrant is exercisable in whole or in part at any time and from time to time on or before 6:00 PM, Pacific time, on the Expiration Date and shall be void thereafter.

(b) Automatic Cashless Exercise upon Expiration. In the event that, upon the Expiration Date, the fair market value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with Section 1.3 above is greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall, within a reasonable time, deliver a certificate representing the Shares (or such other securities) issued upon such exercise to Holder.

5.2 Legends. Each certificate evidencing Shares (and each certificate evidencing securities issued upon conversion of any Shares, if any) shall be imprinted with a legend in substantially the following form:

> THE SHARES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN THAT CERTAIN WARRANT TO PURCHASE STOCK ISSUED BY THE ISSUER TO SILICON VALLEY BANK DATED SEPTEMBER , 2016, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

5.3 Compliance with Securities Laws on Transfer. This Warrant and the Shares issued upon exercise of this Warrant (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) may not be transferred or assigned in whole or in part except in compliance with applicable federal and state securities laws by the transferor and the transferee (including, without limitation, the delivery of investment representation letters and legal opinions reasonably satisfactory to the Company, as reasonably requested by the Company). The Company shall not require Holder to provide an opinion of counsel if the transfer is to SVB Financial Group (Silicon Valley Bank's parent company) or any other affiliate of Holder, provided that any such transferee is an "accredited investor" as defined in Regulation D promulgated under the Act. Additionally, the Company shall also not require an opinion of counsel if there is no material question as to the availability of Rule 144 promulgated under the Act.

5.4 Transfer Procedure. After receipt by Silicon Valley Bank of the executed Warrant, Silicon Valley Bank will transfer all of this Warrant to its parent company, SVB Financial Group. By its acceptance of this Warrant, SVB Financial Group hereby makes to the Company each of the representations and warranties set forth in Section 4 hereof and agrees to be bound by all of the terms and conditions of this Warrant as if the original Holder hereof. Subject to the provisions of Section 5.3 and upon providing the Company with written notice, SVB Financial Group and any subsequent Holder may transfer all or part of this Warrant or the Shares issued upon exercise of this Warrant (or the securities issued upon conversion of the Shares, if any) to any transferee, provided, however, in connection with any such transfer, SVB Financial Group or any subsequent Holder will give the Company notice of the portion of the Warrant and/or Shares (and/or securities issued upon conversion of the Shares, if any) being transferred with the name, address and taxpayer identification number of the transferee and Holder will surrender this Warrant to the Company for reissuance to the transferee(s) (and Holder if applicable); and provided further, that any subsequent transferee other than SVB Financial Group shall agree in writing with the Company to be bound by all of the terms and conditions of this Warrant. Notwithstanding any contrary provision herein, at all times prior to the IPO, Holder may not, without the Company's prior written consent, transfer this Warrant or any portion hereof, or any Shares issued upon any exercise hereof, or any shares or other securities issued upon any conversion of any Shares issued upon any exercise hereof, to any person or entity who directly competes with the Company, except in connection with an Acquisition of the Company by such a direct competitor.

5.5 Notices. All notices and other communications hereunder from the Company to the Holder, or vice versa, shall be deemed delivered and effective (i) when given personally, (ii) on the

third (3rd) Business Day after being mailed by first-class registered or certified mail, postage prepaid, (iii) upon actual receipt if given by facsimile or electronic mail and such receipt is confirmed in writing by the recipient, or (iv) on the first Business Day following delivery to a reliable overnight courier service, courier fee prepaid, in any case at such address as may have been furnished to the Company or Holder, as the case may be, in writing by the Company or such Holder from time to time in accordance with the provisions of this Section 5.5. All notices to Holder shall be addressed as follows until the Company receives notice of a change of address in connection with a transfer or otherwise:

SVB Financial Group
Attn:
Telephone:
Facsimile:
Email address:

Notice to the Company shall be addressed as follows until Holder receives notice of a change in address:

Foghorn Therapeutics, Inc.
Attn: Chief Financial Officer
161 First Street
Cambridge, MA 02142
Telephone:
Facsimile:
Email:

With a copy (which shall not constitute notice) to:

Ropes & Gray LLP
Attn:
Telephone:
Facsimile:
Email:

5.6 Waiver. This Warrant and any term hereof may be changed, waived, discharged or terminated (either generally or in a particular instance and either retroactively or prospectively) only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

5.7 Attorneys' Fees. In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.

5.8 Counterparts; Facsimile/Electronic Signatures. This Warrant may be executed in counterparts, all of which together shall constitute one and the same agreement. Any signature page delivered electronically or by facsimile shall be binding to the same extent as an original signature page with regards to any agreement subject to the terms hereof or any amendment thereto.

5.9 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of California, without giving effect to its principles regarding conflicts of law.

5.10 Headings. The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.

5.11 Business Days. "**Business Day**" is any day that is not a Saturday, Sunday or a day on which Silicon Valley Bank is closed.

[Remainder of page left blank intentionally]
[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Warrant to Purchase Stock to be executed by their duly authorized representatives effective as of the Issue Date written above.

"COMPANY"

FOGHORN THERAPEUTICS, INC.

By: _____

Name: _____
(Print)

Title:

"HOLDER"

SILICON VALLEY BANK

By: _____

Name: _____
(Print)

Title:

APPENDIX 1

NOTICE OF EXERCISE

1. The undersigned Holder hereby exercises its right to purchase shares of the Common/Series Preferred [circle one] Stock of (the "**Company**") in accordance with the attached Warrant To Purchase Stock, and tenders payment of the aggregate Warrant Price for such shares as follows:

[ ] check in the amount of $ payable to order of the Company enclosed herewith

[ ] Wire transfer of immediately available funds to the Company's account

[ ] Cashless Exercise pursuant to Section 1.2 of the Warrant

[ ] Other [Describe] _____

2. Please issue a certificate or certificates representing the Shares in the name specified below:

_____
Holder's Name

_____

_____
(Address)

3. By its execution below and for the benefit of the Company, Holder hereby restates each of the representations and warranties in Section 4 of the Warrant to Purchase Stock as of the date hereof.

HOLDER:

_____

By: _____

Name: _____

Title: _____

(Date): _____

SCHEDULE 1

Company Capitalization Table

See attached

Schedule 1

LEASE AGREEMENT

THIS LEASE AGREEMENT is made as of this 24th day of August, 2017, between **ARE-MA REGION NO. 45, LLC,** a Delaware limited liability company ("**Landlord**")**,** and **FOGHORN THERAPEUTICS INC.,** a Delaware corporation ("**Tenant**")**.**

BASIC LEASE PROVISIONS

Address:	100 Binney Street, Cambridge, Massachusetts.
Premises:	That portion of the Project, containing approximately 21,372 rentable square feet, located on the 6th floor and in designated portions of mechanical/equipment space located on the 1st floor, level B-1 and level B-2 of the Building (as defined below), as shown on **Exhibit A**.
Project:	The land ("**Land**") with the building known and numbered as 100 Binney Street (the "**Building**") and the parking garage under the Building (the "**Garage**"), which are under construction thereon, in the City of Cambridge, Middlesex County, Commonwealth of Massachusetts, together with all improvements thereon and appurtenances thereto, as described in **Exhibit B**.
Campus:	The Alexandria Center at Kendall Square, comprised of the real property depicted on **Exhibit B-1**.
Base Rent:	$76.00 per rentable square foot of the Premises per year, adjusted as provided in Section 4 below.
Rentable Area of Premises:	21,372 square feet.
Rentable Area of Building:	432,932 square feet.
Tenant's Share of Operating Expenses:	4.94%.
Tenant's Share of 50-60 Garage Operating Expenses:	0.78%.
Building Share of Campus Expenses:	30.26% (i.e., 364,942 square feet of Building "gross floor area" per the Cambridge Zoning Ordinance / 1,206,202 square feet of total Campus "gross floor area" per the Cambridge Zoning Ordinance).
Security Deposit:	$541,424.00, subject to reduction as provided in Section 6.

Target Commencement Date:	February 28, 2018.
Rent Commencement Date:	Commencement Date (as defined in Section 2 below).
Rent Adjustment Percentage:	3%.
Base Term:	Beginning on the Commencement Date and ending 7 years from the first day of the first full month following the month in which the Rent Commencement Date occurs.
Permitted Use:	Technical Office Use (which includes, as permitted uses and not accessory uses, research and development use, laboratory use and Tenant's office use), in accordance with Section 4.34(f) of the Cambridge Zoning Ordinance, and accessory uses customarily incidental to such Technical Office Use in accordance with Section 4.21 of the Cambridge Zoning Ordinance, and otherwise in compliance with Section 7 hereof.
Work Letter:	As set forth in Exhibit C.

Address for Rent Payment:

P.O. Box 975383
Dallas, TX 75397-5383

Landlord's Notice Address:

385 East Colorado Blvd, Suite 299
Pasadena, CA 91101
Attention: Corporate Secretary
Re: 100 Binney, Cambridge, MA

Tenant's Notice Address:

Prior to the Commencement Date:
161 First Street
Cambridge, MA 02142
Attn: Chief Executive Officer

From and after the Commencement Date:
100 Binney Street
Cambridge, MA 02142
Attn: Chief Executive Officer

The following Exhibits and Addenda are attached hereto and incorporated herein by this reference:

[ ] **EXHIBIT A** - DRAWING SHOWING PREMISES

[ ] **EXHIBIT B** - DESCRIPTION OF PROJECT
[ ] **EXHIBIT B-1** - DESCRIPTION OF CAMPUS
[ ] **EXHIBIT** C-WORK LETTER
[ ] **EXHIBIT D** - ACKNOWLEDGMENT OF COMMENCEMENT DATE
[ ] **EXHIBIT E** - PLAN SHOWING "H2 > 1000SF RESTRICTED" AREAS
[ ] **EXHIBIT F** - LANDLORD-TENANT OPERATIONS MATRIX
[ ] **EXHIBIT F-1** - FORM OF LICENSE AGREEMENT
[ ] **EXHIBIT G** - TENANT'S PERSONAL PROPERTY
[ ] **EXHIBIT H** - ESTOPPEL CERTIFICATE FORM
[ ] **EXHIBIT I** - RULES AND REGULATIONS
[ ] **EXHIBIT J** - FORM OF SNDA

1. **Lease of Premises.** Upon and subject to all of the terms and conditions hereof, Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord. The portions of the Project which are for the non-exclusive use of tenants of the Project are collectively referred to herein as the "**Common Areas.**" In addition to other rights reserved herein or by law, Landlord reserves the right from time to time, without material interruption of Tenant's use of the Premises for the Permitted Use or Tenant's access to the Premises (except in an emergency): (i) to make additions to or reconstruction of the Building and Project and to install, use, maintain, repair, replace and relocate for service to the Premises or other parts of the Building or Project, pipes, ducts, conduits, wires and appurtenant fixtures, wherever located in the Premises, Building or elsewhere in the Project, including, without limitation, the installation of such facilities in the plenums of the ceilings of the Premises (or, if there is no drop ceiling, within the space above 10 feet of any floor of the Premises), and coring therefor between the ceiling or top surface of the any portion of the Premises and the space above the Premises in the plenum or below the top of the Premises as aforesaid; and (ii) to modify, relocate or make additions to or reductions from any Common Area or facility.

2. **Delivery; Acceptance of Premises; Commencement Date.** Landlord shall use reasonable efforts to deliver the Premises to Tenant on or before the Target Commencement Date, with Landlord's Work Tl Substantially Completed so that Tenant can occupy the Premises for the Permitted Use ("**Delivery**" or "**Deliver**") and with all base building mechanical, electrical and plumbing systems in good operating condition and repair, free and clear of all tenants and occupants. If Landlord fails to timely Deliver the Premises, Landlord shall not be liable to Tenant for any loss or damage resulting therefrom, and this Lease shall not be void or voidable except as provided herein. If Landlord does not Deliver the Premises within 120 days of the Target Commencement Date for any reason other than Force Majeure and Tenant Delays, this Lease may be terminated by Tenant by written notice to Landlord, and if so terminated by Tenant: (a) the Security Deposit, or any balance thereof (i.e., after deducting therefrom all amounts to which Landlord is entitled under the provisions of this Lease), shall be returned to Tenant, and (b) neither Landlord nor Tenant shall have any further rights, duties or obligations under this Lease, except with respect to provisions which expressly survive termination of this Lease. As used herein, the terms "**Landlord's Work,**" "**Tenant Delays**" and "**Tl Substantially Completed**" shall have the meanings set forth for such terms in the Work Letter. "**Force Majeure**" shall have the meaning set forth in Section 34. If Tenant does not elect to terminate this Lease within 5 business days of the lapse of such 120-day period, such right to terminate this Lease shall be waived and this Lease shall remain in full force and effect**.**

The "**Commencement Date**" shall be the earlier of: (i) the date Landlord Delivers the Premises to Tenant; (ii) the date Landlord could have Delivered the Premises but for Tenant Delays; or (iii) the date Tenant conducts any business in the Premises or any part thereof. The Rent Commencement Date shall be as set forth in the Basic Lease Provisions. Upon request of Landlord, Tenant shall execute and deliver a written acknowledgment of the Commencement Date, the "Rent Commencement Date" and the expiration date of the Term when such are established in the form of the "Acknowledgement of Commencement Date" attached to this Lease as **Exhibit D;** provided, however, Tenant's failure to execute and deliver such acknowledgment shall not affect Landlord's rights hereunder. The "**Term**" of this Lease shall be the Base Term, as defined above in the Basic Lease Provisions, and any Extension Term which Tenant may elect pursuant to Section 39 hereof.

Except as set forth in the Work Letter, if applicable: (i) Tenant shall accept the Premises in their condition as of the Commencement Date, subject to all applicable Legal Requirements (as defined in Section 7 hereof); (ii) Landlord shall have no obligation for any defects in the Premises, except as expressly provided in the Work Letter; and (iii) Tenant's taking possession of the Premises shall be conclusive evidence that Tenant accepts the Premises and that the Premises were in good condition at the time possession was taken. Any occupancy of the Premises by Tenant before the Commencement Date shall be subject to all of the terms and conditions of *this* Lease, excluding the obligation to pay Base Rent if such access is pursuant to Section 6 of the Work Letter and not for the conduct of Tenant's business.

Tenant agrees and acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the condition of all or any portion of the Premises, Building or Project, and/or the suitability of the Premises, Building or Project for the conduct of Tenant's business, and Tenant waives any implied warranty that the Premises, Building or Project is suitable for Tenant's use of the Premises. Landlord covenants to deliver Landlord's Work in the Premises in compliance with applicable Legal Requirements in effect on the date of Delivery. Landlord represents and warrants that the person signing this Lease on behalf of Landlord is duly authorized to execute and deliver this Lease on behalf of Landlord as a legally binding contract of Landlord. Tenant represents and warrants that the person signing this Lease on behalf of Tenant is duly authorized to execute and deliver this Lease on behalf of *Tenant* as a legally binding contract of Tenant. This Lease constitutes the complete agreement of Landlord and Tenant with respect to the subject matter hereof and supersedes any and all prior representations, inducements, promises, agreements, understandings and negotiations which are not contained herein. Landlord in executing this Lease does so in reliance upon Tenant's representations, warranties, acknowledgments and agreements contained herein.

3. **Rent**.

(a) **Base Rent.** The Security Deposit shall be due and payable on delivery of an executed copy of this Lease to Landlord. The first full calendar month's Base Rent shall be due and payable on October 1, 2017, and then commencing on the Rent Commencement Date, Tenant shall pay to Landlord in advance, without demand, abatement, deduction or set-off, monthly installments of Base Rent on or before the first day of each calendar month during the Term hereof, in lawful money of the United States of America, at the office of Landlord for payment of Rent set forth above, or to such other person or at such other place as Landlord may from time to time designate in writing. Payments of Base Rent for any fractional calendar month shall be prorated. If the Rent Commencement Date is other than the first day of a calendar month, the difference between the first full calendar month's Base Rent paid upon delivery of an executed copy of this Lease by Tenant to Landlord as required above, and the prorated Base Rent for the fractional month in which the Rent Commencement Date occurs, shall be applied by Landlord to such first full calendar month after the Rent Commencement Date. The obligation of Tenant to pay Base Rent and other sums to Landlord and the obligations of Landlord under this Lease are independent obligations. Tenant shall have no right at any time to abate, reduce, or set-off any Rent (as defined in Section 5) due hereunder except for any abatement as may be expressly provided in this Lease.

(b) **Additional Rent.** In addition to Base Rent, Tenant agrees to pay to Landlord as additional rent ("**Additional Rent**")**:** (i) Tenant's Share of Operating Expenses (as defined in

Section 5), and (ii) any and all other amounts Tenant assumes or agrees to pay under the provisions of this Lease, including, without limitation, any and all other sums that may become due by reason of any default of Tenant or failure to comply with the agreements, terms, covenants and conditions of this Lease to be performed by Tenant, after any applicable notice and cure period.

4. **Base Rent Adjustments.** Base Rent shall be increased on each annual anniversary of the Rent Commencement Date (each an "**Adjustment Date**") by multiplying the Base Rent payable immediately before such Adjustment Date by the Rent Adjustment Percentage and adding the resulting amount to the Base Rent payable immediately before such Adjustment Date. Base Rent, as so adjusted, shall thereafter be due as provided herein. Base Rent adjustments for any fractional calendar month shall be prorated.

5. **Operating Expense Payments.** Landlord shall deliver to Tenant a written good faith estimate of Operating Expenses for each calendar year during the Term on or before the date that is thirty (30) days prior to the first day of each calendar year (the "**Annual Estimate**")**.** Together with the Annual Estimate, Landlord shall deliver Landlord's good faith estimate of the 50-60 Garage Operating Expenses (as such term is defined below) for each such calendar year (the "**50-60 Garage Annual Estimate**")**.** The Annual Estimate and 50-60 Garage Annual Estimate may be revised by Landlord from time to time during such calendar year. During each month of the Term, on the same date that Base Rent is due, Tenant shall pay Landlord an amount equal to 1 /12th of Tenant's Share of Operating Expenses as set forth in the Annual Estimate and 1/12,h of Tenant's Share of the 50-60 Garage Annual Estimate. Payments for any fractional calendar month shall be prorated.

The term "**Operating Expenses**" means: (i) the Building Share of Campus Expenses; and (ii) all costs and expenses of any kind or description whatsoever incurred or accrued each calendar year by Landlord in accordance with Landlord's regular accounting practices with respect to the Project, including, without duplication, Taxes (as defined in Section 9). capital repairs, replacements and improvements amortized over the lesser of 10 years or the useful life of such capital items (except for capital repairs, replacements and improvements to the roof, which shall be amortized over 15 years), adjusted to reflect Building operations 24 hours per day, 7 days per week and 365 days per year, and a property management fee to Landlord or an affiliate of Landlord of 2.0% of annual Base Rent (including Base Rent that would have been due with respect to any rent abatement) or the costs of Landlord's third party property manager or administration rent in the amount of 2.0% of annual Base Rent if there is no property manager, excluding only:

(a) the original construction costs of the Project and costs of correcting defects in such original construction;

(b) capital expenditures for expansion of the Project, and with respect to other capital expenditures, subject to amortization as provided in this Section 5;

(c) interest, principal payments of Mortgage (as defined in Section 271 debts of Landlord, financing costs and amortization of funds borrowed by Landlord, whether secured or unsecured and all payments of base rent (but not taxes or operating expenses) under any ground lease or other underlying lease of all or any portion of the Project;

(d) depreciation of the Project (except for capital improvements, the cost of which are includable in Operating Expenses);

(e) advertising, legal and space planning expenses and leasing commissions and other costs and expenses incurred in procuring and leasing space to tenants for the Project, including any leasing office maintained in the Project, free rent and construction allowances for tenants;

(f) legal and other expenses incurred in the negotiation or enforcement of leases;

(g) completing, fixturing, improving, renovating, painting, redecorating or other work, which Landlord pays for or performs for other tenants within their premises, and costs of correcting defects in such work;

(h) costs of utilities outside normal business hours sold to tenants of the Project;

(i) costs to be reimbursed by other tenants of the Project or Taxes to be paid directly by Tenant or other tenants of the Project, whether or not actually paid;

(j) salaries, wages, benefits and other compensation paid to officers and employees of Landlord who are not assigned in whole or in part to the operation, management, maintenance or repair of the Project;

(k) general organizational, administrative and overhead costs relating to maintaining Landlord's existence, either as a corporation, partnership, or other entity, including general corporate, legal and accounting expenses;

(l) costs (including attorneys' fees and costs of settlement, judgments and payments in lieu thereof) incurred in connection with disputes with tenants, other occupants, or prospective tenants, and costs and expenses, including legal fees, incurred in connection with negotiations or disputes with employees, consultants, management agents, leasing agents, purchasers or mortgagees of the Building;

(m) costs incurred by Landlord due to the violation by Landlord, its employees, agents or contractors or any tenant of the terms and conditions of any lease of space in the Project or any Legal Requirement (as defined in Section *7)*:

(n) penalties, fines or interest incurred as a result of Landlord's inability or failure to make payment of Taxes and/or to file any tax or informational returns when due, or from Landlord's failure to make any payment of Taxes required to be made by Landlord hereunder before delinquency;

(o) overhead and profit increment paid to Landlord or to subsidiaries or affiliates of Landlord for goods and/or services in or to the Project to the extent the same exceeds the costs of such goods and/or services rendered by unaffiliated third parties on a competitive basis;

(p) costs of Landlord's charitable or political contributions, or of fine art maintained at the Project;

(q) costs in connection with services (including electricity), items or other benefits of a type which are not standard for the Project and which are not available to Tenant without specific charges therefor, but which are provided to another tenant or occupant of the Project, whether or not such other tenant or occupant is specifically charged therefor by Landlord;

(r) costs incurred in the sale or refinancing of the Project;

(s) net income taxes of Landlord or the owner of any interest in the Project, franchise, capital stock, gift, estate or inheritance taxes or any federal, state or local documentary taxes imposed against the Project or any portion thereof or interest therein;

(t) any expenses otherwise includable within Operating Expenses to the extent actually reimbursed by persons other than tenants of the Project under leases for space in the Project, including, without limitation, expenses actually reimbursed by an insurance companies under insurance policies required to be maintained by Landlord in accordance with Section 17:

(u) Operating Expense reserves (including reserves for Taxes);

(v) rentals of equipment ordinarily *considered* to be of a capital *nature* (such as elevators and HVAC systems) except if such equipment is reasonably and customarily leased either temporarily or permanently in the operation of comparable office and laboratory buildings in the Cambridge area, such as lifts;

(w) any costs or expenses that are duplicative of maintenance and repair costs and expenses actually paid by Tenant in satisfaction of Tenant's maintenance and repair obligations pursuant to this Lease;

(x) costs or expenses occasioned by condemnation that are actually recovered by Landlord in any condemnation awards;

(y) costs reimbursed to Landlord under any warranty carried by Landlord for the Project; and

(z) costs arising from the gross negligence or willful misconduct of Landlord or its agents, and employees.

In addition, notwithstanding anything to the contrary contained in this Lease, Operating Expenses incurred or accrued by Landlord with respect to any capital repairs, replacements or improvements which are for the purpose of reducing the amount of Operating Expenses (for example, without limitation, by reducing energy usage at the Project) (a "**Cost Saving Capital Expenditure**") shall be amortized over a period of years equal to the lesser of: (A) 10 years; (B) the useful life of the particular capital item in accordance with generally accepted accounting principles ("**GAAP**")**,** adjusted to reflect 24/7/365 operations; or (C) the quotient of (i) the Cost Saving Capital Expenditure, divided by (ii) the annual amount of Operating Expenses reasonably expected by Landlord to be saved as a result of such capital repair, replacement or improvement.

Within 90 days after the end of each calendar year (or such longer period as may be reasonably required), Landlord shall furnish to Tenant a statement (an "**Annual Statement**")

showing in reasonable detail: (a) the total and Tenant's Share of actual Operating Expenses and Tenant's Share of 50-60 Garage Operating Expenses, each for the previous calendar year, and (b) the total of Tenant's payments in respect of Operating Expenses and 50-60 Garage Operating Expenses, each for such year. If Tenant's Share of actual Operating Expenses and Tenant's Share of 50-60 Garage Operating Expenses for such year exceed Tenant's payments of Operating Expenses and 50-60 Garage Operating Expenses for such year, the excess shall be due and payable by Tenant as Rent within 30 days after delivery of such Annual Statement to Tenant. If Tenant's payments of Operating Expenses and 50-60 Garage Operating Expenses for such year exceed Tenant's Share of actual Operating Expenses and Tenant's Share of 50- 60 Garage Operating Expenses for such year, Landlord shall pay the excess to Tenant within 30 days after delivery of such Annual Statement or credit the excess amount to the next succeeding installments of estimated Operating Expenses and/or 50-60 Garage Operating Expenses, except that after the expiration or earlier termination of the Term, or if Tenant is delinquent in its obligation to pay Rent, Landlord shall pay or credit the excess to Tenant after deducting all other amounts due Landlord.

The Annual Statement shall be final and binding upon Tenant unless Tenant, within 180 days after Tenant's receipt thereof, shall contest any item therein by giving written notice to Landlord, specifying each item contested and the reason therefor. If during such 180-day period, Tenant reasonably and in good faith questions or contests the accuracy of Landlord's statement of Tenant's Share of Operating Expenses, Landlord will provide Tenant with access to Landlord's books and records relating to the operation of the Project and such information as Landlord reasonably determines to be responsive to Tenant's questions (the "**Expense Information**")**.** If after Tenant's review of such Expense Information, Landlord and Tenant cannot agree upon the amount of Tenant's Share of Operating Expenses, then Tenant shall have the right to have an independent public accounting firm selected by Tenant from among the 5 largest in the United States, working pursuant to a fee arrangement other than a contingent fee (at Tenant's sole cost and expense) and approved by Landlord (which approval shall not be unreasonably withheld or delayed), audit and/or review the Expense Information for the year in question (the "**Independent Review**")**.** The results of any such Independent Review shall be binding on Landlord and Tenant. If the Independent Review shows that the payments actually made by Tenant with respect to Operating Expenses for the calendar year in question exceeded Tenant's Share of Operating Expenses for such calendar year, Landlord shall at Landlord's option either (i) credit the excess amount to the next succeeding installments of estimated Operating Expenses or (ii) pay the excess to Tenant within 30 days after delivery of such statement, except that after the expiration or earlier termination of this Lease or if Tenant is delinquent in its obligation to pay Rent, Landlord shall pay the excess to Tenant after deducting all other amounts due Landlord. If the Independent Review shows that Tenant's payments with respect to Operating Expenses for such calendar year were less than Tenant's Share of Operating Expenses for the calendar year, Tenant shall pay the deficiency to Landlord within 30 days after delivery of such statement. If the Independent Review shows that Tenant has overpaid with respect to Operating Expenses by more than 5%, then Landlord shall reimburse Tenant for the reasonable out-of-pocket costs incurred by Tenant for the Independent Review.

Operating Expenses and 50-60 Garage Operating Expenses for the calendar years in which Tenant's obligation to share therein begins and ends shall be prorated. Notwithstanding anything set forth herein to the contrary, if the Building is not at least 95% occupied on average during any year of the Term, Tenant's Share of Operating Expenses for such year that vary with the level of occupancy of the Building shall be computed as though the Building had been 95% occupied on average during such year.

"**Campus Expenses**" shall mean the actual costs and expenses of operating the campus-wide community activities required under the special permit for the Campus issued by the Cambridge Planning Board on June 1, 2010 for the Alexandria Center at Kendall Square ("**Special Permit**")**,** or otherwise provided to the Campus, including, without limitation, the following: (i) compliance with the PTDM (defined in Section 10 below), including without limitation costs of causing the EZ Ride Shuttle Service of CRTMA (defined in Section 10) to service the Building (and/or the actual costs and expenses of a dedicated shuttle service for the Campus and other properties controlled by Landlord or its affiliates) or a separate shuttle bus service operated for the benefit of the Campus ("**PTDM and Shuttle Expenses**")**;** (ii) after its construction, the cost of the mixed mode transportation center to be located at 41 Linskey Way pursuant to the Special Permit, including without limitation, operating expenses, utilities, repairs, cleaning, insurance and Taxes; provided that the exclusions from Operating Expenses listed above in this Section shall apply in similar fashion to the operating expenses and repairs of such mixed mode transportation center; and (iii) preparation and implementation of marketing and merchandising plans to generate street activation for the Campus.

"**50-60 Garage Operating Expenses**" shall mean the Operating Expenses and Taxes (as defined in this Lease) but as the same apply to the 50-60 Garage.

"**Tenant's Share**" shall be the percentages set forth in the Basic Lease Provisions, subject to adjustment as set forth herein. Landlord may equitably increase Tenant's Share or charge Tenant directly for any item of expense or cost reimbursable by Tenant that relates to a repair, replacement, or service that benefits *only* the Premises or *only a portion of* the Project that includes the Premises or that varies with Tenant's particular occupancy or use (it being agreed that 100% of the property management fee or administration rent for property management, which is calculated based on Base Rent, is for a service related only to the Premises), and Tenant shall pay all such charges as Additional Rent within 30 days of invoice. Base Rent, Tenant's Share of Operating Expenses, Tenant's Share of 50-60 Garage Operating Expenses and all other amounts payable by Tenant to Landlord hereunder are collectively referred to herein as "**Rent**"**.**

Landlord and Tenant agree that the rentable square footage of the Premises and Building, and the gross floor area of the Premises, Building and Campus, as of the date of this Lease are as set forth in the Basic Lease Provisions for the purposes of this Lease and are based on the Standard Method of Measuring Floor Area in Office Buildings as adopted by the Building Owners and Managers Association International (ANSI/BOMA Z65.1-1996), as customarily modified for laboratory properties in the Cambridge, Massachusetts market.

6. **Security Deposit.** Tenant shall deposit with Landlord, upon delivery of an executed copy of this Lease to Landlord, a security deposit (the "**Security Deposit**") for the performance of all of Tenant's obligations hereunder in the amount set forth in the Basic Lease Provisions, which Security Deposit shall be in the form of an unconditional, irrevocable and transferable letter of credit (the "**Letter of Credit**")**:** (i) in form and substance reasonably satisfactory to Landlord, (ii) naming Landlord as beneficiary, (iii) expressly allowing Landlord to draw upon it at any time from

time to time by delivering to the issuer notice that Landlord is entitled to draw thereunder, (iv) issued by an FDIC-insured financial institution reasonably satisfactory to Landlord, and (v) redeemable by presentation of a sight draft in the state of Landlord's choice. If Tenant does not provide Landlord with a substitute Letter of Credit complying with all of the requirements hereof at least 10 days before the stated expiration date of any then current Letter of Credit, Landlord shall have the right to draw the full amount of the current Letter of Credit and hold the funds drawn in cash without obligation for interest thereon as the Security Deposit, until such time as Tenant provides a substitute Letter of Credit, whereupon Landlord shall forthwith refund such funds to *Tenant. The* Security Deposit shall be held by Landlord as security for the performance of Tenant's obligations under this Lease. The Security Deposit is not an advance rental deposit or a measure of Landlord's damages in case of Tenant's default. Upon each occurrence of a Default (as defined in Section 20). Landlord may use all or any part of the Security Deposit to pay delinquent payments due under this Lease, and the cost of any damage, injury, expense or liability caused by such Default, without prejudice to any other remedy provided herein or provided by law. Upon any such use of all or any portion of the Security Deposit, Tenant shall pay Landlord within 5 days of demand the amount that will restore the Security Deposit to the amount set forth in the Basic Lease Provisions. Tenant hereby waives the provisions of any law, now or hereafter in force, which provide that Landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of Rent, to repair damage caused by Tenant or to clean the Premises, it being agreed that Landlord may, in addition, claim those sums reasonably necessary to compensate Landlord for any other loss or damage, foreseeable or unforeseeable, caused by the act or omission of Tenant or any officer, employee, agent or invitee of Tenant. Upon bankruptcy or other debtor-creditor proceedings against Tenant, the Security Deposit shall be deemed to be applied first to the payment of Rent and other charges due Landlord for periods prior to the filing of such proceedings. Upon any such use of all or any portion of the Security Deposit, Tenant shall, within 5 days after demand from Landlord, restore the Security Deposit to its original amount. If Tenant is not then in default under this Lease, the Security Deposit, or any balance thereof (i.e., after deducting *therefrom all* amounts to which Landlord is entitled under the provisions of this Lease), shall be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interest hereunder) within 60 days after the expiration or earlier termination of this Lease.

If, after the fourth anniversary of the Commencement Date, Tenant is not in Default of its obligations under this Lease, then upon written request of Tenant, the Security Deposit shall be reduced to an amount equal to three (3) months' then applicable monthly Base Rent (the "**Reduced Security Deposit**")**,** provided that Tenant is not thereafter in Default of its obligations under this Lease. If the foregoing conditions are met, upon Tenant's written request, Landlord shall return the unapplied portion of the Security Deposit then held by Landlord, less the Reduced Security Deposit, to Tenant within 60 days of Tenant's request. Such return may be effected through execution by Landlord and the issuing bank of an amendment to the Letter of Credit or through issuance of a replacement by the issuing bank of the Letter of Credit in the amount of the Reduced Security Deposit in the same form as the Letter of Credit but for such reduction, provided, however, that, in the event that such a replacement of the Letter of Credit is issued, Landlord shall have no obligation to deliver the original Letter of Credit unless and until Landlord has received the original replacement of the Letter of Credit in form and substance as required hereunder. If Landlord returns to Tenant any portion of the Security Deposit in accordance with this Section, then from and after the date such portion of the Security Deposit is returned to Tenant, the "**Security Deposit**" shall be deemed to be the Reduced Security Deposit for all purposes of this

Lease, subject to the terms of this Section. The Reduced Security Deposit shall be increased in accordance with the terms of this Section if Tenant is in Default hereunder. If Tenant is in Default under the Lease, the Security Deposit shall be increased to an amount equal to $541,424.00. Such increased Security Deposit shall be paid to Landlord within 10 days of Landlord's written demand, in the case of Tenant's Default under the Lease. If Tenant is required to increase the Reduced Security Deposit in accordance with this Section, then from and after the date such monies are required to be deposited with Landlord, the "**Security Deposit**" shall be deemed to be the amount of $541,424.00.

If Landlord transfers its interest in the Project or this Lease, Landlord shall either (a) transfer any Security Deposit then held by Landlord to a person or entity assuming Landlord's obligations under this Section 6. or (b) return to Tenant any Security Deposit then held by Landlord and remaining after the deductions permitted herein. Upon such transfer to such transferee or the return of the Security Deposit to Tenant, Landlord shall have no further obligation with respect to the Security Deposit, and Tenant's right to the return of the Security Deposit shall apply solely against Landlord's transferee. The Security Deposit is not an advance rental deposit or a measure of Landlord's damages in case of Tenant's default. Landlord's obligation respecting the Security Deposit is that of a debtor, not a trustee, and no interest shall accrue thereon.

7. **Use; Energy Use Reporting**.

(a) **Use.** The Premises shall be used solely for the Permitted Use set forth in the Basic Lease Provisions, and in compliance with all laws, orders, judgments, ordinances, regulations, codes, directives, permits, licenses, covenants and restrictions now or hereafter applicable to the Premises, and to the use and occupancy thereof, including, without limitation, the Americans With Disabilities Act, 42 U.S.C. § 12101, et seq. (together with the regulations promulgated pursuant thereto, "**ADA**") (collectively, "**Legal Requirements**" and each, a "**Legal Requirement**")**.** The number of control areas in the Premises shall comply with all applicable Legal Requirements. Tenant shall, upon 5 days' written notice from Landlord, discontinue any use of the Premises which is declared by any Governmental Authority (as defined in Section 9) having jurisdiction to be a violation of a Legal Requirement. Tenant will not use or permit the Premises to *be used for any* purpose or *in any* manner that would void Tenant's or Landlord's insurance, increase the insurance risk, or cause the disallowance of any sprinkler or other credits. Tenant shall not permit any part of the Premises to be used as a "place of public accommodation", as defined in the ADA or any similar legal requirement. Tenant shall reimburse Landlord promptly upon demand for any additional premium charged for any such insurance policy by reason of Tenant's failure to comply with the provisions of this Section or otherwise caused by Tenant's particular use and/or occupancy of the Premises. Tenant shall use the Premises in a careful, safe and proper manner and shall not commit *or* permit waste, overload the floor or structure of the Premises, *or* subject the Premises to use that would damage the Premises. Tenant shall not obstruct or interfere with the rights of Landlord or other tenants or occupants of the Project, including but not limited to, not conducting or giving notice of any auction, liquidation, or going out of business sale on the Premises. Tenant shall not use or allow the Premises to be used for any unlawful purpose. Tenant shall cause any equipment or machinery to be installed in the Premises so as to reasonably prevent sounds or vibrations from the Premises from extending into Common Areas, or other space in the Project. Tenant shall not place any machinery or equipment weighing 500 pounds or more in or upon the Premises or transport or move such items through the Common Areas of the Project or

in the Project or Building elevators without the prior written consent of Landlord. Except as may be provided under the Work Letter, Tenant shall not, without the prior written consent of Landlord, use the Premises in any manner which will require ventilation, air exchange, heating, gas, steam, electricity or water beyond the existing capacity of the Project as proportionately allocated to the Premises based upon Tenant's Share as usually furnished for the Permitted Use.

Tenant shall have access to the Premises, 24 hours per day, 7 days per week, 365 days per year, subject to the terms of this Lease and to compliance with such reasonable security or monitoring systems and procedures as Landlord may reasonably impose.

Landlord shall make any alterations or modifications to the Common Areas or the exterior of the Building that are required by Legal Requirements, including the ADA, provided that the costs of such alterations or modifications shall be (i) included as an Operating Expense (subject to the limitations and exclusions contained in Section 5) to the extent such Legal Requirement is generally applicable to similar buildings in the area in which the Project is located and was not applicable prior to the date of Substantial Completion of the Shell and Core Improvements (as such terms are defined in the Work Letter), or (ii) at Tenant's expense to the extent such Legal Requirement is applicable solely by reason of Tenant's, as compared to other tenants of the Project, particular use of the Premises. Subject to Landlord's obligation to deliver Landlord's Work in the Premises in compliance with applicable Legal Requirements, as provided in Section 2. Tenant, at its sole expense, shall make any alterations or modifications to the interior of the Premises that are required by Legal Requirements (including, without limitation, compliance of the Premises with the ADA). Notwithstanding any other provision herein to the contrary, Tenant shall be responsible for any and all demands, claims, liabilities, losses, costs, expenses, actions, causes of action, damages or judgments, and all reasonable expenses incurred in investigating or resisting the same (including, without limitation, reasonable attorneys' fees, charges and disbursements and costs of suit) (collectively, "**Claims**") arising out of or in connection with Legal Requirements applicable to the Premises (except to the extent such violations result from a failure of the Premises to comply with Legal Requirements in effect as of the date of Delivery), and Tenant shall *indemnify,* defend, hold and save Landlord harmless from and against any and all such Claims arising out of or in connection with any failure of the Premises to comply with any Legal Requirement.

(b) **Group H-2 Occupancy Restriction.** If Tenant's use includes a Group H-2 occupancy (as defined in the Massachusetts State Building Code, 8th Edition) in excess of 1,000 square feet, such Group H-2 occupancy shall not be permitted in those areas shown as "H2 > 1000SF Restricted" on **Exhibit E** to this Lease.

(c) **Energy Use Reporting.** Tenant agrees to provide, within 30 days of request by Landlord, such information and documentation as may be needed for compliance with the City of Cambridge Building Energy Use Disclosure Ordinance, Section 8.67.010 et seq. of the Municipal Code of the City of Cambridge (as the same may be amended, the "**Cambridge Building Energy Use Disclosure Ordinance**"**),** and other such energy or sustainability requirements as may be adopted from time to time by the City of Cambridge or any other governmental authority with jurisdiction over the Building, which information shall include without limitation usage at or by the Premises of electricity, natural gas, steam, hot or chilled water or other energy. Landlord shall report to the applicable governmental authority such energy usage for the Building and other Building information as required by the Cambridge Building Energy Use Disclosure Ordinance.

8. **Holding Over**. If, with Landlord's express written consent, Tenant retains possession of the Premises after the termination of the Term, (i) unless otherwise agreed in such written consent, such possession shall be subject to immediate termination by Landlord at any time, (ii) all of the other terms and provisions of this Lease (including, without limitation, the adjustment of Base Rent pursuant to Section 4 hereof) shall remain in full force and effect (excluding any expansion or renewal option or other similar right or option) during such holdover period, (iii) Tenant shall continue to pay Base Rent in the amount payable upon the date of the expiration or earlier termination of this Lease or such other amount as Landlord may indicate, in Landlord's sole and absolute discretion, in such written consent, and (iv) all other payments shall continue under the terms of this Lease. If Tenant remains in possession of the Premises after the expiration or earlier termination of the Term without the express written consent of Landlord, (A) Tenant shall become a tenant at sufferance upon the terms of this Lease except that the monthly rental shall be equal to 150% of Rent in effect during the last 30 days of the Term, and (B) Tenant shall be responsible for all damages suffered by Landlord resulting from or occasioned by Tenant's holding over, including consequential damages. No holding over by Tenant, whether with or without consent of Landlord, shall operate to extend this Lease except as otherwise expressly provided, and this Section 8 shall not be construed as consent for Tenant to retain possession of the Premises. Acceptance by Landlord of Rent after the expiration of the Term or earlier termination of this Lease shall not result in a renewal or reinstatement of this Lease.

9. **Taxes.** Landlord shall pay, as part of Operating Expenses, all taxes, levies, fees, assessments and governmental charges of any kind, existing as of the Commencement Date or thereafter enacted (collectively referred to as "**Taxes**")**,** imposed by any federal, state, regional, municipal, local or other governmental authority or agency, including, without limitation, quasi-public agencies (collectively, "**Governmental Authority**") during the Term, including, without limitation, all Taxes: (i) imposed on or measured by or based, in whole or in part, on rent payable to (or gross receipts received by) Landlord under this Lease and/or from the rental by Landlord of the Project or any portion thereof, or (ii) based on the square footage, assessed value or other measure or evaluation of any kind of the Premises or the Project, or (iii) assessed or imposed by or on the operation or maintenance of any portion of the Premises or the Project, including parking, or (iv) assessed or imposed by, or at the direction of, or resulting from Legal Requirements, or interpretations thereof, promulgated by any Governmental Authority, or (v) imposed as a license or other fee, charge, tax, or assessment on Landlord's business or occupation of leasing space in the Project. Landlord may contest by appropriate legal proceedings the amount, validity, or application of any Taxes or liens securing Taxes. If Landlord receives an abatement of Taxes for the Project for a period during the Term, Landlord shall apply such abatement (less the costs of obtaining such abatement, including reasonable attorneys' fees) as a credit against Operating Expenses for the applicable year. Taxes shall not include any net income taxes or franchise, estate, inheritance, succession, gift or excess profit taxes imposed on Landlord except to the extent such taxes are in substitution for any Taxes payable hereunder, or any penalties for late payment of Taxes. If any such Tax is levied or assessed directly against Tenant, then Tenant shall be responsible for and shall pay the same at such times and in such manner as the taxing authority shall require. Operating Expenses hereunder shall also include the cost of tax monitoring services provided to Landlord with respect to the Project Tenant shall pay, prior to delinquency, any and all Taxes levied *or* assessed against any personal property or trade fixtures placed by Tenant in the Premises, whether levied or assessed against Landlord or Tenant. If any Taxes on Tenant's personal property or trade fixtures are levied against Landlord or Landlord's property, or if the

assessed valuation of the Project is increased by a value attributable to improvements in or alterations to the Premises, whether owned by Landlord or Tenant and whether or not affixed to the real property so as to become a part thereof, higher than the base valuation on which Landlord from time-to-time allocates Taxes to all tenants in the Project, Landlord shall have the right, but not the obligation, to pay such Taxes. Landlord's determination of any excess assessed valuation shall be binding and conclusive, absent manifest error. The amount of any such payment by Landlord shall constitute Additional Rent due from Tenant to Landlord immediately upon demand.

10. **Parking**

(a) Subject to all matters of record, Force Majeure, a Taking (as defined in Section 19 below) and the exercise by Landlord of its rights hereunder, and provided that Tenant pays the parking charge therefor as required hereunder, Tenant shall have, commencing on the Commencement Date and during the Term, the right, in common with other permitted users, to park vehicles in **15** unreserved vehicle parking spaces, of which **8** parking spaces shall be located in the Garage and **7** parking spaces shall be located in the garage located at **50-60** Binney Street (the "**50-60 Garage**")**.** Such total number of parking spaces is based upon a ratio of **0.85** spaces per **1,000** square feet of "gross floor area" in the Premises, as defined in the Cambridge Zoning Ordinance ("**Tenant's Pro Rata Share of Parking Spaces**") (i.e., **15** spaces, based upon a "gross floor area" of **17,738** square feet in the Premises as defined in the Cambridge Zoning Ordinance). Tenant's rights to park vehicles in the **50-60** Garage is subject to the reservation by Landlord of the right to make available up to **50%** of Tenant's Pro Rata Share of Parking Spaces in the 50-60 Garage for use by other parties outside of Business Parking Hours (as hereinafter defined). For the purposes of this Section, "**Business Parking Hours**" shall mean 7:00 a.m. to 6:00 p.m. Monday through Friday (except for state and national holidays). The rights to park vehicles under this Lease are subject to Landlord's reasonable rules and regulations for the Garage and the reasonable rules and regulations of the 50-60 Garage, as applicable. Landlord agrees that Landlord will give Tenant notice of such rules and regulations and that such rules and regulations shall not be applied by Landlord in a discriminatory manner with respect to Tenant. Landlord shall not be responsible for enforcing Tenant's parking rights against any third parties, including other tenants of the Project. Landlord may allocate parking spaces among Tenant and other tenants in the Project pro rata as described above if Landlord determines that such parking facilities are becoming crowded; provided, however, that such allocation shall not result in a reduction of parking spaces available to Tenant to fewer than 15 parking spaces, of which at least 8 parking spaces shall at all times be located in the Garage. Landlord shall not be responsible for enforcing Tenant's parking rights against any third parties, including other tenants of the Project.

(b) **Monthly Parking Charge.** Commencing on the Commencement Date, Tenant shall pay, on or before the first day of the month during the Term, in respect of Tenant's Pro Rata Share of Parking Spaces in the Garage and the 50-60 Garage, the market rate monthly charge therefor designated by Landlord, as such monthly charge may be adjusted annually during the Term, based upon the rates charged by comparable parking facilities in the vicinity of the Project. The monthly rate for nearby parking garages controlled by Landlord's affiliates is $300 per month per parking space as of the date of this Lease.

(c) **PTDM Matters.** Tenant shall, at Tenant's sole expense, for so long as the Parking and Traffic Demand Management Plan dated February 9, 2010 (revised April 15 2010), as

approved by the City of Cambridge on April 22, 2010 including the conditions set forth in such approval (as may be amended in accordance with this Lease, the "**PTDM**") remains applicable to the Project, comply with the PTDM as applicable to the Project, including without limitation, (i) offer to subsidize mass transit monthly passes, up to the federal limit, for all of its employees who work in the Premises in accordance with the terms set forth in the PTDM; (ii) implement a Commuter Choice Program and the MBTA's Corporate Pass Plan; (iii) discourage single-occupant vehicle ("**SOV**") use by its employees; (iv) promote alternative modes of transportation and use of alternative work hours; (v) at Landlord's request, meet with Landlord and/or its representatives no more frequently than quarterly to discuss transportation programs and initiatives; (vi) participate in annual surveys, monitoring transportation programs and initiatives at the Campus, and, without limitation, achieve a response rate for patron surveys at least equal to sixty percent (60%) of the projected number of daily patrons; (vii) cooperate with Landlord in connection with transportation programs and initiatives promulgated pursuant to the PTDM; (viii) provide alternative work programs (such as telecommuting, flex-time and compressed work weeks) to its employees in order to reduce traffic impacts in Cambridge during peak commuter hours; (ix) offer an emergency ride home ("**ERH**") through the Charles River Transportation Management Association ("**CRTMA**"), or have its own ERH program, for all employees who commute by non-SOV mode at least 3 days a week and who are eligible to park in Tenant's Pro Rata Share of Parking Spaces; (x) cooperate with the Cambridge Office of Workforce Development to expand employment opportunities for Cambridge residents; (xi) in the event that the single occupancy vehicle and traffic generation modal split limits of the PTDM are exceeded, charge each user of a parking space the market rate for parking in Kendall Square/East Cambridge therefor; (xii) comply with the requirements of any other Parking and Traffic Demand Management Plan to which Tenant may be a party from time to time; (xiii) designate an employee transportation coordinator for the Building; and (xiv) otherwise cooperate with Landlord in encouraging employees to seek alternate modes of transportation.

11. **Utilities, Services; Life Safety Back-Up Power**.

(a) **Utilities, Services.** Landlord shall provide, or cause to be provided, subject to the terms of this Section 11, water, electricity, heat, light, power, telephone, sewer, and other utilities (including gas and fire sprinklers to the extent the Project is plumbed for such services), (collectively, "**Utilities**"). Tenant shall be responsible for its own janitorial services within the Premises. Landlord shall arrange for collection of office trash and refuse from the loading dock of the Building, and Tenant shall arrange for its janitorial services provider to deliver such trash and refuse from the Premises to the loading dock of the Building. The allocation of Utilities to be made available to the Premises, subject to the terms and conditions of this Lease, shall be as set forth in the Landlord/Tenant Utility Allocation Matrix attached to the Work Letter as **Schedule 2(c)-2.** Landlord and Tenant shall provide and maintain the systems and equipment and services and utilities pursuant to the matrix attached hereto as **Exhibit F,** which **Exhibit F** is subject to the reasonable modification by Landlord from time to time to reflect actual operating practices, provided that no such modification shall materially expand the obligations of Tenant.

Landlord shall pay, as Operating Expenses or subject to Tenant's reimbursement obligation, for all Utilities used on the Premises, all maintenance charges for Utilities, and any storm sewer charges or other similar charges for Utilities imposed by any Governmental Authority or Utility provider, and any taxes, penalties, surcharges or similar charges thereon. Landlord may

cause, at Landlord's expense, any Utilities to be separately metered or charged directly to Tenant by the provider. Tenant shall pay directly to the Utility provider, prior to delinquency, any separately metered Utilities and services which may be furnished to Tenant or the Premises during the Term. Tenant shall pay, as part of Operating Expenses, its share of all charges for jointly metered Utilities based upon consumption, as reasonably determined by Landlord. No interruption or failure of Utilities, from any cause whatsoever other than Landlord's willful misconduct, shall result in eviction or constructive eviction of Tenant, termination of this Lease or the abatement of Rent. Tenant agrees to limit use of water and sewer with respect to Common Areas to normal restroom use.

Tenant agrees to provide Landlord with access to Tenant's water and/or energy usage data on a monthly basis, either by providing Tenant's applicable utility login credentials to Landlord's designated online portal, or by another delivery method reasonably agreed to by Landlord and Tenant. The costs and expenses incurred by Landlord in connection with receiving and analyzing such water and/or energy usage data (including, without limitation, as may be required pursuant to applicable Legal Requirements) shall be included as part of Operating Expenses.

(b) **Compressed Air, Vacuum and Reverse Osmosis Water Systems.** Landlord shall provide Tenant with access, pursuant to the terms and conditions of this Lease, to the compressed air, vacuum and reverse osmosis water systems that serve the floor on which the Premises are located. Tenant acknowledges and agrees that such compressed air, vacuum and reverse osmosis water systems shall be shared with other tenants of the Project. Tenant's obligation to pay its share of ongoing operation costs shall be allocated among Tenant and other user tenants on a pro rata basis, with Tenant's share based on the ratio of the rentable square footage of the Premises to the sum of the rentable square footages of the Premises and the premises of all other user tenants. Landlord's sole obligation for providing either compressed air, vacuum or reverse osmosis water systems to Tenant shall be to contract with a third party to maintain the compressed air, vacuum and reverse osmosis water systems as per the manufacturer's standard maintenance guidelines. Landlord shall have no obligation to supervise, oversee or confirm that the third party maintaining the compressed air, vacuum and reverse osmosis water systems is maintaining the compressed air, vacuum and reverse osmosis water systems as per the manufacturer's standard guidelines or otherwise. During any period of replacement, repair or maintenance of the compressed air, vacuum and reverse osmosis water systems when the compressed air, vacuum and reverse osmosis water systems are not operational, including any delays thereto due to the inability to obtain parts or replacement equipment, Landlord shall have no obligation to provide Tenant with any alternative compressed air, vacuum and reverse osmosis water systems. Tenant expressly acknowledges and agrees that Landlord does not guaranty that such compressed air, vacuum and reverse osmosis water systems will be operational at all times or that compressed air, vacuum and reverse osmosis water systems will be available to the Premises when needed.

(c) **Acid Neutralization System.** Landlord shall provide Tenant with access to the acid neutralization system existing as of the date of this Lease ("**Acid Neutralization System**") pursuant to the terms and conditions of this Lease. Tenant acknowledges and agrees that the Acid Neutralization System shall be shared with other tenants of the Project. Tenant's obligation to pay its share of ongoing operation costs shall be allocated among Tenant and other user tenants on a pro rata basis, with Tenant's share based on the ratio of the rentable square footage of the Premises to the sum of the rentable square footages of the Premises and the premises of all other user tenants,

provided, however, that, at any time and from time to time, Landlord may equitably adjust such allocation based on use by Tenant and other tenant users of the Acid Neutralization System. Landlord's sole obligations for providing the Acid Neutralization System, or any acid neutralization system facilities, to Tenant shall be (the "**Acid Neutralization Obligations**") to (i) use reasonable efforts to obtain and maintain the permit required from the Massachusetts Water Resources Authority for discharge through the Acid Neutralization System (the "**Discharge Permit**")**,** provided that Tenant reasonably cooperates with Landlord and provides all information and documents reasonably necessary in connection with the Discharge Permit, and (ii) contract with a third party to maintain the Acid Neutralization System as operating as per the manufacturer's standard maintenance guidelines. Notwithstanding anything herein to the contrary, if the Acid Neutralization System must be replaced and the cost thereof is not included in such third party maintenance contract, then, Landlord shall replace the Acid Neutralization System, it being acknowledged, however, that Tenant shall be responsible for its share of all costs incurred in connection therewith as an Operating Expense.

Tenant shall be solely responsible for the use of the Acid Neutralization System by Tenant, its employees, any contractors, sublessees, invitees or any party other than Landlord or Landlord's contractors, and Tenant shall be jointly and severally responsible for the use of the Acid Neutralization System with the other user tenants. Tenant shall use, and cause other parties under its control or for which it is responsible to use, the Acid Neutralization System in accordance with this Lease and in accordance with all applicable Legal Requirements, the Discharge Permit and any permits and approvals from Governmental Authorities for or applicable to Tenant's use of the Acid Neutralization System. Tenant shall not take any action or make any omission that would result in a violation of the Discharge Permit or any other permit or Legal Requirements applicable to the Acid Neutralization System. Tenant's compliance with applicable permits and Legal Requirements shall include but not be limited to posting signs at all sinks located in the Premises containing applicable notices regarding the use of sink drains for the disposal of chemicals and other Hazardous Materials. Tenant shall maintain a chemical management plan prohibiting the improper discharge or disposal of chemicals. Tenant shall train all laboratory personnel in the Premises on the proper disposal of chemicals and other Hazardous Materials. Landlord reserves the right, at any time and from time to time, to require limitations and restrictions on discharges by Tenant to the Acid Neutralization System as Landlord may reasonably determine to be necessary for the operation of the Acid Neutralization System. Landlord and its contractors and consultants shall be permitted to perform periodic sampling of all substances regulated under permits applicable to the Acid Neutralization System, including without limitation the discharge permit issued by the Massachusetts Water Resources Authority ("**MWRA**")**,** or as otherwise deemed appropriate by Landlord in its sole discretion. Landlord and its contractors and consultants shall be permitted to perform periodic inspections of the Acid Neutralization System and the discharge points and connections thereto located in the Premises. If requested by Landlord based on conditions pertaining to the Acid Neutralization System, Tenant shall promptly provide updates to its Hazardous Materials List (as defined in Section 30(b) below) to Landlord. Tenant shall promptly notify Landlord of any changes in the flow volume or properties that could impact the operation of the Acid Neutralization System or compliance with applicable permits or Legal Requirements, *including* without limitation a discharge known or reasonably believed to be non- compliant, changes in Tenant's operations in the Premises and addition of new equipment such as cage washers, glass washers or autoclaves.

The scope of the Surrender Plan (as defined in Section 28 of this Lease) shall include all actions for the proper cleaning, decommissioning and cessation of Tenant's use of the Acid Neutralization System, and all requirements under this Lease for the surrender of the Premises shall also apply to Tenant's cessation of use of the Acid Neutralization System, in each case whether at Lease expiration, termination or prior thereto (but Tenant shall not be required to complete the decommissioning of the Acid Neutralization System if other tenants or occupants will continue to use the same after the expiration or earlier termination of the Lease, nor shall Tenant be responsible for or bear any costs of decommissioning arising from the use of the Acid Neutralization System by any party other than Tenant: it being agreed that if multiple tenants use the Acid Neutralization System, then Landlord shall be responsible for completing the decommissioning thereof, and Tenant shall pay to Landlord within thirty (30) days after invoice therefor Tenant's share of the reasonable, actual costs of decommissioning based on the ratio of the rentable square footage of the Premises to the rentable square footage of the Premises and the premises of all other user tenants). The obligations of Tenant under this Lease with respect to the Acid Neutralization System shall be joint and several with such other tenants as aforesaid, except in the event that Tenant can prove to Landlord's reasonable satisfaction that neither Tenant nor any Tenant Party caused, contributed to or exacerbated the matter for which Tenant would otherwise be responsible but for this exception. Without in any way limiting the Acid Neutralization Obligations, Landlord shall have no obligation to provide Tenant with operational emergency or back-up acid neutralization facilities or to supervise, oversee or confirm that the third party maintaining the Acid Neutralization System is maintaining such system as per the manufacturer's standard guidelines or otherwise. During any period of replacement, repair or maintenance of the Acid Neutralization System when such system is not operational, including any delays thereto due to the inability to obtain parts or replacement equipment, Landlord shall have no obligation to provide Tenant with an alternative back-up system or facilities. Tenant expressly acknowledges and agrees that Landlord does not guaranty that such Acid Neutralization System will be operational at all times or that such system will be available to the Premises when needed. Without in any way limiting the Acid Neutralization Obligations, in no event shall Landlord be liable to Tenant or any other party for any damages of any type, whether actual or consequential, suffered by Tenant or any such other person in the event that the Acid Neutralization System or back-up system, if any, or any replacement thereof fails or does not operate in a manner that meets Tenant's requirements.

(d) **Glasswash and Autoclave.** Simultaneously with the execution of this Lease, Landlord and Tenant shall execute a License Agreement for the use by Tenant of a shared room for a glasswash machine and autoclave, which License Agreement shall be in the form of **Exhibit F-1** attached hereto.

12. **Alterations and Tenant's Property.** Any alterations, additions, or improvements made to the Premises by or on behalf of Tenant, including additional locks or bolts of any kind or nature upon any doors or windows in the Premises, but excluding installation, removal or realignment of furniture systems, office equipment and telecommunications cabling (other than removal of furniture systems, office equipment and telecommunications cabling owned or paid for by Landlord) not involving any modifications to the structure or connections (other than by ordinary plugs or jacks) to Building Systems (as defined in Section 13) ("**Alterations**") shall be subject to Landlord's prior written consent, which may be given or withheld in Landlord's sole discretion if any such Alteration affects the structure or Building Systems, but which shall

otherwise not be unreasonably withheld or delayed. Tenant may construct nonstructural Alterations in the Premises that will not affect the operations of any Building Systems, without Landlord's prior approval if the aggregate cost of all such work in any 12 month period does not exceed $50,000.00 (a "**Notice-Only Alteration**")**,** provided Tenant notifies Landlord in writing of such intended Notice-Only Alteration, and such notice shall be accompanied by plans, specifications, work contracts and such other information concerning the nature and cost of the Notice-Only Alteration as may be reasonably requested by Landlord, which notice and accompanying materials shall be delivered to Landlord not less than 15 business days in advance of any proposed construction. If Landlord approves any Alterations, Landlord may impose such commercially reasonable conditions on Tenant in connection with the commencement, performance and completion of such Alterations as Landlord may deem appropriate in Landlord's reasonable discretion. Any request for approval shall be in writing, delivered not less than 15 business days in advance of any proposed construction, and accompanied by plans, specifications, bid proposals, work contracts and such other information concerning the nature and cost of the alterations as may be reasonably requested by Landlord, including the identities and mailing addresses of all persons performing work or supplying materials. Any disapproval of plans and specifications for Alterations shall be accompanied by a specific statement of the reason(s) therefor. All architects, consultants, contractors and other persons performing work or supplying materials shall be subject to Landlord's prior written approval, such approval not to be unreasonably withheld, conditioned or delayed. Landlord's right to review plans and specifications and to monitor construction shall be solely for its own benefit, and Landlord shall have no duty to ensure that such plans and specifications or construction comply with applicable Legal Requirements. Tenant shall cause, at its sole cost and expense, all Alterations to comply with insurance requirements and with Legal Requirements and shall implement at its sole cost and expense any alteration or modification required by Legal Requirements as a result of any Alterations. Tenant shall pay to Landlord, as Additional Rent, on demand an amount equal to the reasonable out-of-pocket costs incurred by Landlord for plan review, coordination, scheduling and supervision. Before Tenant begins any Alteration, Landlord may post on and about the Premises notices of non-responsibility pursuant to applicable law. Tenant shall reimburse Landlord for, and indemnify and hold Landlord harmless from, any expense incurred by Landlord by reason of faulty work done by Tenant or its contractors, delays caused by such work, or inadequate cleanup.

Tenant shall furnish security or make other arrangements reasonably satisfactory to Landlord to assure payment for the completion of all Alterations work free and clear of liens, and shall provide (and cause each contractor or subcontractor to provide) certificates of insurance for workers' compensation and other coverage in amounts and from an insurance company reasonably satisfactory to Landlord protecting Landlord against liability for personal injury or property damage during construction. Upon completion of any Alterations, Tenant shall deliver to Landlord: (i) sworn statements setting forth the names of all contractors and subcontractors who did the work and final lien waivers from all such contractors and subcontractors; and (ii) "as built" plans for any such Alteration. Notwithstanding anything to the contrary set forth herein, in no event shall Tenant be required to provide Landlord with a payment or performance bond with respect to Tenant's Work (as defined in the Work Letter).

Other than (i) the items, if any, listed on **Exhibit G** attached hereto, (ii) any items agreed by Landlord in writing to be included on **Exhibit G** in the future, and (iii) any trade fixtures, machinery, equipment and other personal property not paid for out of the Tl Fund (as defined in

the Work Letter) which may be removed without material damage to the Premises, which damage shall be repaired (including capping or terminating utility hook-ups behind walls) by Tenant during the Term (collectively, "**Tenant's Property**"), all property of any kind paid for with the Tl Fund, all Alterations, real property fixtures, built-in machinery and equipment, built-in casework and cabinets and other similar additions and improvements built into the Premises so as to become an integral part of the Premises, such as fume hoods which penetrate the roof or plenum area, built-in cold rooms, built-in warm rooms, walk-in cold rooms, walk-in warm rooms, deionized water systems, glass washing equipment, autoclaves, chillers, built-in plumbing, electrical and mechanical equipment and systems, and any power generator and transfer switch (collectively, "**Installations**") shall be and shall remain the property of Landlord during the Term and following the expiration or earlier termination of the Term, shall not be removed by Tenant at any time during the Term and shall remain upon and be surrendered with the Premises as a part thereof in accordance with Section 28 following the expiration or earlier termination of this Lease; provided. however, that Landlord shall, at the time its approval of such Installation is requested, or at the time it receives notice of a Notice-Only Alteration, notify Tenant if it has elected to cause Tenant to remove such Installation upon the expiration or earlier termination of this Lease, except that Landlord shall not require removal of customary office cabling or customary laboratory improvements. If Landlord so elects, Tenant shall remove such Installation upon the expiration or earlier termination of this Lease and restore any damage caused by or occasioned as a result of such removal, including, when removing any of Tenant's Property which was plumbed, wired or otherwise connected to any of the Building Systems, capping off all such connections behind the walls of the Premises and repairing any holes. During any such restoration period, Tenant shall pay Rent to Landlord as provided herein as if said space were otherwise occupied by Tenant.

13. **Landlord's Repairs.** Landlord, as an Operating Expense (subject to the limitations and exclusions contained in Section 5), shall maintain, or cause to be maintained, the roof and all of the structural, exterior, parking and other Common Areas of the Project, including HVAC, plumbing, fire sprinklers, elevators and all other building systems serving the Premises and other portions of the Project ("**Building Systems**"), in good repair, reasonable wear and tear and uninsured losses and damages caused by Tenant, or by any of Tenant's agents, servants, employees, officers, directors, managers, invitees, contractors, subcontractors, subtenants, assignees or licensees (each, a "**Tenant Party**", or collectively, "**Tenant Parties**") excluded. Losses and damages caused by Tenant or any Tenant Party shall be repaired by Landlord, to the extent not covered by insurance, at Tenant's sole cost and expense to the extent caused by Tenant or any Tenant Party (except as may otherwise be provided in Sections 11(b) or (c)). Landlord reserves the right to stop Building Systems services when necessary (i) by reason of accident or emergency, or (ii) for planned repairs, alterations or improvements, which are, in the judgment of Landlord, desirable or necessary to be made, until said repairs, alterations or improvements shall have been completed. Landlord shall have no responsibility or liability for failure to supply Building Systems services during any such period of interruption; provided, however, that Landlord shall, except in case of emergency, make a commercially reasonable effort to give Tenant 24 hours' advance notice of any planned stoppage of Building Systems services for routine maintenance, repairs, alterations or improvements. Tenant shall promptly give Landlord written notice of any repair required by Landlord pursuant to this Section, after which Landlord shall have a reasonable opportunity to effect such repair. Landlord shall not be liable for any failure to make any repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after Tenant's written notice of the need for such repairs or maintenance. Tenant waives its

rights under any state or local law to terminate this Lease or to make such repairs at Landlord's expense and agrees that the parties' respective rights with respect to such matters shall be solely as set forth herein. Repairs required as the result of fire, earthquake, flood, vandalism, war, or similar cause of damage or destruction shall be controlled by Section 18.

14. **Tenant's Maintenance and Repairs.** Tenant shall be responsible for its own janitorial services within the Premises, and Tenant shall arrange for its janitorial services provider to deliver office trash and refuse from the Premises to the common trash facility at the loading dock of the Building. In no event shall Tenant or its contractors, agents or service providers dispose of any laboratory refuse or waste or Hazardous Materials (as defined in Section 30) to the common trash facility or any other area in the Project. Subject to Section 13 hereof, Tenant, at its expense, shall repair, replace and maintain all portions of the Premises, including, without limitation, entries, doors, ceilings, interior windows, interior walls, and the interior side of demising walls in the condition the same are in on the Commencement Date. Such repair and replacement may include capital expenditures and repairs whose benefit may extend beyond the Term. Should Tenant fail to make any such repair or replacement or fail to maintain the Premises, Landlord shall give Tenant notice of such failure. If Tenant fails to commence cure of such failure within 10 days of Landlord's notice, and thereafter diligently prosecute such cure to completion, Landlord may perform such work and shall be reimbursed by Tenant within 10 days after demand therefor; provided, however, that if such failure by Tenant creates or could create an emergency, Landlord may immediately commence *cure of* such failure *and* shall thereafter be entitled to recover the costs of such cure from Tenant. Subject to Sections 17 and 18, Tenant shall bear the full uninsured cost of any repair or replacement to any part of the Project that results from damage caused by Tenant or any Tenant Party and any repair that benefits only the Premises.

15. **Mechanic's Liens.** Tenant shall discharge, by bond or otherwise, any mechanic's lien filed against the Premises or against the Project for work claimed to have been done for, or materials claimed to have been furnished to, Tenant within 10 days after notice is delivered to Tenant of the filing thereof, at Tenant's sole cost and shall otherwise keep the Premises and the Project free from any liens arising out of work performed, materials furnished or obligations incurred by Tenant. Should Tenant fail to discharge any lien described herein, Landlord shall have the right, but not the obligation, to pay such claim or post a bond or otherwise provide security to eliminate the lien as a claim against title to the Project and the cost thereof shall be due from Tenant as Additional Rent within 5 days of demand therefor. If Tenant shall lease or finance the acquisition of office equipment, furnishings, or other personal property of a removable nature utilized by Tenant in the operation of Tenant's business, Tenant warrants that any Uniform Commercial Code Financing Statement filed as a matter of public record by any lessor or creditor of Tenant will upon its face or by exhibit thereto indicate that such Financing Statement is applicable only to removable personal property of Tenant located within the Premises. In no event shall the address of the Project be furnished on the statement without qualifying language as to applicability of the lien only to removable personal property, located in an identified suite held by Tenant.

16. **Indemnification.** Tenant hereby indemnifies, and agrees to defend, save and hold Landlord and Landlord's members, shareholders, partners, officers, directors, managers, employees, agents, contractors, successors and assigns harmless from and against any and all Claims for injury or death to persons or damage to property occurring within or about the Premises,

Building or Project, arising directly or indirectly out of: (a) the conduct of Tenant's business or the use or occupancy of the Premises, Building or Project by Tenant or any Tenant Party (including without limitation any act, omission or neglect by Tenant or any Tenant Party), except to the extent caused by the willful misconduct or negligence of Landlord, or (b) a breach or default by Tenant in the performance of any of its obligations hereunder. In the event that any provision of this Lease expressly conflicts with the requirements of M.G.L. Chapter 186, Section 15, the provisions of said statute shall govern to the extent of such conflict. Landlord shall not be liable to Tenant for, and Tenant assumes all risk of damage to, personal property (including, without limitation, loss of records kept within the Premises). Tenant further hereby irrevocably waives any and all Claims for injury to Tenant's business or loss of income relating to any such damage or destruction of personal property (including, without limitation, any loss of records). Landlord shall not be liable for any damages arising from any act, omission or neglect of any tenant in the Project or of any other third party.

17. **Insurance.** Landlord shall maintain all risk property and, if applicable, sprinkler damage insurance covering the full replacement cost of the Building or such lesser coverage amount as Landlord may elect, provided such coverage amount is not less than 90% of such full replacement cost. Landlord shall further procure and maintain commercial general liability insurance with a single loss limit of not less than $2,000,000 for bodily injury and property damage with respect to the Project. Landlord may, but is not obligated to, maintain such other insurance and additional coverages as it may deem necessary, including, but not limited to, flood, environmental hazard and earthquake, loss or failure of building equipment, errors and omissions, rental loss during the period of repair or rebuilding, workers' compensation insurance and fidelity bonds for employees employed to perform services and insurance for any improvements installed by Tenant or which are in addition to the standard improvements customarily furnished by Landlord without regard to whether or not such are made a part of the Project. All such insurance shall be included as part of the Operating Expenses. The Project may be included in a blanket policy (in which case the cost of such insurance allocable to the Project will be determined by Landlord based upon the insurer's cost calculations). Tenant shall also reimburse Landlord for any increased premiums or additional insurance which Landlord reasonably deems necessary as a result of Tenant's use of the Premises.

Tenant, at its sole cost and expense, shall maintain during the Term: all risk property insurance with business interruption and extra expense coverage, covering the full replacement cost of all property and improvements installed or placed in the Premises by Tenant at Tenant's expense; workers' compensation insurance with no less than the minimum limits required by law; employer's liability insurance with such limits as required by law; and commercial general liability insurance, with a minimum limit of not less than $2,000,000 per occurrence for bodily injury and property damage with respect to the Premises (which coverage amount may be satisfied through a "blanket policy" with an aggregate per location endorsement which specifically provides that the amount of insurance shall not be prejudiced by other losses covered by the policy). The commercial general liability insurance policy shall name Landlord, its officers, directors, employees, managers, agents, invitees and contractors (collectively, "**Landlord Parties**") and Alexandria Real Estate Equities, Inc., as additional insureds. The commercial general liability policy of Tenant shall insure on an occurrence and not a claims-made basis; shall be issued by insurance companies which have a rating of not less than policyholder rating of A and financial category rating of at least Class X in "Best's Insurance Guide"; shall not be cancelable for nonpayment of premium

unless at least 10 days prior written notice shall have been given to Landlord; contain a hostile fire endorsement and a contractual liability endorsement; and provide primary coverage to Landlord (any policy issued to Landlord providing duplicate or similar coverage shall be deemed excess over Tenant's policies). Certificates of insurance showing the limits of coverage required hereunder and showing each of Landlord, Alexandria Real Estate Equities, Inc. and the Landlord Parties designated by Landlord as an additional insured, along with reasonable evidence of the payment of premiums for the applicable period, shall be delivered to Landlord by Tenant upon commencement of the Term and upon each renewal of said insurance. Tenant's policy may be a "blanket policy" with an aggregate per location endorsement which specifically provides that the amount of insurance shall not be prejudiced by other losses covered by the policy. Tenant shall, at least 5 days prior to the expiration of such policies, furnish Landlord with renewal certificates.

In each instance where insurance is to name Landlord as an additional insured, Tenant shall upon written request of Landlord also designate and furnish certificates so evidencing Landlord as additional insured to: (i) any lender of Landlord holding a security interest in the Project or any portion thereof and any servicer in connection therewith, (ii) the landlord under any lease wherein Landlord is tenant of the real property on which the Project is located, if the interest of Landlord is or shall become that of a tenant under a ground or other underlying lease rather than that of a fee owner, and/or (iii) any management company retained by Landlord to manage the Project.

The property insurance obtained by Landlord and Tenant shall include a waiver of subrogation by the insurers and all rights based upon an assignment from its insured, against Landlord or Tenant, and their respective officers, directors, employees, managers, agents, invitees and contractors ("**Related Parties**")**,** in connection with any loss or damage thereby insured against. Notwithstanding anything in this Lease to the contrary, neither party nor its respective Related Parties shall be liable to the other for loss or damage caused by any risk insured against (or required to be insured against pursuant to this Lease) under property insurance required to be maintained hereunder, and each party waives any claims against the other party, and its respective Related Parties, for such loss or damage. Without limiting the foregoing, such waiver shall apply to the obligations of Tenant to indemnify, hold harmless and defend under Section 16 with respect to losses insured against (or required to be insured against) by property insurance required to be maintained hereunder. The failure of a party to insure its property shall not void this waiver. Landlord and its respective Related Parties shall not be liable for, and Tenant hereby waives all claims against such parties for, business interruption and losses occasioned thereby sustained by Tenant or any person claiming through Tenant resulting from any accident or occurrence in or upon the Premises or the Project from any cause whatsoever. If the foregoing waivers shall contravene any law with respect to exculpatory agreements, the liability of Landlord or Tenant shall be deemed not released but shall be secondary to the other's insurer.

Landlord may require insurance policy limits to be raised to conform with requirements of Landlord's lender and/or to bring coverage limits to levels then being generally required of new tenants within the Project.

18. **Restoration.** If, at any time during the Term, the Project or the Premises are damaged or destroyed by a fire or other insured casualty, Landlord shall notify Tenant within 60 days after discovery of such, damage as to the amount of time Landlord reasonably estimates it will take to restore the Project or the Premises, as applicable (the "**Restoration Period**")**.** If the

Restoration Period is estimated to exceed 12 months (the "**Maximum Restoration Period**"), Landlord may, in such notice, elect to terminate this Lease as of the date that is 75 days after the date of discovery of such damage or destruction. Unless Landlord so elects to terminate this Lease, Landlord shall, subject to receipt of sufficient insurance proceeds (with any deductible to be treated as a current Operating Expense), promptly restore the Premises (excluding the improvements installed by Tenant or by Landlord and paid for by Tenant, except to the extent to which Landlord receives insurance proceeds for the restoration of improvements from the insurance required to be maintained under Section 17. in which case such improvements shall be included as part of Landlord's restoration), subject to delays arising from the collection of insurance proceeds, from Force Majeure events or as needed to obtain any license, clearance or other authorization of any kind required to enter into and restore the Premises issued by any Governmental Authority having jurisdiction over the use, storage, handling, treatment, generation, release, disposal, removal or remediation of Hazardous Materials (as defined in Section 30) in, on or about the Premises (collectively referred to herein as "**Hazardous Materials Clearances**"); provided. however, that if repair or restoration of the Premises is not substantially complete as of the end of the Maximum Restoration Period or, if longer, the Restoration Period, Landlord may, in its sole and absolute discretion, elect not to proceed with such repair and restoration, or Tenant may by written notice to Landlord delivered within 10 business days of the expiration of the Maximum Restoration Period, or if longer, the Restoration Period, elect to terminate this Lease, in either of which events Landlord shall be relieved of its obligation to make such repairs or restoration and this Lease shall terminate as of the date that is 75 days after the later of: (i) discovery of such damage or destruction, or (ii) the date all required Hazardous Materials Clearances are obtained, but Landlord shall retain any Rent paid and the right to any Rent payable by Tenant prior to such election by Landlord or Tenant.

Tenant, at its expense, following the date that Landlord makes the Premises available to Tenant for Tenant's repairs or restoration, shall promptly perform, subject to delays arising from the collection of insurance proceeds, from Force Majeure (as defined in Section 34) events or to obtain Hazardous Materials Clearances, all Alterations and other improvements installed by Tenant or by Landlord and paid for by Tenant (except to the extent covered by insurance required to be maintained by Landlord pursuant to Section 17. in which case such improvements shall be included as part of Landlord's restoration, subject to the terms of this Section 18). Promptly upon the substantial completion of such Alterations and other improvements, Tenant shall reenter the Premises and commence doing business in accordance with this Lease. Notwithstanding the foregoing, Landlord or Tenant may terminate this Lease if the *Premises are damaged* during the last year of the Term and Landlord reasonably estimates that it will take more than 2 months to repair such damage; provided, however, that such notice is delivered within 10 business days after the date that Landlord delivers notice to Tenant of the estimated Restoration Period. Notwithstanding anything to the contrary contained in this Lease, Landlord shall also have the right to terminate this Lease if insurance proceeds are not available for such restoration, provided that such unavailability of insurance proceeds is not the result of Landlord's failure to maintain the insurance policies required to be maintained by Landlord under Section 17. Rent shall be abated from the date all required Hazardous Materials Clearances are obtained until the Premises are repaired and restored, in the proportion which the area of the Premises, if any, which is not usable by Tenant bears to the total area of the Premises, unless Landlord provides Tenant with other space during the period of repair that is suitable for the temporary conduct of Tenant's business. In the event that no Hazardous Materials Clearances are required to be obtained with respect to such fire or other casualty, the rent abatement shall commence as of the date of discovery of the damage or destruction. Such abatement shall be the sole remedy of Tenant, and except as provided in this Section 18. Tenant waives any right to terminate the Lease by reason of damage or casualty loss.

The provisions of this Lease, including this Section 18, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, or, any other portion of the Project, and any statute or regulation which is now or may hereafter be in effect shall have no application to this Lease or any damage or destruction to all or any part of the Premises or any other portion of the Project, the parties hereto expressly agreeing that this Section 18 sets forth their entire understanding and agreement with respect to such matters.

19. **Condemnation.** If the whole or any material part of the Premises or the Project is taken for any public or quasi-public use under governmental law, ordinance, or regulation, or by right of eminent domain, or by private purchase in lieu thereof (a "**Taking**" or "**Taken**")**,** and the Taking would in Landlord's reasonable judgment either prevent or materially interfere with Tenant's use of the Premises or materially interfere with or impair Landlord's ownership or operation of the Project, then upon written notice by Landlord this Lease shall terminate and Rent shall be apportioned as of said date. If part of the Premises shall be Taken, and this Lease is not terminated as provided above, Landlord shall promptly restore the Premises and the Project as nearly as is commercially reasonable under the circumstances to their condition prior to such partial Taking and the rentable square footage of the Building, the rentable square footage of the Premises, Tenant's Share of Operating Expenses and the Rent payable hereunder during the unexpired Term shall be reduced to such extent as may be fair and reasonable under the circumstances. Upon any such Taking, Landlord shall be entitled to receive the entire price or award from any such Taking without any payment to Tenant, and Tenant hereby assigns to Landlord Tenant's interest, if any, in such award. Tenant shall have the right, to the extent that same shall not diminish Landlord's award, to make a separate claim against the condemning authority (but not Landlord) for such compensation as may be separately awarded or recoverable by Tenant for moving expenses and damage to Tenant's trade fixtures, if a separate award for such items is made to Tenant. Tenant hereby waives any and all rights it might otherwise have pursuant to any provision of state law to terminate this Lease upon a partial Taking of the Premises or the Project.

20. **Events of Default.** Each of the following events shall be a material default ("**Default**") by Tenant under this Lease:

(a) **Payment Defaults.** Tenant shall fail to pay any installment of Rent or any other payment hereunder when due; provided, however, that Landlord will give Tenant notice and an opportunity to cure any failure to pay Rent within 3 days of any such notice not more than once in any 12 month period and Tenant agrees that such notice shall be in lieu of and not in addition to, or shall be deemed to be, any notice required by law.

(b) **Insurance.** Any insurance required to be maintained by Tenant pursuant to this Lease shall be canceled or terminated or shall expire or shall be reduced or materially changed, or Landlord shall receive a notice of nonrenewal of any such insurance and Tenant shall fail to obtain replacement insurance at least 20 days before the expiration of the current coverage.

(c) **Abandonment.** Tenant shall abandon the Premises, provided that Tenant shall not be deemed to have abandoned the Premises if (i) Tenant provides Landlord with reasonable advance notice prior to vacating and, at the time of vacating the Premises, Tenant has completed Tenant's obligations with respect to the Surrender Plan in compliance with Section 28, (ii) Tenant has made reasonable arrangements with Landlord for the security of the Premises for the balance of the Term, and (iii) Tenant continues during the balance of the Term to satisfy all *of* its obligations under the Lease as they come due.

(d) **Improper Transfer.** Tenant shall assign, sublease or otherwise transfer or attempt to transfer all or any portion of Tenant's interest in this Lease or the Premises except as expressly permitted herein, or Tenant's interest in this Lease shall be attached, executed upon, or otherwise judicially seized and such action is not released within 90 days of the action.

(e) **Liens.** Tenant shall fail to discharge or otherwise obtain the release of any lien placed upon the Premises in violation of this Lease within 10 days after notice is delivered to Tenant that any such lien is filed against the Premises.

(f) **Insolvency Events.** Tenant or any guarantor or surety of Tenant's obligations hereunder shall: (A) make a general assignment for the benefit of creditors; (B) commence any case, proceeding or other action seeking to have an order for relief entered on its behalf as a debtor or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or of any substantial part of its property (collectively a "**Proceeding for Relief);** (C) become the subject of any Proceeding for Relief which is not dismissed within 90 days of its filing or entry; or (D) die or suffer a legal disability (if Tenant, guarantor, or surety is an individual) or be dissolved or otherwise fail to maintain its legal existence (if Tenant, guarantor or surety is a corporation, partnership or other entity).

(g) **Estoppel Certificate or Subordination Agreement.** Tenant fails to execute any document required from Tenant under Sections 23 or 27 within 5 days after a second notice requesting such document.

(h) **Default Under License Agreement.** Tenant is in Default (as defined in the License Agreement) beyond any applicable notice and cure period under that certain License Agreement between Landlord and Tenant dated on or about the date of this Lease (the "**License Agreement**")**,** and in such event there shall be no further requirement to give further notice under this Lease,

(i) **Other Defaults.** Tenant shall fail to comply with any provision of this Lease other than those specifically referred to in this Section 20, and, except as otherwise expressly provided herein, such failure shall continue for a period of 20 days after written notice thereof from Landlord to Tenant.

Any notice given under Section 20(h) hereof shall: (i) specify the alleged default, (ii) demand that Tenant cure such default, (iii) be in lieu of, and not in addition to, or shall be deemed to be, any notice required under any provision of applicable law, and (iv) not be deemed a forfeiture or a termination of this Lease unless Landlord elects otherwise in such notice; provided that if the nature of Tenant's default pursuant to Section 20(h) is such that it cannot be cured by the payment

of money and reasonably requires more than 20 days to cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said 20 day period and thereafter diligently prosecutes the same to completion; provided, however, that such cure shall be completed no later than 90 days from the date of Landlord's notice.

21. **Landlord's Remedies**.

(a) **Payment by Landlord; Interest.** Upon a Default by Tenant hereunder, Landlord may, without waiving or releasing any obligation of Tenant hereunder, make such payment or perform such act. All sums so paid or incurred by Landlord, together with interest thereon, from the date such sums were paid or incurred, at the annual rate equal to 12% per annum or the highest rate permitted by law (the "**Default Rate**")**,** whichever is less, shall be payable to Landlord on demand as additional Rent. Nothing herein shall be construed to create or impose a duty on Landlord to mitigate any damages resulting from Tenant's Default hereunder.

(b) **Late Payment Rent.** Late payment by Tenant to Landlord of Rent and other sums due will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult and impracticable to ascertain. Such costs include, but are not limited to, processing and accounting charges and late charges which may be imposed on Landlord under any Mortgage covering the Premises. Therefore, if any installment of Rent due from Tenant is not received by Landlord within 5 days after the date such payment is due, Tenant shall pay to Landlord an additional sum of 6% of the overdue Rent as a late charge. The parties agree that this late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. In addition to the late charge, Rent not paid when due shall bear interest at the Default Rate from the 5th day after the date due until paid.

(c) **Remedies.** Upon the occurrence of a Default, Landlord, at its option, without further notice or demand to Tenant, shall have in addition to all other rights and remedies provided in this Lease, at law or in equity, the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever (except as otherwise expressly provided in Section 21(c)(v) with respect to Landlord's Lump Sum Election). No cure in whole or in part of such Default by Tenant after Landlord has taken any action beyond giving Tenant notice of such Default to pursue any remedy provided for herein (including retaining counsel to file an action or otherwise pursue any remedies) shall in any way affect Landlord's right to pursue such remedy or any other remedy provided Landlord herein or under law or in equity, unless Landlord, in its sole discretion, elects to waive such Default.

(i) This Lease and the Term and estate hereby granted are subject to the limitation that whenever a Default shall have happened and be continuing, Landlord shall have the right, at its election, then or thereafter while *any* such Default shall continue and notwithstanding the fact that Landlord may have some other remedy hereunder or at law or in equity, to give Tenant written notice of Landlord's intention to terminate this Lease on a date specified in such notice, which date shall be not less than 5 days after the giving of such notice, and upon the date so specified, this Lease and the estate hereby granted shall expire and terminate with the same force and effect as if the date specified in such notice were the date hereinbefore fixed for the expiration of this Lease, and all rights of Tenant hereunder shall expire and terminate, and Tenant shall be liable as hereinafter in this Section 21(c) provided. If any such notice is given, Landlord shall have,

on such date so specified, the right of re-entry and possession of the Premises and the right to remove all persons and property therefrom and to store such property in a warehouse or elsewhere at the risk and expense, and for the account, of Tenant. Should Landlord elect to re-enter as herein provided or should Landlord take possession pursuant to legal proceedings or pursuant to any notice provided for by law, Landlord may, subject to Section 21(c)(ii) from time to time re- let the Premises or any part thereof for such term or terms and at such rental or rentals and upon such terms and conditions as Landlord may deem advisable, with the right to *make* commercially reasonable alterations in and repairs to the Premises.

(ii) Landlord shall be deemed to have satisfied any obligation to mitigate its damages by hiring an experienced commercial real estate broker to market the Premises and directing such broker to advertise and show the Premises to prospective tenants.

(iii) In the event of any termination of this Lease as in this Section 21 provided or as required or permitted by law or in equity, Tenant shall forthwith quit and surrender the Premises to Landlord, and Landlord may, without further notice, enter upon, re-enter, possess and repossess the same by summary proceedings, ejectment or otherwise, and again have, repossess and enjoy the same free of any rights of Tenant, and in any such event Tenant and no person claiming through or under Tenant by virtue of any law or an order of any court shall be entitled to possession or to remain in possession of the Premises.

(iv) If this Lease is terminated or if Landlord shall re-enter the Premises as aforesaid, or in the event of the termination of this Lease, or of re-entry, by or under any proceeding or action or any provision of law by reason of a Default by Tenant, Tenant covenants and agrees forthwith to pay and be liable for, on the days originally fixed in this Lease for the payment thereof, amounts equal to the installments of Base Rent and all Additional Rent as they would, under the terms of this Lease become due if this Lease had not been terminated or if Landlord had not entered or re-entered, as aforesaid, and whether the Premises be relet or remain vacant, in whole or in part, or for a period less than the remainder of the Term, or for the whole thereof, but in the event that the Premises be relet by Landlord, Tenant shall be entitled to a credit in the net amount of rent and other charges received by Landlord in reletting, after deduction of all of Landlord's expenses incurred in reletting the Premises (including, without limitation, tenant improvement, demising and remodeling costs, brokerage fees and the like), and in collecting the rent in connection therewith, in the following manner: Amounts received by Landlord after reletting, if any, shall first be applied against such Landlord's expenses, until the same are recovered, and until such recovery, Tenant shall pay, as of each day when a payment would fall due under this Lease, the amount which Tenant is obligated to pay under the terms of this Lease (Tenant's liability prior to any such reletting and such recovery by Landlord *no in any* way to be diminished as a result of the fact that such reletting might be for a rent higher than the rent provided for in this Lease); when and if such expenses have been completely recovered by Landlord, the amounts received from reletting by Landlord as have not previously been applied shall be credited against Tenant's obligations as of each day when a payment would fall due under this Lease, and only the net amount thereof shall be payable by Tenant. Further, Tenant shall not be entitled to any credit of any kind for any period after the date when the Term of this Lease is scheduled to expire according to its terms.

Actions, proceedings or suits for the *recovery of* damages, whether liquidated or other damages, under this Lease, or any installments thereof, may be brought by

Landlord from time to time at its election, and nothing contained herein shall be deemed to require Landlord to postpone suit until the date when the Term of this Lease would have expired if it had not been terminated hereunder. In addition to other rights, remedies and damages provided in this Lease or at law or in equity, at any time and from time to time following the occurrence of a Default, whether or not this Lease is terminated as aforesaid, Landlord shall be entitled to recover all Base Rent, Additional Rent and other amounts payable ty Tenant under this Lease then due or accrued and unpaid.

(v) In addition, Landlord, at its election, notwithstanding any other provision of this Lease, by written notice to Tenant (the "**Lump Sum Election**"), shall be entitled to recover from Tenant, as and for liquidated damages, at any time following any termination of this Lease, a lump sum payment representing, at the time of Landlord's written notice of its Lump Sum Election, the sum of:

(A) the then present value (calculated in accordance with accepted financial practice using as the discount rate the yield to maturity on United States Treasury Notes as set forth below) of the amount of unpaid Base Rent and Additional Rent that would have been payable pursuant to this Lease for the remainder of the Term following Landlord's Lump Sum Election if this Lease had not been terminated, and

(B) all other damages and expenses (including attorneys' fees and expenses), if any, which Landlord shall have sustained by reason of the breach of any provision of this Lease; less

(C) the then present value (calculated in accordance with accepted financial practice using as the discount rate the yield to maturity on United States Treasury Notes as set forth below) of the aggregate net fair market rent plus additional charges payable for the Premises for the remainder of the Term following Landlord's Lump Sum Election, calculated as of the date of Landlord's Lump Sum Election, and taking into account reasonable estimates of the future costs to relet any then vacant portions of the Premises (except to the extent that Tenant has actually paid such costs pursuant to this Section 21) in order to calculate the net rental revenue that Landlord may expect to obtain for the Premises for the balance of the Term (it being understood that the subtraction of the amounts determined in this paragraph (C) from the then present value of Base Rent and Additional Rent that would have been payable pursuant to this Lease for the remainder of the Term as determined in paragraph (A) shall not be deemed to result in an amount less than zero).

Landlord's recovery under its Lump Sum Election shall be in addition to Tenant's obligations to pay, and Landlord's right to recover from Tenant, all Base Rent and Additional Rent due and costs incurred prior to the date of Landlord's Lump Sum Election, and shall be in lieu of any Base Rent and Additional Rent which would otherwise have been due under this Section from and after the date of Landlord's Lump Sum Election. The yield to maturity on United States Treasury Notes having a maturity date that is nearest the date that would have been the last day of the Term of the Lease, as reported in The Wall

Street Journal or a comparable publication if it ceases to publish such yields, shall be used in calculating present values for purposes of Landlord's Lump Sum Election. For the purposes of this Section, if Landlord makes the Lump Sum Election to recover liquidated damages in accordance with this Section, the total Additional Rent shall be computed based upon Landlord's reasonable estimate of Tenant's Share of Operating Expenses and other Additional Rent for each 12-month period in what would have been the remainder of the Term of the Lease and any part thereof at the end of such remainder of the Term, but in no event less than the amounts therefor payable for the twelve (12) calendar months (or if less than twelve (12) calendar months have elapsed since the date hereof, the partial year) immediately preceding the date of Landlord's Lump Sum Election. Amounts of Tenant's Share of Operating Expenses and any other Additional Rent for any partial year at the beginning of the Term or at the end of what would have been the remainder of the Term shall be prorated.

(vi) Nothing herein contained shall limit or prejudice the right of Landlord, in any bankruptcy or insolvency proceeding, to prove for and obtain as liquidated damages by reason of such termination an amount equal to the maximum allowed by any bankruptcy or insolvency proceedings, or to prove for and obtain as liquidated damages by reason of such termination, an amount equal to the maximum allowed by any statute or rule of law, whether such amount shall be greater or less than the excess referred to above.

(vii) Nothing in this Section 21 shall be deemed to affect the right of either party to indemnifications pursuant to this Lease.

(viii) If Landlord terminates this Lease upon the occurrence of a Default, Tenant will quit and surrender the Premises to Landlord or its agents, and Landlord may, without further notice, enter upon, re-enter and repossess the Premises by summary proceedings, ejectment or otherwise. The words "enter", "re-enter", and "re-entry" are not restricted to their technical legal meanings.

(ix) If Tenant shall be in default in the observance or performance of any provision of this Lease, and an action shall be brought for the enforcement thereof in which it shall be determined that Tenant was in default, Tenant shall pay to Landlord all reasonable, out of pocket fees, costs and other expenses which may become payable as a result thereof or in connection therewith, including reasonable attorneys' fees and expenses.

(x) If default by Tenant shall occur in the keeping, observance or performance of any covenant, agreement, term, provision or condition herein contained, Landlord, without thereby waiving such default, may perform the same for the account and at the expense of Tenant (a) immediately or at any time thereafter and with only such notice, if any, as may be practicable under the circumstances in the case of an emergency or in case such default will result in a violation of any legal or insurance requirements, or in the imposition of any lien against all or any portion of the Premises or the Project not discharged, released or bonded over to Landlord's satisfaction by Tenant within the time period required pursuant to Section 15 of this Lease, and (b) in any other case if such default continues after any applicable notice and cure period provided in Section 20. All reasonable costs and expenses incurred by Landlord in connection with any such performance by it for the account of Tenant and also all reasonable costs and expenses, including attorneys'

fees and disbursements incurred by Landlord in any action or proceeding (including any summary dispossess proceeding) brought by Landlord to enforce any obligation of Tenant under this Lease and/or right of Landlord in or to the Premises, shall be paid by Tenant to Landlord within 10 days after demand.

(xi) Independent of the exercise of any other remedy of Landlord hereunder or under applicable law, Landlord may conduct an environmental test of the Premises as generally described in Section 30(d).

(xii) In addition to any other right or remedy hereunder, upon the occurrence of a Default, Landlord shall have the right to suspend funding of any Tl Allowance or the performance of Landlord's Work (and such suspension shall constitute a Tenant Delay).

(xiii) In the event that Tenant is in breach or Default under this Lease, whether or not Landlord exercises its right to terminate or any other remedy, Tenant shall reimburse Landlord upon demand for any out of pocket costs and expenses that Landlord may incur in connection with any such breach or Default, as provided in this Section 21 (cl. Such costs shall include legal fees and costs incurred for the negotiation of a settlement, enforcement of rights or otherwise. Tenant shall also indemnify Landlord against and hold Landlord harmless from all costs, expenses, demands and liability, including without limitation, legal fees and costs Landlord shall incur if Landlord shall become or be made a party to any claim or action instituted by Tenant against any third party, by any third party against Tenant or by or against any person holding any interest under or using the Premises by license of or agreement with Tenant.

(xiv) Except as otherwise provided in this Section 21, no right or remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other right or remedy, and every right and remedy shall be cumulative and in addition to any other legal or equitable right or remedy given hereunder, or now or hereafter existing. No waiver by Landlord of any provision of this Lease shall be deemed to have been made unless expressly so made in writing by Landlord expressly waiving such provision. Landlord shall be entitled, to the extent permitted by law, to seek injunctive relief in case of the violation, or attempted or threatened violation, of any provision of this Lease, or to seek a decree compelling observance or performance of any provision of this Lease, or to seek any other legal or equitable remedy.

22. **Assignment and Subletting**.

(a) **Prohibition.** Without Landlord's prior written consent, which shall not be unreasonably withheld, subject to and on the conditions described in this Section 22, Tenant shall not, directly or indirectly, voluntarily or by operation of law, assign this Lease or sublease the Premises or any part thereof or mortgage, pledge, or hypothecate its leasehold interest or grant any concession or license within the Premises, and any attempt to do any of the foregoing shall be void and of no effect. If Tenant is a corporation, partnership or limited liability company, the shares or other ownership interests thereof which are not actively traded upon a stock exchange or in the over-the-counter market, a transfer or series of transfers whereby 50% or more of the issued and outstanding shares or other ownership interests of such corporation are, or voting control is, transferred (but excepting transfers upon deaths of individual owners) from a person or persons or entity or entities which were owners thereof at time of execution of this Lease to persons or entities

who were not owners of shares or other ownership interests of the corporation, partnership or limited liability company at time of execution of this Lease, shall be deemed an assignment of this Lease requiring the consent of Landlord as provided in this Section 22. Notwithstanding the foregoing, Tenant shall have the right to (x) obtain financing from institutional or individual investors (including venture capital funding and corporate partners) which regularly invest in private biotechnology companies, (y) undergo a public offering, or (z) if Tenant is a public company, transfer shares of Tenant effected through any recognized exchange or through the "over the counter" market, any of which results in a change in control of Tenant without such change of control constituting an assignment under this Section 22 requiring Landlord consent, provided that (i)Tenant notifies Landlord in writing of the financing at least 10 business days prior to the closing of the financing, and (ii) provided that in no event shall such financing result in a change in use of the Premises from the use contemplated by Tenant at the commencement of the Term.

The reasons for Landlord's reasonable withholding of consent shall include but not be limited to: (A) the business or financial reputation of the proposed assignee or sublessee, or the business or financial reputation of any of the respective principals or officers thereof, is objectionable in Landlord's judgment, (B) the proposed assignee or sublessee is engaged in areas of scientific research or other business concerns that are controversial such that in Landlord's reasonable judgment they may (i) attract or cause negative publicity for or about the Building or the Project, (ii) negatively affect the reputation of the Building, the Project or Landlord, (iii) attract protestors to the Building or the Project, or (iv) lessen the attractiveness of the Building or the Project to any prospective purchasers or lenders, (C) the proposed use of the Premises by the proposed assignee or sublessee will violate any applicable Legal Requirement, (D) the proposed assignee or sublessee is at that time an occupant of the Project or negotiating with Landlord or an affiliate thereof for the lease of other space in the Project, (E) if the proposed transaction is not a sublease, the proposed assignee does not have a net worth, as of the date of the Transfer, at least equal to the greater of (x) the net worth of Tenant as of the date of the Lease, and (y) the net worth of Tenant immediately prior to the Transfer Date, or otherwise lacks the creditworthiness to support the financial obligations it would incur under the proposed assignment in Landlord's reasonable judgment, (F) if the proposed transaction is a sublease, the proposed sublessee does not have a creditworthiness, as of the date of transfer, sufficient to support the financial obligations it would incur under the proposed sublease in Landlord's judgment, (G) the proposed assignee or sublessee is a governmental agency, (H) in Landlord's judgment the use of the Premises by the proposed assignee or sublessee would entail any alterations that would lessen the value of the leasehold improvements in the Premises, or would require increased services by Landlord, (I) Landlord has experienced previous defaults by or is in litigation with the proposed assignee or sublessee, (J) the proposed assignment or sublease will create a vacancy elsewhere in the Project, or (K) the assignment or sublease is prohibited by the Holder of a Mortgage on the Premises or Project.

(b) **Permitted Transfers.** If Tenant desires to assign, sublease, hypothecate or otherwise transfer this Lease or sublet the Premises, then at least 15 business days, but not more than 45 business days, before the date Tenant desires the assignment or sublease to be effective (the "**Assignment Date**"), Tenant shall give Landlord a notice (the "**Assignment Notice**") containing such information about the proposed assignee or sublessee, including the proposed use of the Premises and any Hazardous Materials proposed to be used, stored handled, treated, generated in or released or disposed of from the Premises, the Assignment Date, any relationship

between Tenant and the proposed assignee or sublessee, and all material terms and conditions of the proposed assignment or sublease, including a copy of any proposed assignment or sublease in its final form, and such other information as Landlord may deem reasonably necessary or appropriate to its consideration whether to grant its consent. Landlord may, by giving written notice to Tenant within 15 business days after receipt of the Assignment Notice: (i) grant such consent, (ii) refuse such consent, in its reasonable discretion, subject to the terms and conditions of this Section 22 (provided that Landlord shall further have the right to review and approve or disapprove the proposed form of sublease prior to the effective date of any such subletting), or (iii) if the proposed transaction is a sublease that is not a Permitted Assignment or Qualified Assignment (each as defined below) and the subletting concerns (together with all other then effective subleases) 50% or more of the Premises, terminate this Lease with respect to the space described in the Assignment Notice as of the Assignment Date (an "**Assignment Termination**")**.** If Landlord delivers notice of its election to exercise an Assignment Termination, Tenant shall have the right to withdraw such Assignment Notice by written notice to Landlord of such election within 5 business days after Landlord's notice electing to exercise the Assignment Termination. If Tenant withdraws such Assignment Notice, this Lease shall continue in full force and effect. If Tenant does not withdraw such Assignment Notice, this Lease, and the term and estate herein granted, shall terminate as of the Assignment Date with respect to the space described in such Assignment Notice. No failure of Landlord to exercise any such option to terminate this Lease, or to deliver a timely notice in response to the Assignment Notice, shall be deemed to be Landlord's consent to the proposed assignment, sublease or other transfer. Tenant shall pay to Landlord a fee equal to Three Thousand Five Hundred Dollars ($3,500) in connection with its consideration of any Assignment Notice and/or its preparation or review of any consent documents.

Notwithstanding the foregoing, (A) Tenant shall have the one-time right to assign this Lease or sublease the Premises under this Lease, upon 30 days prior written notice to Landlord and without Landlord's prior written consent, to an entity that meets the following requirements (such assignment or subletting, a "**Qualified Assignment**")**:** (i) Flagship Pioneering, Inc. owns or controls more than 50% of the shares or other ownership interests in such assignee or subtenant entity (the "**Qualified Assignee**")**,** (ii) Tenant reasonably demonstrates to Landlord that the Qualified Assignee has the financial capability to perform the obligations of Tenant under the Lease for the remainder of the Term, (iii) prior to the effective date of such assignment or sublease, such Qualified Assignee and Landlord or its affiliate (the "**ARE Investing Entity**") execute and deliver a Participation Rights Agreement in substantially the same form as the Participation Rights Agreement dated on or about the date hereof between Tenant and Alexandria Venture Investments, LLC (the "**Assignee PRA**")**,** pursuant to which Assignee PRA, the *Qualified* Assignee shall grant the ARE Investing Entity the right, but not the obligation, to purchase up to $2,000,000 (or such other amount as may be mutually agreed in writing by the ARE Investing Entity and Qualified Assignee), of New Securities (as defined below) that such Qualified Assignee sells in its next bona fide, private financing round following the date of the Assignee PRA, at a price per share and on other terms and conditions that are no less favorable to the ARE Investing Entity than those upon which the New Securities are sold by such Qualified Assignee to any other investor in such financing round, (iv) Tenant and the Qualified Assignee shall each provide to Landlord evidence of such action of its board of directors or other governing body authorizing the transactions described herein, and (v) such Qualified Assignee and any subsequent assignee or subtenant thereof shall not have any rights to extend the Base Term of this Lease under Section 39: and (B) Tenant shall have the right to assign this Lease or sublease the Premises under this Lease, upon 30

days' prior written notice to Landlord and without Landlord's prior written consent, to an entity controlling or controlled by Tenant (a "**Permitted Affiliate Assignment**"), provided, however, that in the case of any assignment or subletting described in clause (A) or (B) of this sentence, (y) such assignment or subletting is for a bona fide business purpose and not principally for the purpose of transferring the lease, and (z) Landlord shall *have the* right to *approve the form of any* such sublease or assignment prior to its execution. The term "**New Securities**" shall mean any shares of such Qualified Assignee's equity securities, whether or not currently authorized, as well as rights, options, or warrants to purchase such equity securities, or securities of any type whatsoever that are, or may become, convertible or exchangeable into or exercisable for such equity securities.

In addition, Tenant shall have the right to assign this Lease, upon 30 days prior written notice to Landlord but without obtaining Landlord's prior written consent and without such assignment being subject to an Assignment Termination, to a corporation or other entity which is a successor-in-interest to Tenant, by way of merger, consolidation or corporate reorganization, or by the purchase of all or substantially all of the assets or the ownership interests of Tenant provided that (i) such merger or consolidation, or such acquisition or assumption, as the case may be, is for a bona fide business purpose and not principally for the purpose of transferring the Lease, and (ii) the net worth (as determined in accordance with GAAP) of the assignee is not less than the net worth (as determined in accordance with GAAP) of Tenant as of the date of Tenant's most current quarterly or annual financial statements *delivered under* Section 40(c) below or filed with the SEC under applicable securities laws, *and* (iii) such assignee shall agree in writing to assume all of the terms, covenants and conditions of this Lease arising after the effective date of the assignment (a "**Permitted Successor Assignment**"). A Permitted Affiliate Assignment and Permitted Successor Assignment may each be referred to herein as a "**Permitted Assignment**". For the avoidance of doubt, Landlord shall not have the right to exercise an Assignment Termination with respect to any Permitted Assignment or a Qualified Assignment.

(c) **Additional Conditions.** As a condition to any such assignment or subletting, whether or not Landlord's consent is required, Landlord may require:

(i) that any assignee or subtenant agree, in writing at the time of such assignment or subletting, that if Landlord gives such party notice that Tenant is in default under this Lease, such party shall thereafter make all payments otherwise due Tenant directly to Landlord, which payments will be received by Landlord without any liability except to credit such payment against those due under the Lease, and any such third party shall agree to attorn to Landlord or its successors and assigns should this Lease be terminated for any reason; provided, however, in *no* event shall Landlord or its successors or assigns be obligated to accept such attornment; and

(ii) A list of Hazardous Materials, certified by the proposed assignee or sublessee to be true and correct, which the proposed assignee or sublessee intends to use, store, handle, treat, generate in or release or dispose of from the Premises, together with copies of all documents relating to such use, storage, handling, treatment, generation, release or disposal of Hazardous Materials by the proposed assignee or subtenant in the Premises or on the Project, prior to the proposed assignment or subletting, including, without limitation: permits; approvals; reports and correspondence; storage and management plans; plans relating to the installation of any

storage tanks to be installed in or under the Project (provided, said installation of tanks shall only be permitted after Landlord has given its written consent to do so, which consent may be withheld in Landlord's sole and absolute discretion); and all closure plans or any other documents required by any and all federal, state and local Governmental Authorities for any storage tanks installed in, on or under the Project for the closure of any such tanks. Neither Tenant nor any such proposed assignee or subtenant is required, however, to provide Landlord with any portion(s) of the such documents containing information of a proprietary nature which, in and of themselves, do not contain a reference to any Hazardous Materials or hazardous activities.

(d) **No Release of Tenant, Sharing of Excess Rents.** Notwithstanding any assignment or subletting, Tenant and any guarantor or surety of Tenant's obligations under this Lease shall at all times remain fully and primarily responsible and liable for the payment of Rent and for compliance with all of Tenant's other obligations under this Lease. If the Rent due and payable by a sublessee or assignee (or a combination of the rental payable under such sublease or assignment plus any bonus or other consideration therefor or incident thereto in any form) exceeds the sum of the rental payable under this Lease, (excluding however, any Rent payable under this Section) and actual and reasonable brokerage fees, legal costs, advertising expenses, free rent or other reasonable concessions and any design or construction fees and tenant improvement costs directly related to and required pursuant to the terms of any such sublease) ("**Excess Rent**"**),** then Tenant shall be bound and obligated to pay Landlord as Additional Rent hereunder 50% of such Excess Rent within 10 days following receipt thereof by Tenant. If Tenant shall sublet the Premises or any part thereof, Tenant hereby immediately and irrevocably assigns to Landlord, as security for Tenant's obligations under this Lease, all rent from any such subletting, and Landlord as assignee and as attorney-in-fact for Tenant, or a receiver for Tenant appointed on Landlord's application, may collect such rent and apply it toward Tenant's obligations under this Lease; except that, until the occurrence of a Default, Tenant shall have the right to collect such rent.

(e) **No Waiver.** The consent by Landlord to an assignment or subletting shall not relieve Tenant or any assignees of this Lease or any sublessees of the Premises from obtaining the consent of Landlord to any further assignment or subletting nor shall it release Tenant or any assignee or sublessee of Tenant from full and primary liability under the Lease. The acceptance of Rent hereunder, or the acceptance of performance of any other term, covenant, or condition thereof, from any other person or entity shall not be deemed to be a waiver of any of the provisions of this Lease or a consent to any subletting, assignment or other transfer of the Premises.

(f) **Prior Conduct of Proposed Transferee.** Notwithstanding any other provision of this Section 22, if (i) the proposed assignee or sublessee of Tenant has been required by any prior landlord, lender or Governmental Authority to take remedial action in connection with Hazardous Materials contaminating a property, where the contamination resulted from such party's action or use of the property in question, (ii) the proposed assignee or sublessee is subject to an enforcement order issued by any Governmental Authority in connection with the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials (including, without limitation, any order related to the failure to make a required reporting to any Governmental Authority), or (iii) because of the existence of a preexisting environmental condition in the vicinity of or underlying the Project, the risk that Landlord would be targeted as a responsible party in connection with the remediation of such pre-existing environmental condition would be materially increased or exacerbated by the proposed use of Hazardous Materials by such proposed assignee or sublessee, Landlord shall have the absolute right to refuse to consent to any assignment or subletting to any such party.

23. **Estoppel Certificate.** Tenant shall, within 10 business days of written notice from Landlord, execute, acknowledge and deliver a statement in writing in the form of **Exhibit H** or in any other form reasonably requested by a proposed lender or purchaser, (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect) and the dates to which the rental and other charges are paid in advance, if any, (ii) acknowledging, to the best of Tenant's knowledge, that there are not any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed, and (iii) setting forth such further information with respect to the status of this Lease or the Premises as may be reasonably requested thereon. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part. Tenant's failure to deliver such statement within such time shall, at the option of Landlord, be conclusive upon Tenant that the Lease is in full force and effect and without modification except as may be represented by Landlord in any certificate prepared by Landlord and delivered to Tenant for execution.

24. **Quiet Enjoyment.** So long as Tenant shall perform all of the covenants and agreements herein required to be performed by Tenant within any applicable notice and cure periods under this Lease, Tenant shall, subject to the terms of this Lease, at all times during the Term, have peaceful and quiet enjoyment of the Premises against any person claiming by, through or under Landlord.

25. **Prorations.** All prorations required or permitted to be made hereunder shall be made on the basis of a 360 day year and 30 day months.

26. **Rules and Regulations.** Tenant shall, at all times during the Term and any extension thereof, comply with all reasonable rules and regulations (notice of which has been delivered to Tenant) at any time or from time to time established by Landlord covering use of the Premises and the Project. The current rules and regulations are attached hereto as **Exhibit I.** If there is any conflict between said rules and regulations and other provisions of this Lease, the terms and provisions of this Lease shall control. Landlord shall not have any liability or obligation for the breach of any rules or regulations by other tenants in the Project and shall not enforce such rules and regulations in a discriminatory manner.

27. **Subordination**.

(a) **Subordination, Non-Disturbance and Attornment.** This Lease and Tenant's interest and rights hereunder are hereby made and shall be subject and subordinate at all times to the lien of any Mortgage now existing or hereafter created on or against the Project or the Premises, and all amendments, restatements, renewals, modifications, consolidations, refinancing, assignments and extensions thereof, without the necessity of any further instrument or act on the part of Tenant; provided, however, that so long as there is no Default hereunder, Tenant's right to possession of the Premises shall not be disturbed by the Holder of any such Mortgage. Tenant agrees, at the election of the Holder of any such Mortgage, to attorn to any such Holder. Landlord agrees to use commercially reasonable efforts to deliver to Tenant a subordination, non-

disturbance and attornment agreement either in the form of **Exhibit J** hereto or in any other form reasonably requested by a proposed lender or the Holder of a Mortgage on or against the Project or Premises ("**SNDA**")**.** Tenant agrees within 10 business days after demand to execute, acknowledge and deliver such SNDA and such other instruments confirming such subordination, and such instruments of attornment as shall be requested by any such Holder, provided any such instruments contain appropriate non-disturbance provisions assuring Tenant's quiet enjoyment of the Premises as set forth in Section 24 hereof. Notwithstanding the foregoing, any such Holder may at any time subordinate its Mortgage to this Lease, without Tenant's consent, by notice in writing to Tenant, and thereupon this Lease *shall* be deemed prior to such Mortgage without regard to their respective dates of execution, delivery or recording and in that event such Holder shall have the same rights with respect to this Lease as though this Lease had been executed prior to the execution, delivery and recording of such Mortgage and had been assigned to such Holder. The term "**Mortgage**" whenever used in this Lease shall be deemed to include deeds of trust, security assignments, ground leases or other superior leases and any other encumbrances, and any reference to the "**Holder**" of a Mortgage shall be deemed to include the beneficiary under a deed of trust.

(b) **Other Matters.** Notwithstanding anything to the contrary herein contained, subject to the provisions of this Section 27: (i) nothing in this Section 27 shall affect Tenant's rights under Section 18. Section 19 of this Lease, including any termination, abatement or offset rights under such Sections (whether accruing prior to or after any attornment to such mortgagee), and (ii) no holder shall be relieved of its obligations as party-Land lord arising under the Lease from or after the date ("**Succession Date"**) that such Holder first acquires title or possession to the Premises. Tenant agrees that this Lease shall survive the merger of estates of ground (or improvements) lessor and lessee. Until a Holder (either superior or subordinate to this Lease) forecloses Landlord's equity of redemption (or terminates or succeeds to a new lease in the case of a ground or improvements lease), no Holder shall be liable for failure to perform any of Landlord's obligations (and such Holder shall thereafter be liable only after it succeeds to and holds Landlord's interest and then only as limited herein). In the event Tenant alleges that Landlord is in default under any of Landlord's obligations under this Lease, Tenant agrees to give the Holder of any mortgage, by registered mail, a copy of any notice of default that is served upon the Landlord, provided that prior to such notice, Tenant has been notified, in writing of the address of any such holder.

(c) **Rent Assignment.** If, at any time and from time to time, Landlord assigns this Lease or the Rent payable hereunder to the Holder of any mortgage on the Premises or the Project, or to any other party for the purpose of securing financing (the holder of any such mortgage and any other such financing party are referred to herein as the "**Financing Party**")**,** whether such assignment is conditional in nature or otherwise, the following provisions shall apply:

(i) Except as set forth in clause (ii) below, such assignment to the Financing Party shall not be deemed an assumption by the Financing Party of any obligations of Landlord hereunder unless such Financing Party shall, by written notice to Tenant, specifically otherwise elect;

(ii) The Financing Party shall be treated as having assumed Landlord's obligations hereunder (subject to this Section 27) only upon foreclosure of its mortgage (or voluntary conveyance by deed in lieu thereof) or the taking of possession of the Premises from and after foreclosure; and

(iii) The Financing Party shall be responsible for only such breaches under the Lease by Landlord that occur during the period of ownership by the Financing Party after such foreclosure (or voluntary conveyance by deed in lieu thereof) and taking of possession, as aforesaid.

Tenant hereby agrees to enter into such reasonable agreements or instruments as may, from time to time, be requested by Landlord in confirmation of the foregoing, subject to the requirements of this Section 27.

(d) **Other Instruments.** The provisions of this Article shall be self-operative; nevertheless, Tenant agrees to execute, acknowledge and deliver within ten (10) days after any Holder's written request therefor any Holder's customary commercially reasonable forms of subordination, non-disturbance and attornment agreements or priority agreements or other instruments conforming to the provisions of this Lease. Without limitation, where Tenant in this Lease indemnifies or otherwise covenants for the benefit of mortgagees, such agreements are for the benefit of mortgagees as third party beneficiaries; and at the request of Landlord, Tenant from time to time will confirm such matters directly with such Holder.

28. **Surrender.** Upon the expiration of the Term or earlier termination of Tenant's right of possession, Tenant shall surrender the Premises to Landlord in the same condition as received, subject to any Alterations or Installations permitted by Landlord to remain in the Premises, free of Hazardous Materials brought upon, kept, used, stored, handled, treated, generated in, or released or disposed of from, the Premises by any person other than Landlord or its officers, directors, employees, managers, agents and contractors (collectively, "**Tenant HazMat Operations**") and released of all Hazardous Materials Clearances, broom clean, ordinary wear and tear and casualty loss and condemnation covered by Sections 18 and 19 excepted. At least 3 months prior to the surrender of the Premises, Tenant shall deliver to Landlord a narrative description of the actions proposed (or required by any Governmental Authority) to be taken by Tenant in order to surrender the Premises (including any Installations permitted by Landlord to remain in the Premises) at the expiration or earlier termination of the Term, free from any residual impact from the Tenant HazMat Operations *and* otherwise released *for* unrestricted use and occupancy (the "**Surrender Plan**")**.** Such Surrender Plan shall be accompanied by a current listing of (i) all Hazardous Materials licenses and permits held by or on behalf of any Tenant Party with respect to the Premises, and (ii) all Hazardous Materials used, stored, handled, treated, generated, released or disposed of from the Premises, and shall be subject to the review and approval of Landlord's environmental consultant. Landlord shall use reasonable efforts to cause Landlord's environmental consultant to provide Tenant with comments to or approval of, as the case may be, the Surrender Plan within a reasonable time after Tenant delivers the Surrender Plan to Landlord. In connection with the review and approval of the Surrender Plan, upon the request of Landlord, Tenant shall deliver to Landlord or its consultant such additional non-proprietary information concerning Tenant HazMat Operations as Landlord shall request. On or before such surrender, Tenant shall deliver to Landlord evidence that the approved Surrender Plan shall have been satisfactorily completed and Landlord shall have the right, subject to reimbursement at Tenant's expense as set forth below, to cause Landlord's environmental consultant to inspect the Premises and perform

such additional procedures as may be deemed reasonably necessary to confirm that the Premises are, as of the effective date of such surrender or early termination of the Lease, free from any residual impact from Tenant HazMat Operations. Tenant shall reimburse Landlord, as Additional Rent, for the actual out-of-pocket expense incurred by Landlord for Landlord's environmental consultant to review and approve the Surrender Plan and to visit the Premises and verify satisfactory completion of the same, which cost shall not exceed $5,000. Landlord shall have the unrestricted right to deliver such Surrender Plan and any report by Landlord's environmental consultant with respect to the surrender of the Premises to third parties; provided, however, that Landlord instructs such parties to treat the same as confidential. Tenant may redact Tenant's proprietary and confidential information pertaining to Tenant's HazMat Operations *from the* Surrender Plan.

If Tenant shall fail to prepare or submit a Surrender Plan approved by Landlord, or if Tenant shall fail to complete the approved Surrender Plan, or if such Surrender Plan, whether or not approved by Landlord, shall fail to adequately address any residual effect of Tenant HazMat Operations in, on or about the Premises, Landlord shall have the right to take such actions as Landlord may deem reasonable or appropriate to assure that the Premises and the Project are surrendered free from any residual impact from Tenant HazMat Operations, the actual cost of which actions shall be reimbursed by Tenant as Additional Rent, without regard to the limitation set forth in the first paragraph of this Section 28.

Upon the expiration or earlier termination of the Term, Tenant shall immediately return to Landlord all keys and/or access cards to parking, the Project, restrooms or all or any portion of the Premises furnished to or otherwise procured by Tenant. *If any* such access card *or key is* lost, Tenant shall pay to Landlord, at Landlord's election, either the cost of replacing such lost access card or key or the cost of reprogramming the access security system in which such access card was used or changing the lock or locks opened by such lost key. Tenant shall remove its office furniture and its other personal property on or before the last day of the Term. Any of Tenant's personal property, Tenant's Property listed on **Exhibit G,** Alterations and other property of Tenant not so removed by Tenant as permitted *or* required herein shall be deemed abandoned and may be stored, removed, and disposed of by Landlord at Tenant's expense, and Tenant waives all claims against Landlord for any damages resulting from Landlord's retention and/or disposition of such property. All obligations of Tenant hereunder not fully performed as of the termination of the Term, including the obligations of Tenant under Section 30 hereof, shall survive the expiration or earlier termination of the Term, including, without limitation, indemnity obligations, payment obligations with respect to Rent and obligations concerning the condition and repair of the Premises.

29. **Waiver of Jury Trial.** TENANT AND LANDLORD WAIVE ANY RIGHT TO TRIAL BY JURY OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, BETWEEN LANDLORD AND TENANT ARISING OUT OF THIS LEASE OR ANY OTHER INSTRUMENT, DOCUMENT, OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED HERETO.

30. **Environmental Requirements**.

(a) **Prohibition/Compliance/Indemnity.** Tenant shall not cause or permit any Hazardous Materials (as hereinafter defined) to be brought upon, kept, used, stored, handled, treated, generated in or about, or released or disposed of from, the Premises or the Project in violation of applicable Environmental Requirements (as hereinafter defined) by Tenant or any Tenant Party. If Tenant breaches the obligation stated in the preceding sentence, or if the presence of Hazardous Materials in the Premises during the Term or any holding over results in contamination of the Premises, the Project or any adjacent property or if contamination of the Premises, the Project or any adjacent property by Hazardous Materials brought into, kept, used, stored, handled, treated, generated in or about, or released or disposed of from, the Premises by anyone other than Landlord and Landlord's employees, agents and contractors otherwise occurs during the Term or any holding over, Tenant hereby indemnifies and shall defend and hold Landlord, its officers, directors, employees, agents and contractors harmless from any and all actions (including, without limitation, remedial or enforcement actions of any kind, administrative or judicial proceedings, and orders or judgments arising out of or resulting therefrom), costs, claims, damages (including, without limitation, punitive damages and damages based upon diminution in value of the Premises or the Project, or the loss of, or restriction on, use of the Premises or any portion of the Project), expenses (including, without limitation, attorneys', consultants' and experts' fees, court costs and amounts paid in settlement of any claims or actions), fines, forfeitures or other civil, administrative or criminal penalties, injunctive or other relief (whether or not based upon personal injury, property damage, or contamination of, or adverse effects upon, the environment, water tables or natural resources), liabilities or losses (collectively, "**Environmental Claims**") which arise during or after the Term as a result of such breach of Tenant's obligation stated in the preceding sentence or as a result of such contamination. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, treatment, remedial, removal, or restoration work required by any federal, state or local Governmental Authority because of Hazardous Materials present in the air, soil or ground water above, on, or under the Premises. Without limiting the foregoing, if the presence of any Hazardous Materials on the Premises, *the* Building, the Project or any adjacent property caused or permitted by Tenant or any Tenant Party results in any contamination of the Premises, the Building, the Project or any adjacent property, Tenant shall promptly take all actions at its sole expense and in accordance with applicable Environmental Requirements as are necessary to return the Premises, the Building, the Project or any adjacent property to the condition existing prior to the time of such contamination, provided that Landlord's approval of such action shall first be obtained, which approval shall not unreasonably be withheld so long as such actions would not potentially have any material adverse long-term or short-term effect *on the* Premises, the Building or the Project. Notwithstanding anything to the contrary contained in Section 28 or this Section 30. Tenant shall not be responsible for, and the indemnification and hold harmless obligations set forth in this paragraph shall not apply to (i) contamination in the Premises which Tenant can prove to Landlord's reasonable satisfaction existed in the Premises prior to the Commencement Date, (ii) the presence of any Hazardous Materials in the Premises which Tenant can prove to Landlord's reasonable satisfaction migrated from outside the Premises into the Premises, or (iii) contamination caused by Landlord or any Landlord's employees, agents and contractors, unless in any case, the presence of such Hazardous Materials (x) is the result of a breach by Tenant of any of its obligations under this Lease, or (y) was caused, contributed to or exacerbated by Tenant or any Tenant Party.

(b) **Business.** Landlord acknowledges that it is not the intent of this Section 30 to prohibit Tenant from using the Premises for the Permitted Use. Tenant *may operate its* business according to prudent industry practices so long as the use or presence of Hazardous Materials is strictly and properly monitored according to all then applicable Environmental Requirements. As a material inducement to Landlord to allow Tenant to use Hazardous Materials in connection with its business, Tenant agrees to deliver to Landlord prior to the Commencement Date a list identifying each type of Hazardous Materials to be brought upon, kept, used, stored, handled, treated, generated on, or released or disposed of from, the Premises and setting forth any and all governmental approvals or permits required in connection with the presence, use, storage, handling, treatment, generation, release or disposal of such Hazardous Materials on or from the Premises ("**Hazardous Materials List**")**.** Tenant shall deliver to Landlord an updated Hazardous Materials List at least once a year and shall also deliver an updated list before any new Hazardous Material is brought onto, kept, used, stored, handled, treated, generated on, or released or disposed of from, the Premises. Notwithstanding the foregoing, the Hazardous Materials List shall not be required to include Hazardous Materials contained in products customarily used by tenants in de minimis quantities for ordinary cleaning and office purposes. Tenant shall deliver to Landlord true and correct copies of the following documents (the "**Haz Mat Documents**") relating to the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials prior to the Commencement Date, or if unavailable at that time, concurrent with the receipt from or submission to a Governmental Authority: permits; approvals; reports and correspondence; storage and management plans, notice of violations of any Legal Requirements; plans relating to the installation of any storage tanks to be installed in or under the Project (provided, said installation of tanks shall only be permitted after Landlord has given Tenant its written consent to do so, which consent may be withheld in Landlord's sole and absolute discretion); all closure plans or any other documents required by any and all federal, state and local Governmental Authorities for any storage tanks installed in, on or under the Project for the closure of any such tanks; and a Surrender Plan (to the extent surrender in accordance with Section 28 cannot be accomplished in 3 months). Tenant is not required, however, to provide Landlord with any portion(s) of the Haz Mat Documents containing information of a proprietary nature which, in and of themselves, do not contain a reference to any Hazardous Materials or hazardous activities. It is not the intent of this Section to provide Landlord with information which could be detrimental to Tenant's business should such information become possessed by Tenant's competitors.

(c) **Tenant Representation and Warranty.** Tenant hereby represents and warrants to Landlord that (i) neither Tenant nor any of its legal predecessors has been required by any prior landlord, lender or Governmental Authority at any time to take remedial action in connection with Hazardous Materials contaminating a property which contamination was permitted by Tenant of such predecessor or resulted from Tenant's or such predecessor's action or use of the property in question, and (ii) Tenant is not subject to any enforcement order issued by any Governmental Authority in connection with the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials (including, without limitation, any order related to the failure to make a required reporting to any Governmental Authority). If Landlord determines that this representation and warranty was not true as of the date of this lease, Landlord shall have the right to terminate this Lease in Landlord's sole and absolute discretion.

(d) **Testing.** Landlord shall have the right to conduct annual tests of the Premises to determine whether any contamination of the Premises or the Project has occurred as a result of

Tenant's use. Tenant shall be required to pay the cost of such annual test of the Premises; provided, however, that if Tenant conducts its own tests of the Premises using third party contractors and test procedures acceptable to Landlord which tests are certified to Landlord, Landlord shall accept such tests in lieu of the annual tests to be paid for by Tenant. In addition, at any time, and from time to time, prior to the expiration or earlier termination of the Term, Landlord shall have the right to conduct appropriate tests of the Premises and the Project to determine if contamination has occurred as a result of Tenant's use of the Premises. In connection with such testing, upon the request of Landlord, Tenant shall deliver to Landlord or its consultant such non-proprietary information concerning the use of Hazardous Materials in or *about the* Premises by Tenant *or any* Tenant Party. If contamination has occurred for which Tenant is liable under this Section 30. Tenant shall pay all costs to conduct such tests. If no such contamination is found, Landlord shall pay the costs of such tests (which shall not constitute an Operating Expense). Landlord shall provide Tenant with a copy of all third party, non-confidential reports and tests of the Premises made by or on behalf of Landlord during the Term without representation or warranty and subject to a confidentiality agreement. Tenant shall, at its sole cost and expense, promptly and satisfactorily remediate any environmental conditions identified by such testing for which Tenant is responsible under this Section 30 in accordance with all Environmental Requirements. Landlord's receipt of or satisfaction with any environmental assessment in no way waives any rights which Landlord may have against Tenant.

(e) **Storage Tanks.** If underground or other storage tanks storing Hazardous Materials located on the Premises or the Project are used by Tenant or are hereafter placed on the Premises or the Project by Tenant, Tenant shall install, use, monitor, operate, maintain, upgrade and manage such storage tanks, maintain appropriate records, obtain and maintain appropriate insurance, implement reporting procedures, properly close any underground storage tanks, and take or cause to be taken all other actions necessary or required under applicable state and federal Legal Requirements, as such now exists or may hereafter be adopted or amended in connection with the installation, use, maintenance, management, operation, upgrading and closure of such storage tanks.

(f) **Tenant's Obligations.** Tenant's obligations under this Section 30 shall survive the expiration or earlier termination of the Lease. During any period of time after the expiration or earlier termination of this Lease required by Tenant or Landlord to complete the removal from the Premises of any Hazardous Materials (including, without limitation, the release and termination of any licenses or permits restricting the use of the Premises and the completion of the approved Surrender Plan), Tenant shall continue to pay the full Rent in accordance with this Lease for any portion of the Premises not relet by Landlord in Landlord's sole discretion, which Rent shall be prorated daily.

(g) **Definitions.** As used herein, the term "**Environmental Requirements**" means all applicable present and future statutes, regulations, ordinances, rules, codes, judgments, orders or other similar enactments of any Governmental Authority regulating or relating to health, safety, or environmental conditions on, under, or about the Premises or the Project, or the environment, including without limitation, the following: the Comprehensive Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act; and all state and local counterparts thereto, and any regulations or policies promulgated or issued thereunder. As used herein, the term "**Hazardous Materials**" means and includes any substance, material, waste,

pollutant, or contaminant listed or defined as hazardous or toxic, or regulated by reason of its impact or potential impact on humans, animals and/or the environment under any Environmental Requirements, asbestos and petroleum, including crude oil *or any fraction* thereof, *natural gas* liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas). As defined in Environmental Requirements, Tenant is and shall be deemed to be the "**operator**" of Tenant's "**facility**" and the "**owner**" of all Hazardous Materials brought on the Premises by Tenant or any Tenant Party, and the wastes, by-products, or residues generated, resulting, or produced therefrom.

31. **Tenant's Remedies/Limitation of Liability.** Landlord shall not be in default hereunder unless Landlord fails to perform any of its obligations hereunder within 30 days after written notice from Tenant specifying such failure (unless such performance will, due to the nature of the obligation, require a period of time in excess of 30 days, then after such period of time as is reasonably necessary). Upon any default by Landlord, Tenant shall give notice by registered or certified mail to any Holder of a Mortgage covering the Premises and to any landlord of any lease of property in or on which the Premises are located and Tenant shall offer such Holder and/or landlord a reasonable opportunity to cure the default, including time to obtain possession of the Project by power of sale or a judicial action if such should prove necessary to effect a cure; provided Landlord shall have furnished to Tenant in writing the names and addresses of all such persons who are to receive such notices. All obligations of Landlord hereunder shall be construed as covenants, not conditions; and, except as may be otherwise expressly provided in this Lease, Tenant may not terminate this Lease for breach of Landlord's obligations hereunder.

All obligations of Landlord under this Lease will be binding upon Landlord only during the period of its ownership of the Premises and not thereafter. The term "**Landlord**" in this Lease shall mean only the owner for the time being of the Premises. Upon the transfer by such owner of its interest in the Premises, such owner shall thereupon be released and discharged from all obligations of Landlord thereafter accruing, but such obligations shall be binding during the Term upon each new owner for the duration of such owner's ownership.

32. **Inspection and Access.** Landlord and its agents, representatives, and contractors may enter the Premises at any reasonable time to inspect the Premises and to make such repairs as may be required or permitted pursuant to this Lease and for any other business purpose. Landlord and Landlord's representatives may enter the Premises during business hours on not less than 48 hours advance written notice (except in the case of emergencies in which case no such notice shall be required and such entry may be at any time) for the purpose of effecting any such repairs, inspecting the Premises, showing the Premises to prospective purchasers and, during the last year of the Term, to prospective tenants or for any other business purpose. Landlord may erect a suitable sign on the Premises stating that the Project is available for sale, or in the last 12 months of the Term, that the Premises are available to let. Landlord shall use reasonable efforts to minimize interference with Tenant's business operations at the Premises in connection with its entry into the Premises under this Section 32. Landlord may grant and amend easements, make public dedications, designate Common Areas and create and amend restrictions on or about the Premises, provided that no such easement, dedication, designation or restriction materially, adversely affects Tenant's use or occupancy of the Premises for the Permitted Use or Tenant's access to the Premises. At Landlord's request, Tenant shall execute such instruments as may be necessary for such easements, dedications or restrictions. Tenant shall at all times, except in the case of

emergencies, have the right to escort Landlord or its agents, representatives, contractors or guests while the same are in the Premises, provided such escort does not materially and adversely affect Landlord's access rights hereunder. Landlord shall use reasonable efforts to comply with Tenant's reasonable security, confidentiality and safety requirements with respect to entering restricted portions of the Premises; provided, however, that Tenant has notified Landlord of such security, confidentiality and safety requirements reasonably prior to Landlord's entry into the Premises and provided further that in no event shall Tenant bar or prohibit access by Landlord and its employees, agents and contractors for the performance of the obligations of Landlord or the exercise of the rights of Landlord under this Lease.

33. **Security.** Tenant acknowledges and agrees that security devices and services, if any, while intended to deter crime may not in given instances prevent theft or other criminal acts and that Landlord is not providing any security services with respect to the Premises. Tenant agrees that Landlord shall not be liable to Tenant for, and Tenant waives any claim against Landlord with respect to, any loss by theft or any other damage suffered or incurred by Tenant in connection with any unauthorized entry into the Premises or any other breach of security with respect to the Premises. Tenant shall be solely responsible for the personal safety of Tenant's officers, employees, agents, contractors, guests and invitees while any such person is in, on or about the Premises, Building, Project and/or the 50-60 Garage. Tenant shall at Tenant's cost obtain insurance coverage to the extent Tenant desires protection against such criminal acts.

34. **Force Majeure.** Neither party shall be responsible or liable for delays in the performance of its obligations hereunder when caused by, related to, or arising out of acts of God, strikes, lockouts, or other labor disputes, embargoes, quarantines, weather, national, regional, or local disasters, calamities, or catastrophes, inability to obtain labor or materials (or reasonable substitutes therefor) at reasonable costs or failure of, or inability to obtain, utilities necessary for performance, governmental restrictions, orders, limitations, regulations, or controls, national emergencies, delay in issuance or revocation of permits, enemy or hostile governmental action, terrorism, insurrection, riots, civil disturbance or commotion, fire or other casualty, and other causes or events beyond the reasonable control of Landlord ("**Force Majeure**")**.** Notwithstanding anything to the contrary contained in this Lease, in no event shall any payment obligations of Tenant be delayed, abated, excused or reduced by Force Majeure.

35. **Brokers.** Landlord and Tenant each represents and warrants that it has not dealt with any broker, agent or other person (collectively, "**Broker**") in connection with this transaction and that no Broker brought about this transaction other than Newmark Grubb Knight Frank and CBRE/New England. Landlord and Tenant each hereby agree to indemnify and hold the other harmless from and against any claims by any Broker, other than the broker, if any named in this Section 35, claiming a commission or other form of compensation by virtue of having dealt with Tenant or Landlord, as applicable, with regard to this leasing transaction. Pursuant to a separate agreement between Landlord and CBRE/New England, Landlord shall pay the commission of CBRE/New England in connection with the execution of this Lease by Landlord and Tenant if, as and when such commission is due and payable to CBRE/New England.

36. **Limitation on Landlord's Liability.** NOTWITHSTANDING ANYTHING SET FORTH HEREIN OR IN ANY OTHER AGREEMENT BETWEEN LANDLORD AND TENANT TO THE CONTRARY: (A) LANDLORD SHALL NOT BE LIABLE TO TENANT

OR ANY OTHER PERSON FOR (AND TENANT AND EACH SUCH OTHER PERSON ASSUME ALL RISK OF) LOSS, DAMAGE OR INJURY, WHETHER ACTUAL OR CONSEQUENTIAL TO: TENANT'S PERSONAL PROPERTY OF EVERY KIND AND DESCRIPTION, INCLUDING, WITHOUT LIMITATION TRADE FIXTURES, EQUIPMENT, INVENTORY, SCIENTIFIC RESEARCH, SCIENTIFIC EXPERIMENTS, LABORATORY ANIMALS, PRODUCT, SPECIMENS, SAMPLES, AND/OR SCIENTIFIC, BUSINESS, ACCOUNTING AND OTHER RECORDS OF EVERY KIND AND DESCRIPTION KEPT AT THE PREMISES AND ANY AND ALL INCOME DERIVED OR DERIVABLE THEREFROM; (B) THERE SHALL BE NO PERSONAL RECOURSE TO LANDLORD FOR ANY ACT OR OCCURRENCE IN, ON OR ABOUT THE PREMISES OR ARISING IN ANY WAY UNDER THIS LEASE OR ANY OTHER AGREEMENT BETWEEN LANDLORD AND TENANT WITH RESPECT TO THE SUBJECT MATTER HEREOF AND ANY LIABILITY OF LANDLORD HEREUNDER SHALL BE STRICTLY LIMITED SOLELY TO LANDLORD'S INTEREST IN THE PROJECT OR ANY PROCEEDS FROM SALE OR CONDEMNATION THEREOF AND ANY INSURANCE PROCEEDS PAYABLE IN RESPECT OF LANDLORD'S INTEREST IN THE PROJECT OR IN CONNECTION WITH ANY SUCH LOSS; AND (C) IN NO EVENT SHALL ANY PERSONAL LIABILITY BE ASSERTED AGAINST ANY OF LANDLORD'S OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR CONTRACTORS. UNDER NO CIRCUMSTANCES SHALL LANDLORD OR ANY OF LANDLORD'S OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR CONTRACTORS BE LIABLE FOR INJURY TO TENANT'S BUSINESS OR FOR ANY LOSS OF INCOME OR PROFIT THEREFROM.

37. **Severability.** If any *clause* or provision of this Lease is illegal, invalid or unenforceable under present or future laws, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby. It is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added, as a part of this Lease, a clause or provision as similar in effect to such illegal, invalid or unenforceable clause or provision as shall be legal, valid and enforceable.

38. **Signs; Exterior Appearance.** Tenant shall not, without the prior written consent of Landlord, which may be granted or withheld in Landlord's sole discretion: (i) attach any awnings, exterior lights, decorations, balloons, flags, pennants, banners, painting or other projection to any outside wall of the Premises, Building or Project, (ii) use any curtains, blinds, shades or screens other than Landlord's standard window coverings, (iii) coat or otherwise sunscreen the interior or exterior of any windows, (iv) place any bottles, parcels, or other articles on the window sills, (v) place any equipment, furniture or other items of personal property on any exterior balcony, or (vi) paint, affix or exhibit on any part of the Premises, Building or Project any signs, notices, window or door lettering, placards, decorations, or advertising media of any type which can be viewed from the exterior of the Premises. Interior signs on doors and the directory tablet or other lobby signage for the purpose of identifying tenants of the Building shall be inscribed, painted or affixed for Tenant by Landlord at the sole cost and expense of Tenant, and shall be of a size, color and type acceptable to Landlord. Nothing may be placed on the exterior of corridor walls or corridor doors other than Landlord's standard lettering. The directory tablet shall be provided exclusively for the display of the name and location of tenants.

39. **Right to Extend Term.** Tenant shall have the right to extend the Term of the Lease upon the following terms and conditions:

(a) **Extension Right.** Tenant shall have 1 right (the "**Extension Right**") to extend the term of this Lease for 3 years (the "**Extension Term**") on the same terms and conditions as this Lease (other than Base Rent) by giving Landlord written notice of its election to exercise each Extension Right at least 12 months, and no earlier than 18 months, prior to the expiration of the Base Term of the Lease.

Upon the commencement of any Extension Term, Base Rent shall be payable at the Market Rate (as defined below). Base Rent shall thereafter be adjusted on each annual anniversary of the commencement of such Extension Term by a percentage as determined by Landlord and agreed to by Tenant at the time the Market Rate is determined. As used herein, "**Market Rate**" shall mean the then market rental rate for space comparable to the Premises in a building comparable to the Building in the East Cambridge and Kendall Square market area of Cambridge, MA as determined by Landlord and agreed to by Tenant or determined by arbitration as provided below. In addition, Landlord may impose a market rent for the parking rights provided hereunder.

Within 30 days of the delivery to Landlord of Tenant's written notice of Tenant's election to exercise an Extension Right, Landlord shall deliver to Tenant Landlord's determination of the Market Rate and rent escalations for such Extension Term. If, on or before the date which is 270 days prior to the expiration of the Base Term of this Lease, Tenant has not agreed with Landlord's determination of the Market Rate and the rent escalations for such Extension Term, Tenant may by written notice to Landlord given not later than 240 days prior to the expiration of the Base Term of this Lease, elect arbitration as described in Section 39(b) below. If Tenant does not elect such arbitration, Tenant shall be deemed to have waived any right to extend, or further extend, the Term of the Lease and all of the remaining Extension Rights shall terminate.

(b) **Arbitration**.

(i) Within 10 days of Tenant's notice to Landlord of its election to arbitrate Market Rate and escalations, each party shall deliver to the other a proposal containing the Market Rate and escalations that the submitting party believes to be correct ("**Extension Proposal**")**.** If either party fails to timely submit an Extension Proposal, the other party's submitted proposal shall determine the Base Rent and escalations for the Extension Term. If both parties submit Extension Proposals, then Landlord and Tenant shall meet within 7 days after delivery of the last Extension Proposal and make a good faith attempt to mutually appoint a single Arbitrator (as defined below) to determine the Market Rate and escalations. If Landlord and Tenant are unable to agree upon a single Arbitrator, then each shall, by written notice delivered to the other within 10 days after the meeting, select an Arbitrator. If either party fails to timely give notice of its selection for an Arbitrator, the other party's submitted proposal shall determine the Base Rent for the Extension Term. The 2 Arbitrators so appointed shall, within 5 business days after their appointment, appoint a third Arbitrator. If the 2 Arbitrators so selected cannot agree on the selection of the third Arbitrator within the time above specified, then either party, on behalf of both parties, may request such appointment of such third Arbitrator by application to any state court of general jurisdiction in the jurisdiction in which the Premises are located, upon 10 days' prior written notice to the other party of such intent.

(ii) The decision of the Arbitrator(s) shall be made within 30 days after the appointment of a single Arbitrator or the third Arbitrator, as applicable. The decision of the single Arbitrator shall be final and binding upon the parties. The average of the two closest Arbitrators in a three Arbitrator panel shall be final and binding upon the parties. Each party shall pay the fees and expenses of the Arbitrator appointed by or on behalf of such party and the fees and expenses of the third Arbitrator shall be borne equally by both parties. If the Market Rate and escalations are not determined by the first day of the Extension Term, then Tenant shall pay Landlord Base Rent in an amount equal to the Base Rent in effect immediately prior to the Extension Term and increased by the Rent Adjustment Percentage until such determination is made. After the determination of the Market Rate and escalations, the parties shall make any necessary adjustments to such payments made by Tenant. Landlord and Tenant shall then execute an amendment recognizing the Market Rate and escalations for the Extension Term.

(iii) An "**Arbitrator**" shall be any person appointed by or on behalf of either party or appointed pursuant to the provisions hereof and: (i) shall be (A) a member of the American Institute of Real Estate Appraisers with not less than 10 years of experience in the appraisal of improved office, high tech and life sciences real estate in the Cambridge, Massachusetts market area, or (B) a licensed commercial real estate broker with not less than 15 years' experience representing landlords and/or tenants in the leasing of high tech or life sciences space in the Cambridge, Massachusetts market area, (ii) devoting substantially all of their time to professional appraisal or brokerage work, as applicable, at the time of appointment and (iii) be in all respects impartial and disinterested.

(c) **Rights Personal.** The Extension Right is personal to Tenant and is not assignable without Landlord's consent, which may be granted or withheld in Landlord's sole discretion separate and apart from any consent by Landlord to an assignment of Tenant's interest in the Lease, except that the Extension Right may be assigned in connection with any Permitted Assignment of this Lease (but may not be assigned in connection with any Qualified Assignment).

(d) **Exceptions.** Notwithstanding anything set forth above to the contrary, the Extension Right shall not be in effect and Tenant may not exercise the Extension Right:

(i) during *any* period of time that Tenant is in Default under any provision of this Lease; or

(ii) if Tenant has been in Default under any provision of this Lease 3 or more times, whether or not the Defaults are cured, during the 12-month period immediately prior to the date that Tenant intends to exercise an Extension Right, whether or not the Defaults are cured; or

(iii) if the party named as Tenant in the Basic Lease Provisions as of the date of this Lease or an assignee pursuant to a Permitted Assignment other than a Qualified Assignment is not in occupancy of the entire Premises demised hereunder both at the time of the exercise of any such Extension Right and at the time of the commencement of any such Extension Term.

(e) **No Extensions.** The period of time within which the Extension Right may be exercised shall not be extended or enlarged by reason of Tenant's inability to exercise the Extension Right.

(f) **Termination.** The Extension Right shall terminate and be of no further force or effect even after Tenant's due and timely exercise of an Extension Right, if, after such exercise, but prior to the commencement date of an Extension Term, (i) Tenant fails to timely cure any default by Tenant under this Lease; or (ii) Tenant has Defaulted 3 or more times during the period from the date of the exercise of an Extension Right to the date of the *commencement of the* Extension Term, whether or not such Defaults are cured.

40. **Miscellaneous**.

(a) **Notices.** All notices or other communications between the parties shall be in writing and shall be deemed duly given upon delivery or refusal to accept delivery by the addressee thereof if delivered in person, or upon actual receipt if delivered by reputable overnight guaranty courier, addressed and sent to the parties at their addresses set forth above. Landlord and Tenant may from time to time by written notice to the other designate another address for receipt of future notices.

(b) **Joint and Several Liability.** If and when included within the term "**Tenant,**" as used in this instrument, there is more than one person or entity, each shall be jointly and severally liable for the obligations of Tenant.

(c) **Financial Information.** Tenant shall furnish Landlord with true and complete copies of (i) Tenant's most recent unaudited (or if available, audited) annual financial statements within 180 days of the end of each of Tenant's fiscal years during the Term, (ii) Tenant's most recent unaudited quarterly financial statements within 45 days of the end of each of Tenant's first three fiscal quarters of each of Tenant's fiscal years during the Term, (iii) at Landlord's request from time to time, updated business plans, including cash flow projections and/or pro forma balance sheets and income statements, all of which shall be treated by Landlord as confidential information belonging to Tenant, (iv) corporate brochures and/or profiles prepared by Tenant for prospective investors, and (v) any other financial information or summaries that Tenant typically provides to its lenders or shareholders. If the stock of Tenant is publicly traded on a recognized national exchange, then Tenant's filing of quarterly and annual financial statements with the SEC shall be deemed to satisfy Tenant's obligations to deliver financial statements under this Section.

(d) **Recordation.** Neither this Lease nor a memorandum of lease shall be filed by or on behalf of Tenant in any public record. Landlord may prepare and file, and upon request by Landlord Tenant will execute, a memorandum of lease. Nothing contained in this Lease is intended to prohibit Tenant from filing this Lease with the Securities and Exchange Commission ("**SEC**") to the extent that Tenant is required *to do so* pursuant to applicable SEC requirements. Prior to any such filing of this Lease, Tenant shall redact the Base Rent and other economic terms to the extent permitted by applicable SEC regulations.

(e) **Interpretation.** The normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Lease or any exhibits or amendments hereto. Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires. The captions inserted in this Lease are for convenience only and in no way define, limit or otherwise describe the scope or intent of this Lease, or any provision hereof, or in any way affect the interpretation of this Lease.

(f) **Not Binding Until Executed.** The submission by Landlord to Tenant of this Lease shall have no binding force or effect, shall not constitute an option for the leasing of the Premises, nor confer any right or impose any obligations upon either party until execution of this Lease by both parties.

(g) **Entire Agreement; Amendment.** This Lease constitutes the entire agreement between Landlord and Tenant pertaining to the lease of the Premises and supersedes all other agreements, whether oral or written, pertaining to the lease of the Premises, and no other agreements with respect thereto shall be effective. Any amendments or modifications of this Lease shall be in writing and signed by both Landlord and Tenant, and any other attempted amendment or modification of this Lease shall be void.

(h) **Limitations on Interest.** It is expressly the intent of Landlord and Tenant at all times to comply with applicable law governing the maximum rate or amount of any interest payable on or in connection with this Lease. If applicable law is ever judicially interpreted so as to render usurious any interest called for under this Lease, or contracted for, charged, taken, reserved, or received with respect to this Lease, then it is Landlord's and Tenant's express intent that all excess amounts theretofore collected by Landlord be credited on the applicable obligation (or, if the obligation has been or would thereby be paid in full, refunded to Tenant), and the provisions of this Lease immediately shall be deemed reformed and the amounts thereafter collectible hereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder.

(i) **Choice of Law.** Construction and interpretation of this Lease shall be governed by the internal laws of the state in which the Premises are located, excluding any principles of conflicts of laws.

(j) **Time.** Time is of the essence as to the performance of Tenant's obligations under this Lease.

(k) **OFAC.** Tenant, and all beneficial owners of Tenant, are currently (a) in compliance with and shall at *all* times during the Term of this Lease remain in compliance with the regulations of the Office of Foreign Assets Control ("**OFAC**") of the U.S. Department of Treasury and any statute, executive order, or regulation relating thereto (collectively, the "**OFAC Rules**")**,** (b) not listed on, and shall not during the Term of this Lease be listed on, the Specially Designated Nationals and Blocked Persons List, Foreign Sanctions Evaders List or the Sectoral Sanctions Identifications List, which are all maintained by OFAC and/or on any other similar list maintained by OFAC or other governmental authority pursuant to any authorizing statute, executive order, or regulation, and (c) not a person or entity with whom a U.S. person is prohibited from conducting business under the OFAC Rules.

(l) **Incorporation by Reference.** All exhibits and addenda attached hereto are hereby incorporated into this Lease and made a part hereof. If there is any conflict between such exhibits or addenda and the terms of this Lease, such exhibits or addenda shall control.

(m) **No Accord and Satisfaction.** No payment by Tenant or receipt by Landlord of a lesser amount than the monthly installment of Base Rent or any Additional Rent will be other than on account of the earliest stipulated Base Rent and Additional Rent, nor will any endorsement or statement on any check or letter accompanying a check for payment of any Base Rent or Additional Rent be an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or to pursue any other remedy provided in this Lease.

(n) **Hazardous Activities.** Notwithstanding any other provision of this Lease, Landlord, for itself and its employees, agents and contractors, reserves the right to refuse to perform any repairs or services in any portion of the Premises which, pursuant to Tenant's routine safety guidelines, practices or custom or prudent industry practices, require any form of protective clothing or equipment other than safety glasses. In any such case, Tenant shall contract with parties who are acceptable to Landlord, in Landlord's reasonable discretion, for all such repairs and services, and Landlord shall, to the extent required, equitably adjust Tenant's Share of Operating Expenses in respect of such repairs or services to reflect that Landlord is not providing such repairs or services to Tenant.

(o) "**Green**" **Certification.** Tenant acknowledges that Landlord may, but shall not be obligated to, seek to obtain Leadership in Energy and Environmental Design (LEED), WELL Building Standard, or other similar "green" certification with respect to the Project and/or the Premises, and Tenant agrees to reasonably cooperate with Landlord, and to provide such information and/or documentation in Tenant's possession or control as Landlord may reasonably request, in connection therewith.

[Signatures on next page]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

TENANT:

FOGHORN THERAPEUTICS INC.,
a Delaware corporation

By: /s/ Adrian Gottschalk

Its: President & CEO

LANDLORD:

ARE-MA REGION NO. 45, LLC,
a Delaware limited liability company

By: ALEXANDRIA REAL ESTATE EQUITIES, L.P., a Delaware limited partnership, Managing Member

By: ARE-QRS CORP.,
a Maryland corporation
General Partner

By: /s/ Jackie Clem

Its: Senior Vice President RE Legal Affairs

EXHIBIT A TO LEASE

DRAWING SHOWING PREMISES

(attached)

EXHIBIT B TO LEASE

DESCRIPTION OF PROJECT

That certain parcel of land located in Cambridge, Middlesex County, Massachusetts, shown as Lot 1 on that certain plan entitled "Consolidation and Subdivision Plan, 80-100 Binney Street; 41 William "Doc" Linskey Way; 77 William "Doc" Linskey Way; Cambridge, Mass.", dated February 10, 2011, prepared by Harry R. Feldman, Inc., recorded with Middlesex South Registry of Deeds as Plan No. 168 of 2011, said lot containing 54,423 square feet according to said plan.

Said premises are subject to and have the benefit of the following:

1. Notice of Decision by the Cambridge Planning Board, recorded with said Deeds in Book 54930, Page 202, as amended by Notice of Decision by the Cambridge Planning Board, recorded with said Deeds in Book 65330, Page 382.
2. Declaration of Covenants and Restrictions dated as of August 23, 2013, recorded with said Deeds in Book 62514, Page 201, as amended by First Amendment *to* Declaration of Covenants and Restrictions dated as of April 21, 2015, recorded with said Deeds in Book 65330, Page 381.
3. Decision by the Cambridge Board of Zoning Appeals dated July 24, 2006, filed with the Middlesex South Registry District of the Land Court as Document No. 1422643.
4. Garage Parking Easement Agreement between ARE-MA Region No. 50, LLC, as Grantor, and Landlord, as Grantee, dated as of May 28, 2015, recorded with said Deeds in Book 65584, Page 404.

EXHIBIT B-1 TO LEASE

DESCRIPTION OF CAMPUS

(attached)

EXHIBIT C TO LEASE

WORK LETTER
[Landlord Build]

Schedule 1(c)(iii)

List of Shell Core and Site Construction Documents

(attached)

Schedule 1(c)(iii)
Shell, Core and Site Construction Documents List

[Table]

Schedule 2(c)-1

Landlord/Tenant Responsibility Matrix

(attached)

[Table]

Schedule 2(c)-2

Landlord/Tenant Utility Allocation Matrix

(attached)

[Table]

Schedule 2(d)

LEED Standards

(attached)

Work Letter (Landlord Build)

Schedule 1(d) – LEED Standards

Work Letter (Landlord Build)

Schedule 3.3(c) – LEED Standards

EXHIBIT D TO LEASE

ACKNOWLEDGMENT OF COMMENCEMENT DATE

EXHIBIT E TO LEASE

PLAN SHOWING "H2 > 1000SF RESTRICTED" AREAS

(attached)

EXHIBIT F TO LEASE

LANDLORD-TENANT OPERATIONS MATRIX

[Table]

LEASE AGREEMENT

THIS LEASE AGREEMENT is made as of this 23 day of October, 2019, between **ARE-TECH SQUARE, LLC**, a Delaware limited liability company ("**Landlord**"), and **FOGHORN THERAPEUTICS INC.**, a Delaware corporation ("**Tenant**")

BASIC LEASE PROVISIONS

Address:	500 Technology Square, Cambridge, Massachusetts
Premises:	That portion of the Building containing approximately 81,441 rentable square feet, consisting of (i) a portion of the lower level designated as Suite 001a containing approximately 472 rentable square feet (the "**Initial Lower Level Premises**"), (n) a portion of the 1st floor designated as Suite 101a containing approximately 371 rentable square feet (the "**Initial First Floor Premises**"), (in) the entire 6th floor designated as Suite 601 containing approximately 18,980 rentable square feet ("**Sixth Floor Premises**"), (iv) the entire 7th floor designated as Suite 701 containing approximately 18,980 rentable square feet ("**Seventh Floor Premises**"), (v) the entire 8th floor designated as Suite 801 containing approximately 18,980 rentable square feet ("**Eighth Floor Premises**"), (vi) the entire 9th floor designated as Suite 901 containing approximately 18,980 rentable square feet ("**Ninth Floor Premises**"), (vii) a portion of the lower level designated as Suite 100b containing approximately 3,793 rentable square feet (the "**Subsequent Lower Level Premises**"), and (viii) a portion of the 1st floor designated as Suite 101b containing approximately 885 rentable square feet (the "Subsequent First Floor Premises"), all as determined by Landlord, and approximately as shown on **Exhibit A** The Premises shall be delivered in phases as provided in Section 2 below The "**Phase 1 Premises**" shall consist of the Sixth Floor Premises and Seventh Floor Premises The "**Phase 2 Premises**" shall consist of the Ninth Floor Premises, the Initial Lower Level Premises and the Initial First Floor Premises The "**Phase 3 Premises**" shall consist of the Subsequent Lower Level Premises, the Subsequent First Floor Premises and Eighth Floor Premises
Building:	The specific building in which the Premises are located, which building is within the Project and located at 500 Technology Square, also known as Unit 500 of the Condominium described in **Exhibit B**

Project:	The real property on which the Building is located, also known as Technology Square Condominium (the "**Condominium**"), together with all improvements thereon and appurtenances thereto from time to time located thereon in the City of Cambridge, Middlesex County, Commonwealth of Massachusetts, as described on **Exhibit B** The Landlord reserves the right to modify the Condominium at any time and from time to time, but the parties acknowledge the Condominium presently consists of Units 100, 200, 300, 400, 500, 600 and 700 (also known as Buildings 100, 200, 300, 400, 500, 600 and 700), as well as specified common areas on the Condominium (including the Technology Square Garage)
Base Rent:	$90 00 per rentable square foot of the Premises per year, subject to annual increases on the Adjustment Date as set forth in Section 4 herein
Rentable Area of Premises:	81,441 sq ft
Rentable Area of Building:	184,207 sq ft
Tenant's Share of Operating Expenses:	44 21 % (20 61 % attributable to the Phase 1 Premises, 13 3% attributable to the Phase 2 Premises, and 10 3% attributable to the Phase 3 Premises)
Rentable Area of Project	1,181,635 sq ft
Building's Share of Project	15 59%
Security Deposit:	$1,708,200 00
Phase 1 Premises Target Commencement Date:	January 1, 2020
Phase 2 Premises Target Commencement Date:	March 1, 2020
Phase 3 Premises Target Commencement Date	June 1, 2020
Rent Adjustment Percentage	3%
Base Term:	Beginning on the Phase 1 Premises Commencement Date and ending 96 months from the first day of the first full month of the Term (as defined in Section 2) hereto

Permitted Use:	Research and development laboratory, related office and other related uses consistent with the current character of the Project and otherwise In compliance with the provisions of Section 7 hereof
Address for Rent Payment: P O Box 791051 Baltimore, MD 21279-1051	**Landlord's Notice Address:** 26 North Euclid Avenue Pasadena, CA 91101 Attention Corporate Secretary
Tenant's Notice Address Prior to the Phase 3 Premises Commencement Date: 100 Binney Street, Suite 610 Cambridge, MA 02142 Attention Lease Administrator, Fanny Cavalie and Paul Alloway, Head of Legal	**Tenant's Notice Address From and after the Phase 3 Premises Commencement Date (or as otherwise directed in writing by Tenant):** 500 Technology Square, 9th Floor Cambridge, MA 01239 Attention Lease Administrator, Fanny Cavalie and Paul Alloway, Head of Legal

The following Exhibits and Addenda are attached hereto and incorporated herein by this reference

[X] EXHIBIT A – PREMISES DESCRIPTION
[X] EXHIBIT B – DESCRIPTION OF PROJECT
[X] EXHIBIT C – WORK LETTER
[X] EXHIBIT D – COMMENCEMENT DATE
[X] EXHIBIT E – RULES AND REGULATIONS
[X] EXHIBIT F – TENANT'S PERSONAL PROPERTY

1 **Lease of Premises** Upon and subject to all of the terms and conditions hereof, Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord The portions of the Project which are for the non-exclusive use of tenants of the Project are collectively referred to herein as the "**Common Areas**" Landlord reserves the right to modify Common Areas, provided that such modifications do not materially adversely affect Tenant's use of or access to the Premises for the Permitted Use From and after (a) the Phase 1 Premises Commencement Date (as defined in Section 2 below) with respect to the Phase 1 Premises, (b) the Phase 2 Premises Commencement Date (as defined in Section 2 below) with respect to the Phase 2 Premises, and (c) the Phase 3 Premises Commencement Date (as defined in Section 2 below) with respect to the Phase 3 Premises, through the expiration of the Term, Tenant shall have access to the Building, the Phase 1 Premises, the Phase 2 Premises and the Phase 3 Premises, as set forth above, and the Technology Square Garage 24 hours a day, 7 days a week, 365 days a year, except in the case of emergencies, as the result of Legal Requirements, the performance by Landlord of any installation, maintenance or repairs, or any other temporary interruptions, and otherwise subject to the terms of this Lease

2 **Delivery; Acceptance of Premises; Commencement Date**

(a) **Phase 1 Premises** Landlord shall use reasonable efforts to deliver ("**Delivery**" or "**Deliver**") the Phase 1 Premises to Tenant on or before the Phase 1 Premises Target Commencement Date in order for Tenant to construct the Tenant Improvements in the Phase 1 Premises pursuant to the terms of the Work Letter attached hereto as **Exhibit C** If Landlord fails to timely Deliver the Phase 1 Premises, Landlord shall not be liable to Tenant for any loss or damage resulting therefrom, and this Lease shall not be void or voidable except as provided herein If Landlord does not Deliver the Phase 1 Premises to Tenant on or before the date that is 60 days after the Phase 1 Premises Target Commencement Date (as such date may be extended for Force Majeure delays), this Lease may be terminated by Tenant by written notice to Landlord, and if so terminated by Tenant (a) the Security Deposit, or any balance thereof (i e , after deducting therefrom all amounts to which Landlord is entitled under the provisions of this Lease), shall be returned to Tenant, and (b) neither Landlord nor Tenant shall have any further rights, duties or obligations under this Lease, except with respect to provisions which expressly survive termination of this Lease As used herein, the terms "**Tenant Improvements**," "**Force Majeure**," and "**Substantially Completed**" shall have the meanings set forth for such terms in the Work Letter If Tenant does not elect to void this Lease within 10 business days of the lapse of such 60 day period, such right to void this Lease pursuant to this Section 2(a) shall be waived and this Lease shall remain in full force and effect

The "**Phase 1 Premises Commencement Date**" shall be the date that Landlord Delivers the Phase 1 Premises to Tenant for Tenant's construction of the Tenant Improvements in the Phase 1 Premises pursuant to the Work Letter The "**Phase 1 Premises Rent Commencement Date**" shall be the date that is 6 months after the Phase 1 Premises Commencement Date

Except as otherwise set forth in the Work Letter (i) Tenant shall accept the Phase 1 Premises in their condition as of the Phase 1 Premises Commencement Date, subject to all applicable Legal Requirements (as defined in Section 7 hereof), (n) Landlord shall have no obligation for any defects in the Phase 1 Premises, and (HI) Tenant's taking possession of the Phase 1 Premises shall be conclusive evidence that Tenant accepts the Phase 1 Premises and that the Phase 1 Premises were in good condition at the time possession was taken Any occupancy of the Phase 1 Premises by Tenant before the Phase 1 Premises Commencement Date shall be subject to all of the terms and conditions of this Lease, excluding the obligation to pay Base Rent and Operating Expenses

(b) **Phase 2 Premises** Landlord shall use reasonable efforts to Deliver the Phase 2 Premises to Tenant on or before the Phase 2 Premises Target Commencement Date in order for Tenant to construct the Tenant Improvements in the Phase 2 Premises pursuant to the terms of the Work Letter attached hereto as **Exhibit C** If Landlord fails to timely Deliver the Phase 2 Premises, Landlord shall not be liable to Tenant for any loss or damage resulting therefrom, and this Lease shall not be void or voidable

The "Phase 2 Premises Commencement Date**"** shall be the date that Landlord Delivers the Phase 2 Premises to Tenant for Tenant's construction of the Tenant Improvements in the Phase 2 Premises pursuant to the Work Letter The "**Phase 2 Premises Rent Commencement Date**" shall be the date that is 6 months after the Phase 2 Premises Commencement Date

Except as otherwise set forth in the Work Letter (i) Tenant shall accept the Phase 2 Premises in their condition as of the Phase 2 Premises Commencement Date, subject to all applicable Legal Requirements, (n) Landlord shall have no obligation for any defects in the Phase 2 Premises, and (in) Tenant's taking possession of the Phase 2 Premises shall be conclusive evidence that Tenant accepts the Phase 3 Premises and that the Phase 2 Premises were in good condition at the time possession was taken Any occupancy of the Phase 2 Premises by Tenant before the Phase 2 Premises Commencement Date shall be subject to all of the terms and conditions of this Lease, excluding the obligation to pay Base Rent and Operating Expenses with respect to the Phase 2 Premises

(c) **Phase 3 Premises** Landlord shall use reasonable efforts to Deliver the Phase 3 Premises to Tenant on or before the Phase 3 Premises Target Commencement Date in order for Tenant to construct the Tenant Improvements in the Phase 3 Premises pursuant to the terms of the Work Letter attached hereto as **Exhibit C** If Landlord fails to timely Deliver the Phase 3 Premises, Landlord shall not be liable to Tenant for any loss or damage resulting therefrom, and this Lease shall not be void or voidable

The "**Phase 3 Premises Commencement Date**" shall be the date that Landlord Delivers the Phase 3 Premises to Tenant The "**Phase 3 Premises Rent Commencement Date**" shall be the date that is 6 months after the Phase 3 Premises Commencement Date

Except as otherwise set forth in the Work Letter (i) Tenant shall accept the Phase 3 Premises in their condition as of the Phase 3 Premises Commencement Date, subject to all applicable Legal Requirements, (n) Landlord shall have no obligation for any defects in the Phase 3 Premises, and (in) Tenant's taking possession of the Phase 3 Premises shall be conclusive evidence that Tenant accepts the Phase 3 Premises and that the Phase 3 Premises were in good condition at the time possession was taken Any occupancy of the Phase 3 Premises by Tenant before the Phase 3 Premises Commencement Date shall be subject to all of the terms and conditions of this Lease, excluding the obligation to pay Base Rent and Operating Expenses with respect to the Phase 3 Premises

(d) **General** Upon request of Landlord, Tenant shall execute and deliver one or more written acknowledgments reflecting the Phase 1 Premises Commencement Date, the Phase 1 Premises Rent Commencement Date, the Phase 2 Premises Commencement Date, the Phase 2 Premises Rent Commencement Date, the Phase 3 Commencement Date, the Phase 3 Premises Rent Commencement Date and the expiration date of the Term when such are established in the form of the "Acknowledgement of Commencement Date" attached to this Lease as **Exhibit D**, provided, however. Tenant's failure to execute and deliver such acknowledgment shall not affect Landlord's rights hereunder The "**Term**" of this Lease shall be the Base Term, as defined above on the first page of this Lease and the Extension Term which Tenant may elect pursuant to Section 39 hereof The Phase 1 Premises Commencement Date, the Phase 2 Premises Commencement Date and Phase 3 Premises Commencement Date may each be referred to herein respectively as a "**Commencement Date** " The Phase 1 Premises, the Phase 2 Premises, and the Phase 3 Premises may each be referred to herein as a "**Phase**" of the Premises

Tenant agrees and acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the condition of all or any portion of the Premises or the Project, and/or the suitability of the Premises or the Project for the conduct of Tenant's business, and Tenant waives any implied warranty that the Premises or the Project are suitable for the Permitted Use This Lease constitutes the complete agreement of Landlord and Tenant with respect to the subject matter hereof and supersedes any and all prior representations, inducements, promises, agreements, understandings and negotiations which are not contained herein

3 **Rent**

(a) **Base Rent** The first month's Base Rent for the Phase 1 Premises and the full amount of the Security Deposit shall be delivered on or before January 1, 2020, Tenant shall pay to Landlord in advance, without demand, abatement, deduction or set-off, equal monthly installments of Base Rent on or before the first day of each calendar month during the Term hereof beginning with respect to (i) the Phase 1 Premises on the Phase 1 Premises Rent Commencement Date, (ii) the Phase 2 Premises on the Phase 2 Premises Rent Commencement Date, and (iii) with respect to the Phase 3 Premises on the Phase 3 Premises Rent Commencement Date, in lawful money of the United States of America, at the office of Landlord for payment of Rent set forth above, or to such other person or at such other place as Landlord may from time to time designate in writing Payments of Base Rent for any fractional calendar month shall be prorated The obligation of Tenant to pay Base Rent and other sums to Landlord and the obligations of Landlord under this Lease are independent obligations Tenant shall have no right at any time to abate, reduce, or set-off any Rent (as defined in Section 5) due hereunder except for any abatement as may be expressly provided in this Lease

(b) **Additional Rent** In addition to Base Rent, Tenant agrees to pay to Landlord as additional rent ("**Additional Rent**") (i) commencing on the Phase 1 Premises Rent Commencement Date with respect to the Phase 1 Premises, on the Phase 2 Premises Rent Commencement Date with respect to the Phase 2 Premises and on the Phase 3 Premises Rent Commencement with respect to the Phase 3 Premises, Tenant's Share of "Operating Expenses" (as defined in Section 5), and (ii) any and all other amounts Tenant assumes or agrees to pay under the provisions of this Lease, including, without limitation, any and all other sums that may become due by reason of any default of Tenant or failure to comply with the agreements, terms, covenants and conditions of this Lease to be performed by Tenant, after any applicable notice and cure period

4 **Base Rent Adjustments**

(a) **Annual Adjustments** Base Rent shall be increased on each annual anniversary of the Phase 1 Premises Commencement Date (or, if the Phase 1 Premises Commencement Date does not occur on the first day of a calendar month, then on each annual anniversary of the first day of the first full calendar month following the month in which the Phase 1 Premises Commencement Date occurs) (each an "**Adjustment Date**") by multiplying the Base Rent per rentable square foot payable immediately before such Adjustment Date by the Rent Adjustment Percentage and adding the resulting amount to the Base Rent per rentable square foot payable immediately before such Adjustment Date Base Rent, as so adjusted, shall thereafter be due as provided herein Base Rent adjustments for any fractional calendar month shall be prorated

(b) **Additional Unamortized TI Allowance** In addition to the Tenant Improvement Allowance (as defined in the Work Letter), Landlord shall, subject to the terms of the Work Letter, make available to Tenant the Additional Unamortized Tenant Improvement Allowance (as defined in the Work Letter) Commencing on the Phase 1 Premises Rent Commencement Date and continuing thereafter on the first day of each month during the Base Term, Tenant shall pay an amount in order to provide an 8% annual yield of the portion of the Additional Unamortized Tenant Improvement Allowance that was funded by Landlord (the "Unamortized Tl Allowance Rent"), which such annual yield shall begin to accrue on the date that Landlord first disburses such Additional Unamortized Tenant Improvement Allowance or any portion(s) thereof Tenant acknowledges that because the Additional Unamortized Tenant Improvement Allowance may be disbursed to Tenant in multiple phases following the Phase 1 Premises Commencement Date, the Unamortized Tl Allowance Rent payable by Tenant pursuant to this Section 4(b) may be proportionately adjusted following each such disbursement Upon Tenant's written request, Landlord shall provide to Tenant Landlord's calculations reflecting each such adjustment in the Unamortized Tl Allowance Rent The Unamortized Tl Allowance Rent shall not be subject to annual adjustments pursuant to Section 4(a) As an example, if Tenant elects to utilize the entire Additional Unamortized Tenant Improvement Allowance of $100 00 per rentable square foot of the Premises and the same is funded on the Phase 1 Premises Commencement Date, then Unamortized Tl Allowance Rent payable by Tenant pursuant to this Section 4(b) shall be equal to $8 00 per rentable square foot of the Premises per year

(c) **Additional Amortized TI Allowance** In addition to the Tenant Improvement Allowance (as defined in the Work Letter), Landlord shall, subject to the terms of the Work Letter, make available to Tenant the Additional Amortized Tenant Improvement Allowance (as defined in the Work Letter) Commencing on the Phase 1 Premises Rent Commencement Date and continuing thereafter on the first day of each month during the Base Term, Tenant shall pay the amount necessary to fully amortize the portion of the Additional Amortized Tenant Improvement Allowance actually funded by Landlord, if any, in equal monthly payments with interest at a rate of 7 5% per annum over the remainder of the Base Term (the "**Amortized TI Allowance Rent**"), which interest shall begin to accrue on the date that Landlord first disburses such Additional Amortized Tenant Improvement Allowance or any portion(s) thereof Tenant acknowledges that because the Additional Amortized Tenant Improvement Allowance may be disbursed to Tenant in multiple phases following the Phase 1 Premises Commencement Date, the Amortized Tl Allowance Rent payable by Tenant pursuant to this Section 4(c) may be adjusted following each such disbursement Upon Tenant's written request, Landlord shall provide to Tenant Landlord's calculations reflecting each such adjustment in the Amortized Tl Allowance Rent The Amortized Tl Allowance Rent shall not be subject to annual adjustments pursuant to Section 4(a) Any of the Amortized Tl Allowance Rent remaining unpaid as of the expiration or earlier termination of the Lease shall be paid to Landlord in a lump sum at the expiration or earlier termination of this Lease

5 **Operating Expense Payments** Landlord shall deliver to Tenant a written estimate of Operating Expenses for each calendar year during the Term on or before the date that is 30 days prior to the first day of each calendar year (the "**Annual Estimate**"), which may be revised by Landlord from time to time during such calendar year Commencing on the Phase 1 Premises Rent Commencement Date with respect to the Phase 1 Premises, on the Phase 2 Premises Rent Commencement Date with respect to the Phase 2 Premises and on the Phase 3 Premises Rent Commencement with respect to the Phase 3 Premises and continuing thereafter on the first day of each month during the Term, Tenant shall pay Landlord an amount equal to 1/12th of Tenant's Share of the Annual Estimate Payments for any fractional calendar month shall be prorated

Notwithstanding anything to the contrary contained in this Lease, if Tenant subleases the Phase 2 Premises for any period prior to the Phase 2 Premises Rent Commencement Date, then Tenant shall commence paying Operating Expenses on the date that any sublease of the Phase 2 Premises commences

The term "**Operating Expenses**" means all costs and expenses of any kind or description whatsoever incurred or accrued each calendar year by Landlord in accordance with Landlord's (and Landlord's affiliates) regular accounting practices with respect to the Building and Property (including, without duplication, the Building's Share of Project with respect to all costs and expenses of any kind or description incurred or accrued by Landlord with respect to the Project and the Condominium which are not specific to the Building or Property or any other building or property located in the Project) (including, without duplication, Taxes (as defined in Section 9)). (x) capital repairs, replacements and improvements amortized over the lesser of 10 years or the useful life of such capital items (except for capital repairs, replacements and improvements to the roof, which shall be amortized over 15 years), adjusted to reflect Building operations 24 hours per day, 7 days per week and 365 days per year (provided that those Operating Expenses incurred or accrued by Landlord with respect to any capital repairs, replacements or improvements which are for the intended purpose of promoting sustainability (for example, without limitation, by reducing

energy usage at the Project) (a "**Capital Sustainability Expenditure**") may be amortized over a shorter period, at Landlord's discretion, to the extent the cost of a Capital Sustainability Expenditure is offset by a reduction in Operating Expenses), (y) transportation services, and (z) the costs of Landlord's third party property manager (not to exceed 2 5% of Base Rent) or, if there is no third party property manager, administration rent in the amount of 2 5% of Base Rent, excluding only

(a) the original construction costs of the Project and renovation prior to the date of the Lease and costs of correcting defects in such original construction or renovation,

(b) expenditures for expansion of the Project,

(c) interest, principal payments of Mortgage (as defined in Section 27) debts of Landlord, financing costs and amortization of funds borrowed by Landlord, whether secured or unsecured and all payments of base rent (but not taxes or operating expenses) under any ground lease or other underlying lease of all or any portion of the Project,

(d) depreciation of the Project (except for capital improvements, the cost of which are includable in Operating Expenses),

(e) advertising, legal and space planning expenses and leasing commissions and other costs and expenses incurred in procuring and leasing space to tenants for the Project, including any leasing office maintained in the Project, free rent and construction allowances for tenants,

(f) legal and other expenses incurred in the negotiation or enforcement of leases,

(g) completing, fixturing, improving, renovating, painting, redecorating or other work, which Landlord pays for or performs for other tenants within their premises, and costs of correcting defects in such work,

(h) costs to be reimbursed by other tenants of the Project or Taxes to be paid directly by Tenant or other tenants of the Project, whether or not actually paid,

(i) salaries, wages, benefits and other compensation paid to (i) personnel of Landlord or its agents or contractors above the position of the person, regardless of title, who has day-to-day management responsibility for the Project or (n) officers and employees of Landlord or its affiliates who are not assigned in whole or in part to the operation, management, maintenance or repair of the Project, provided, however, that with respect to any such person who does not devote substantially all of his or her employed time to the Project, the salaries, wages, benefits and other compensation of such person shall be prorated to reflect time spent on matters related to operating, managing, maintaining or repairing the Project in comparison to the time spent on matters unrelated to operating, managing, maintaining or repairing the Project,

(j) general organizational, administrative and overhead costs relating to maintaining Landlord's existence, either as a corporation, partnership, or other entity, including general corporate, legal and accounting expenses,

(k) costs (including attorneys' fees and costs of settlement, judgments and payments in lieu thereof) incurred in connection with disputes with tenants, other occupants, or prospective tenants, and costs and expenses, including legal fees, incurred in connection with negotiations or disputes with employees, consultants, management agents, leasing agents, purchasers or mortgagees of the Building or Property,

(l) costs incurred by Landlord due to the violation by Landlord, its employees, agents or contractors or any tenant of the terms and conditions of any lease of space in the Project or any Legal Requirement (as defined in Section 7).

(m) penalties, fines or interest incurred as a result of Landlord's inability or failure to make payment of Taxes and/or to file any tax or informational returns when due, or from Landlord's failure to make any payment of Taxes required to be made by Landlord hereunder before delinquency,

(n) overhead and profit increment paid to Landlord or to subsidiaries or affiliates of Landlord for goods and/or services in or to the Project to the extent the same exceeds the costs of such goods and/or services rendered by unaffiliated third parties on a competitive basis,

(o) costs of Landlord's charitable or political contributions, or of fine art maintained at the Project,

(p) costs in connection with services (including electricity), items or other benefits of a type which are not standard for the Project and which are not available to Tenant without specific charges therefor, but which are provided to another tenant or occupant of the Project, whether or not such other tenant or occupant is specifically charged therefor by Landlord,

(q) costs incurred in the sale or refinancing of the Property or Project,

(r) net income taxes of Landlord or the owner of any interest in the Property of Project, franchise, capital stock, gift, estate or inheritance taxes or any federal, state or local documentary taxes imposed against the Property or Project or any portion thereof or interest therein,

(s) costs or expenses otherwise includable in Operating Expenses to the extent actually reimbursed by insurance policies required to be maintained by Landlord in accordance with Section 17,

(t) Operating Expense reserves (including reserves for Taxes),

(u) rentals of equipment ordinarily considered to be of a capital nature (such as elevators and HVAC systems) except if such equipment is reasonably and customarily leased either temporarily or permanently in the operation of comparable office and laboratory buildings in the Cambridge area,

(v) any costs or expenses that are duplicative of maintenance and repair costs and expenses actually paid by Tenant in satisfaction of Tenant's maintenance and repair obligations pursuant to this Lease,

(w) costs or expenses occasioned by condemnation that are actually recovered by Landlord in any condemnation awards,

(x) costs reimbursed to Landlord under any warranty carried by Landlord for the Project,

(y) any costs incurred to remove, study, test or remediate Hazardous Materials in or about the Premises, the Building or the Project for which Tenant is not responsible under this Lease,

(z) costs arising from the gross negligence or willful misconduct of Landlord or its agents, and employees,

(aa) costs relating to the compliance of the Common Areas with Legal Requirements as of the Phase 1 Commencement Date as provided in Section 7, and

(bb) any expenses otherwise includable within Operating Expenses to the extent actually reimbursed by persons other than tenants of the Project under leases for space in the Project

Within 90 days after the end of each calendar year (or such longer period as may be reasonably required), Landlord shall furnish to Tenant a statement (an "**Annual Statement**") showing in reasonable detail (a) the total and Tenant's Share of actual Operating Expenses for the previous calendar year, and (b) the total of Tenant's payments in respect of Operating Expenses for such year If Tenant's Share of actual Operating Expenses for such year exceeds Tenant's payments of Operating Expenses for such year, the excess shall be due and payable by Tenant as Rent within 30 days after delivery of such Annual Statement to Tenant If Tenant's payments of Operating Expenses for such year exceed Tenant's Share of actual Operating Expenses for such year Landlord shall pay the excess to Tenant within 30 days after delivery of such Annual Statement, except that after the expiration, or earlier termination of the Term or if Tenant is delinquent in its obligation to pay Rent, Landlord shall pay the excess to Tenant after deducting all other amounts due Landlord

The Annual Statement shall be final and binding upon Tenant unless Tenant, within 90 days after Tenant's receipt thereof, shall contest any item therein by giving written notice to Landlord, specifying each item contested and the reason therefor If, during such 90 day period, Tenant reasonably and in good faith questions or contests the accuracy of Landlord's statement of Tenant's Share of Operating Expenses, Landlord will provide Tenant with access to Landlord's books and records relating to the operation of the Project and such information as Landlord reasonably determines to be responsive to Tenant's questions (the "**Expense Information**") If after Tenant's review of such Expense Information, Landlord and Tenant cannot agree upon the amount of Tenant's Share of Operating Expenses, then Tenant shall have the right to have a regionally or nationally recognized independent public accounting firm or an auditing firm selected by Tenant and approved by Landlord (which approval shall not be unreasonably withheld or delayed), working pursuant to a fee arrangement other than a contingent fee (at Tenant's sole cost and expense), audit and/or review the Expense Information for the year in question (the "**Independent Review**") The results of any such Independent Review shall be binding on Landlord and Tenant If the Independent Review shows that the payments actually made by Tenant with

respect to Operating Expenses for the calendar year in question exceeded Tenant's Share of Operating Expenses for such calendar year, Landlord shall at Landlord's option either (i) credit the excess amount to the next succeeding installments of estimated Operating Expenses or (n) pay the excess to Tenant within 30 days after delivery of such statement, except that after the expiration or earlier termination of this Lease or if Tenant is delinquent in its obligation to pay Rent, Landlord shall pay the excess to Tenant after deducting all other amounts due Landlord If the Independent Review shows that Tenant's payments with respect to Operating Expenses for such calendar year were less than Tenant's Share of Operating Expenses for the calendar year, Tenant shall pay the deficiency to Landlord within 30 days after delivery of such statement If the Independent Review shows that Tenant has overpaid with respect to Operating Expenses by more than 5% then Landlord shall reimburse Tenant for all costs incurred by Tenant for the Independent Review Operating Expenses for the calendar years in which Tenant's obligation to share therein begins and ends shall be prorated Notwithstanding anything set forth herein to the contrary, if the Building is not at least 95% occupied on average during any year of the Term, Tenant's Share of Operating Expenses for such year that vary with the level of occupancy of the Building shall be computed as though the Building had been 95% occupied on average during such year

"**Tenant's Share**" shall be the percentage set forth in the Basic Lease Provisions as Tenant's Share, and "**Building's Share of Project**" shall be the percentage set forth in the Basic Lease Provisions as the Building's Share of Project, for changes in the physical size of the Premises, Building, Property or Project occurring thereafter Landlord may equitably increase Tenant's Share for any item of expense or cost reimbursable by Tenant that relates to a repair, replacement, or service that benefits only the Premises or only a portion of the Building, Property or Project that includes the Premises or that varies with occupancy or use Base Rent, Tenant's Share of Operating Expenses and all other amounts payable by Tenant to Landlord hereunder are collectively referred to herein as "**Rent**"

6 **Security Deposit** Tenant shall deposit with Landlord, on or before January 1, 2020, a security deposit (the "**Security Deposit**") for the performance of all of Tenant's obligations hereunder in the amount set forth in the Basic Lease Provisions, which Security Deposit shall be in the form of an unconditional and irrevocable letter of credit (the "**Letter of Credit**") (i) in form and substance satisfactory to Landlord, (n) naming Landlord as beneficiary, (in) expressly allowing Landlord to draw upon it at any time from time to time by delivering to the issuer notice that Landlord is entitled to draw thereunder, (iv) issued by Comerica Bank, a Texas banking association, or another an FDIC-insured financial institution satisfactory to Landlord, and (v) redeemable by presentation of a sight draft in the state of Massachusetts If Tenant does not provide Landlord with a substitute Letter of Credit complying with all of the requirements hereof at least 10 days before the stated expiration date of any then current Letter of Credit, Landlord shall have the right to draw the full amount of the current Letter of Credit and hold the funds drawn in cash without obligation for interest thereon as the Security Deposit The Security Deposit shall be held by Landlord as security for the performance of Tenant's obligations under this Lease The Security Deposit is not an advance rental deposit or a measure of Landlord's damages in case of Tenant's default Upon each occurrence of a Default (as defined in Section 20). Landlord may use all or any part of the Security Deposit to pay delinquent payments due under this Lease, future rent damages, and the cost of any damage, injury, expense or liability caused by such Default, without prejudice to any other remedy provided herein or provided by law Upon any use of all or any portion of the Security Deposit, Tenant shall pay Landlord within 5 business days of written demand the amount

that will restore the Security Deposit to the amount set forth on Page 1 of this Lease Tenant hereby waives the provisions of any law, now or hereafter in force which provide that Landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of Rent, to repair damage caused by Tenant or to clean the Premises, it being agreed that Landlord may, in addition, claim those sums reasonably necessary to compensate Landlord for any other loss or damage, foreseeable or unforeseeable, caused by the act or omission of Tenant or any officer, employee, agent or invitee of Tenant Upon bankruptcy or other debtor-creditor proceedings against Tenant, the Security Deposit shall be deemed to be applied first to the payment of Rent and other charges due Landlord for periods prior to the filing of such proceedings If Tenant is not then in default under this Lease, the Security Deposit, or any balance thereof (i e , after deducting therefrom all amounts to which Landlord is entitled under the provisions of this Lease), shall be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interest hereunder) within 60 days after the expiration or earlier termination of this Lease

If Landlord transfers its interest in the Project or this Lease, Landlord shall either (a) transfer any Security Deposit then held by Landlord to a person or entity assuming Landlord's obligations under this Section 6, or (b) return to Tenant any Security Deposit then held by Landlord and remaining after the deductions permitted herein Upon such transfer to such transferee or the return of the Security Deposit to Tenant, Landlord shall have no further obligation with respect to the Security Deposit, and Tenant's right to the return of the Security Deposit shall apply solely against Landlord's transferee The Security Deposit is not an advance rental deposit or a measure of Landlord's damages in case of Tenant's default Landlord's obligation respecting the Security Deposit is that of a debtor, not a trustee, and no interest shall accrue thereon

7 **Use**

(a) **General** The Premises shall be used solely for the Permitted Use set forth in the Basic Lease Provisions, and in compliance with all laws, orders, judgments, ordinances, regulations, codes, directives, permits, licenses, covenants and restrictions now or hereafter applicable to the Premises, and to the use and occupancy thereof, including, without limitation, the Americans With Disabilities Act, 42 USC § 12101, et seq (together with the regulations promulgated pursuant thereto, "**ADA**") (collectively, "**Legal Requirements**" and each, a "**Legal Requirement**") Tenant shall, upon 5 days' written notice from Landlord, discontinue any use of the Premises which is declared by any Governmental Authority (as defined in Section 9) having jurisdiction to be a violation of a Legal Requirement, unless Tenant is actively contesting any such determination in good faith and by appropriate legal proceedings, provided that Tenant first gives Landlord appropriate assurance reasonably satisfactory to Landlord against any loss, cost or expense on account thereof, and further provided such contest shall not subject Landlord to criminal penalties or civil sanctions, loss of property or civil liability Tenant will not use or permit the Premises to be used for any purpose or in any manner that would void Tenant's or Landlord's insurance, increase the insurance risk, or cause the disallowance of any sprinkler or other credits Tenant shall not permit any part of the Premises to be used as a "place of public accommodation", as defined in the ADA or any similar legal requirement Tenant shall reimburse Landlord promptly upon demand for any additional premium charged for any such insurance policy by reason of Tenant's failure to comply with the provisions of this Section or otherwise caused by Tenant's particular use and/or occupancy of the Premises Tenant shall use the Premises in a careful, safe and proper manner and shall not commit or permit waste, overload the floor or structure of the

Premises, or subject the Premises to use that would damage the Premises Tenant shall not obstruct or interfere with the rights of Landlord or other tenants or occupants of the Project, including but not limited to, not conducting or giving notice of any auction, liquidation, or going out of business sale on the Premises Tenant shall not use or allow the Premises to be used for any unlawful purpose Tenant shall cause any equipment or machinery to be installed in the Premises so as to reasonably prevent sounds or vibrations from the Premises from extending into Common Areas, or other space in the Project Tenant shall not place any machinery or equipment weighing 500 pounds or more in or upon the Premises or transport or move such items through the Common Areas of the Project or in the Project or Building elevators without the prior written consent of Landlord Except as may be provided under the Work Letter, Tenant shall not, without the prior written consent of Landlord, use the Premises in any manner which will require ventilation, air exchange, heating, gas, steam, electricity or water beyond the existing capacity of the Project as proportionately allocated to the Premises based upon Tenant's Share as usually furnished for the Permitted Use

Landlord has disclosed to Tenant that the Project is the subject of an Activity and Use Limitation, which is incorporated herein by reference, and Tenant acknowledges receipt of a copy of such Activity and Use Limitation prior to execution of this Lease

Landlord shall be responsible, at its cost and not as part of Operating Expenses, for the compliance of the Common Areas of the Project with Legal Requirements as of the Phase 1 Premises Commencement Date Landlord shall, as an Operating Expense (to the extent such Legal Requirement is generally applicable to similar buildings in the area in which the Project is located and subject to the terms of Section 5 hereof) or at Tenant's expenses (to the extent such Legal Requirement is applicable solely by reason of Tenant's, as compared to other tenants of the Project, particular use of the Premises) make any alterations or modifications to the Common Areas or the exterior of the Building that are required by Legal Requirements, including the ADA Tenant, at its sole expense, shall make any alterations or modifications to the interior of the Premises that are required by Legal Requirements (including, without limitation, compliance of the Premises with the ADA) Notwithstanding any other provision herein to the contrary, Tenant shall be responsible for any and all demands, claims, liabilities, losses, costs, expenses, actions, causes of action, damages or judgments, and all reasonable expenses incurred in investigating or resisting the same (including, without limitation, reasonable attorneys' fees, charges and disbursements and costs of suit) (collectively, "**Claims**") arising out of or in connection with Legal Requirements related to Tenant's particular use or occupancy of the Premises or Tenant's Alterations, and Tenant shall indemnify, defend, hold and save Landlord harmless from and against any and all Claims arising out of or in connection with any failure of the Premises to comply with any Legal Requirement related to Tenant's particular use or occupancy of the Premises or Tenant's Alterations

(b) **Energy Use Reporting** Tenant agrees to provide, within 10 business days of request by Landlord, such information and documentation as may be needed for compliance with the City of Cambridge Building Energy Use Disclosure Ordinance, Section 8 67 010 et seq of the Municipal Code of the City of Cambridge (as the same may be amended, the "**Cambridge Building Energy Use Disclosure Ordinance**"), and other such energy or sustainability requirements as may be adopted from time to time by the City of Cambridge or any other governmental authority with jurisdiction over the Building, which information shall include without limitation usage at or by the Premises of electricity, natural gas, steam, hot or chilled water or other energy Landlord shall report to the applicable governmental authority such energy usage for the Building and other Building information as required by the Cambridge Building Energy Use Disclosure Ordinance

(c) **LEED** Tenant acknowledges that Landlord may, but shall not be obligated to, seek to obtain Leadership in Energy and Environmental Design (LEED), WELL Building Standard, or other similar "green" certification with respect to the Project and/or the Premises, and Tenant agrees, at no material cost to Tenant, to reasonably cooperate with Landlord, and to provide such information and/or documentation as Landlord may reasonably request, in connection therewith

8 **Holding Over** If, with Landlord's express written consent, Tenant retains possession of the Premises after the termination of the Term, (i) unless otherwise agreed in such written consent, such possession shall be subject to immediate termination by Landlord at any time, (n) all of the other terms and provisions of this Lease (including, without limitation, the adjustment of Base Rent pursuant to Section 4 hereof) shall remain in full force and effect (excluding any expansion or renewal option or other similar right or option) during such holdover period, (in) Tenant shall continue to pay Base Rent in the amount payable upon the date of the expiration or earlier termination of this Lease or such other amount as Landlord may indicate, in Landlord's sole and absolute discretion, in such written consent, and (iv) all other payments shall continue under the terms of this Lease If Tenant remains in possession of the Premises after the expiration or earlier termination of the Term without the express written consent of Landlord, (A) Tenant shall become a tenant at sufferance upon the terms of this Lease except that the monthly rental shall be equal to 150% of Rent in effect during the last 30 days of the Term, and (B) if Tenant holds over for more than 30 days beyond the expiration or earlier termination of the Lease, then Tenant shall be responsible for all damages suffered by Landlord resulting from or occasioned by Tenant's holding over, including consequential damages No holding over by Tenant, whether with or without consent of Landlord, shall operate to extend this Lease except as otherwise expressly provided, and this Section 8 shall not be construed as consent for Tenant to retain possession of the Premises Acceptance by Landlord of Rent after the expiration of the Term or earlier termination of this Lease shall not result in a renewal or reinstatement of this Lease

9 **Taxes** Landlord shall pay, as part of Operating Expenses, all taxes, levies, fees, assessments and governmental charges of any kind, existing as of the Commencement Date or thereafter enacted (collectively referred to as "**Taxes**"), imposed by any federal, state, regional, municipal, local or other governmental authority or agency, including, without limitation, quasi-public agencies (collectively, "**Governmental Authority**") during the Term, including, without limitation, all Taxes (i) imposed on or measured by or based, in whole or in part, on rent payable to (or gross receipts received by) Landlord under this Lease and/or from the rental by Landlord of the Project or any portion thereof, or (n) based on the square footage, assessed value or other measure or evaluation of any kind of the Premises or the Project, or (m) assessed or imposed by or on the operation or maintenance of any portion of the Premises or the Project, including parking, or (iv) assessed or imposed by, or at the direction of, or resulting from Legal Requirements, or interpretations thereof, promulgated by any Governmental Authority, (v) imposed as a license or other fee, charge, tax, or assessment on Landlord's business or occupation of leasing space in the Project, or (vi) assessed or imposed by or in the operation or maintenance of any portion or whole of the Condominium (provided that to the extent any Taxes are assessed against the Condominium as a while, such amount shall be allocated among the buildings located in the Condominium based on the square footage of the buildings in question, unless Landlord reasonably determines that

such allocated should be made on another basis) Landlord may contest by appropriate legal proceedings the amount, validity, or application of any Taxes or liens securing Taxes If Landlord receives an abatement of Taxes for the Project for a period during the Term, Landlord shall apply such abatement (less the costs of obtaining such abatement, including reasonable attorneys' fees) as a credit against Operating Expenses for the applicable year Taxes shall not include any net income taxes or franchise, estate, inheritance, succession, gift or excess profit taxes imposed on Landlord except to the extent such taxes are in substitution for any Taxes payable hereunder, or any penalties for late payment of Taxes If any such Tax is levied or assessed directly against Tenant, then Tenant shall be responsible for and shall pay the same at such times and in such manner as the taxing authority shall require Tenant shall pay, prior to delinquency, any and all Taxes levied or assessed against any personal property or trade fixtures placed by Tenant in the Premises, whether levied or assessed against Landlord or Tenant If any Taxes on Tenant's personal property or trade fixtures are levied against Landlord or Landlord's property, or if the assessed valuation of the Project is increased by a value attributable to improvements in or alterations to the Premises, whether owned by Landlord or Tenant and whether or not affixed to the real property so as to become a part thereof, higher than the base valuation on which Landlord from time-to-time allocates Taxes to all tenants in the Project, Landlord shall have the right, but not the obligation, to pay such Taxes Landlord's reasonable determination of any excess assessed valuation shall be binding and conclusive, absent manifest error The amount of any such payment by Landlord shall constitute Additional Rent due from Tenant to Landlord immediately upon demand

10 **Parking** Subject to all applicable Legal Requirements, Force Majeure, a Taking (as defined in Section 19 below) and the exercise by Landlord of its rights hereunder, commencing on (x) the earlier of the Phase 1 Premises Rent Commencement Date or the date of Substantial Completion of Tenant Improvements in the Phase 1 Premises with respect to the Phase 1 Premises, (y) commencing on the Phase 2 Premises Rent Commencement Date with respect to the Phase 2 Premises (provided, however, that if Tenant subleases the Phase 2 Premises for any period prior to the Phase 2 Premises Rent Commencement Date, then on the commencement date of such sublease of the Phase 2 Premises (or any portion thereof)), and (z) the earlier of the Phase 3 Premises Rent Commencement Date or the date of Substantial Completion of Tenant Improvements in the Phase 3 Premises with respect to the Phase 3 Premises, Landlord shall make available and Tenant shall take and pay for 0 9 parking spaces per 1,000 rentable square feet of the Premises in the Technology Square Garage ("**Parking Space Cap**") on a non-exclusive basis at market rates in those areas designated for non-reserved parking, subject in each case to Landlord's rules and regulations Tenant shall pay to Landlord or as directed by Landlord, monthly as Additional Rent hereunder, the market rate for each parking space, as reasonably determined by Landlord from time to time, which as of the date hereof shall be $350 00 per space per month Landlord may allocate parking spaces among Tenant and other tenants in the Project pro rata as described above if Landlord determines that such parking facilities are becoming crowded If, during the Term, Tenant delivers written notice to Landlord requesting additional parking spaces and Landlord determines that the additional parking spaces desired by Tenant are available for use by Tenant, Landlord shall notify Tenant in writing and Tenant shall commence using and paying the Monthly Parking Charge for such additional parking spaces immediately following Landlord's delivery of such written notice to Tenant that such additional parking spaces are available for Tenant's use Landlord shall not be responsible for enforcing Tenant's parking rights against any third parties, including other tenants of the Project Tenant shall, at Tenant's sole expense, for so

long as the Parking and Traffic Demand Management Plan dated May 9, 1999 as approved by the City of Cambridge on July 9, 1999, including the conditions set forth in such approval (as amended from time to time, the "**PTDM**"), remains applicable to the Condominium, (i) offer to subsidize mass transit monthly passes for all of its employees, (n) implement a Commuter Choice Program, (in) discourage single-occupant vehicle ("**SOV**") use by its employees, (iv) promote alternative modes of transportation and use of alternative work hours, (v) meet with Landlord and/or its representatives no more than quarterly to discuss transportation programs and initiatives, (vi) participate in annual surveys monitoring transportation programs and initiatives at Technology Square, (vn) cooperate with Landlord in connection with transportation programs and initiatives promulgated pursuant to the PTDM, (vm) provide alternative work programs (such as telecommuting, flex-time and compressed work weeks) to its employees in order to reduce traffic impacts in Cambridge during peak commuter hours, and (ix) otherwise cooperate with Landlord in encouraging employees to seek alternate modes of transportation

11 **Utilities, Services**

Landlord shall provide, subject to the terms of this Section 11, water, electricity, heat, light, power, sewer, and other utilities (including gas and fire sprinklers to the extent the Project is plumbed for such services), and with respect to the Common Areas, refuse and trash collection and janitorial services (collectively, "**Utilities**") Landlord shall pay, as Operating Expenses or subject to Tenant's reimbursement obligation, for all Utilities used on the Premises, all maintenance charges for Utilities, and any storm sewer charges or other similar charges for Utilities imposed by any Governmental Authority or Utility provider, and any taxes, penalties, surcharges or similar charges thereon The Premises are separately metered to measure Tenant's usage of electricity for lights and plugs in the Premises Landlord may cause, at Landlord's expense, any Utilities to be separately metered or charged directly to Tenant by the provider Tenant shall pay directly to the Utility provider, prior to delinquency, any separately metered Utilities and services which may be furnished to Tenant or the Premises during the Term Tenant shall pay, as part of Operating Expenses, its share of all charges for jointly metered Utilities based upon consumption, as reasonably determined by Landlord No interruption or failure of Utilities, from any cause whatsoever other than Landlord's willful misconduct, shall result in eviction or constructive eviction of Tenant, termination of this Lease or the abatement of Rent Tenant agrees to limit use of water and sewer with respect to Common Areas to normal restroom use Tenant shall be responsible for obtaining and paying for its own janitorial services for the Premises

Landlord's sole obligation for either providing emergency generators or providing emergency back-up power to Tenant shall be (i) to provide emergency generators with not less than the capacity of the emergency generators located in the Building as of the Commencement Date, and (II) to contract with a third party to maintain the emergency generators as per the manufacturer's standard maintenance guidelines Except as otherwise provided in the immediately preceding sentence, Landlord shall have no obligation to provide Tenant with operational emergency generators or back-up power or to supervise, oversee or confirm that the third party maintaining the emergency generators is maintaining the generators as per the manufacturer's standard guidelines or otherwise During any period of replacement, repair or maintenance of the emergency generators when the emergency generators are not operational, including any delays thereto due to the inability to obtain parts or replacement equipment, Landlord shall have no obligation to provide Tenant with an alternative back-up generator or generators or alternative sources of back-up power Tenant expressly acknowledges and agrees that Landlord does not guaranty that such emergency generators will be operational at all times or that emergency power will be available to the Premises when needed

12 **Alterations and Tenant's Property** Any alterations, additions, or improvements made to the Premises (other than the Tenant Improvements which are governed by the Work Letter attached hereto as Exhibit C and not by the terms of this Section 12) by or on behalf of Tenant, including additional locks or bolts of any kind or nature upon any doors or windows in the Premises, but excluding installation, removal or realignment of furniture systems (other than removal of furniture systems owned or paid for by Landlord) not involving any modifications to the structure or connections (other than by ordinary plugs or jacks) to Building Systems (as defined in Section 13) ("**Alterations**") shall be subject to Landlord's prior written consent, which may be given or withheld in Landlord's sole discretion if any such Alteration affects the structure or Building Systems, but which shall otherwise not be unreasonably withheld or delayed Tenant may construct nonstructural Alterations in the Premises (not including the Lower Level Premises or the First Floor Premises) in which Notice-Only Alterations may not be constructed) that will not affect the operations of any Building Systems, without Landlord's prior approval if the aggregate cost of all such work in any 12 month period does not exceed $200,000 per Alteration or $500,000 in the aggregate (a "**Notice-Only Alteration**"), provided Tenant notifies Landlord in writing of such intended Notice-Only Alteration, and such notice shall be accompanied by plans, specifications, work contracts and such other information concerning the nature and cost of the Notice-Only Alteration as may be reasonably requested by Landlord, which notice and accompanying materials shall be delivered to Landlord not less than 15 business days in advance of any proposed construction If Landlord approves any Alterations, Landlord may impose such conditions on Tenant in connection with the commencement, performance and completion of such Alterations as Landlord may deem appropriate in Landlord's reasonable discretion Any request for approval shall be in writing, delivered not less than 15 business days in advance of any proposed construction, and accompanied by plans, specifications, bid proposals, work contracts and such other information concerning the nature and cost of the alterations as may be reasonably requested by Landlord, including the identities and mailing addresses of all persons performing work or supplying materials Landlord's right to review plans and specifications and to monitor construction shall be solely for its own benefit, and Landlord shall have no duty to ensure that such plans and specifications or construction comply with applicable Legal Requirements Tenant shall cause, at its sole cost and expense, all Alterations to comply with insurance requirements and with Legal Requirements and shall implement at its sole cost and expense any alteration or modification required by Legal Requirements as a result of any Alterations Tenant shall pay to Landlord, as Additional Rent, on demand an amount equal to the reasonable out-of-pocket costs incurred by Landlord in connection with any Alteration Before Tenant begins any Alteration, Landlord may post on and about the Premises notices of non-responsibility pursuant to applicable law Tenant shall reimburse Landlord for, and indemnify and hold Landlord harmless from, any expense incurred by Landlord by reason of faulty work done by Tenant or its contractors, delays caused by such work, or inadequate cleanup

In connection with any Alteration the cost of which is expected to exceed $200,000 00, Landlord may require Tenant to furnish security or make other arrangements satisfactory to Landlord to assure payment for the completion of all Alterations work free and clear of liens Tenant shall, with respect to all Alterations, provide (and cause each contractor or subcontractor

to provide) certificates of insurance for workers' compensation and other coverage in amounts and from an insurance company satisfactory to Landlord protecting Landlord against liability for personal injury or property damage during construction Upon completion of any Alterations, Tenant shall deliver to Landlord (i) sworn statements setting forth the names of all contractors and subcontractors who did the work and final lien waivers from all such contractors and subcontractors, and (II) "as built" plans for any such Alteration Notwithstanding anything to the contrary set forth herein, in no event shall Tenant be required to provide Landlord with a payment or performance bond with respect to the Tenant Improvements

Other than (i) the items, if any, listed on **Exhibit F** attached hereto, (n) any items agreed by Landlord in writing to be included on **Exhibit F** in the future, and (m) any trade fixtures, machinery, equipment and other personal property not paid for out of the TI Fund (as defined in the Work Letter) which may be removed without material damage to the Premises, which damage shall be repaired (including capping or terminating utility hook-ups behind walls) by Tenant during the Term (collectively, "**Tenant's Property**"), all property of any kind paid for with the Tl Fund, all Alterations, real property fixtures, built-in machinery and equipment, built-in casework and cabinets and other similar additions and improvements built into the Premises so as to become an integral part of the Premises, such as fume hoods which penetrate the roof or plenum area, built-in cold rooms, built-in warm rooms, walk-in cold rooms, walk-in warm rooms, deionized water systems, glass washing equipment, autoclaves, chillers, built-in plumbing, electrical and mechanical equipment and systems, and any power generator and transfer switch (collectively, "**Installations**") shall be and shall remain the property of Landlord during the Term and following the expiration or earlier termination of the Term, shall not be removed by Tenant at any time during the Term and shall remain upon and be surrendered with the Premises as a part thereof in accordance with Section 28 following the expiration or earlier termination of this Lease, provided, however, that Landlord shall, at the time its approval of such Installation is requested, or at the time it receives notice of a Notice-Only Alteration, notify Tenant if it has elected to cause Tenant to remove such Installation upon the expiration or earlier termination of this Lease, except that Landlord shall not require removal of customary office cabling or customary laboratory improvements If Landlord so elects, Tenant shall remove such Installation upon the expiration or earlier termination of this Lease and restore any damage caused by or occasioned as a result of such removal, including, when removing any of Tenant's Property which was plumbed, wired or otherwise connected to any of the Building Systems, capping off all such connections behind the walls of the Premises and repairing any holes During any such restoration period, Tenant shall pay Rent to Landlord as provided herein as if said space were otherwise occupied by Tenant

Notwithstanding anything to the contrary contained in this Lease, Tenant shall not be required to remove or restore the Tenant Improvements constructed pursuant to the Work Letter at the expiration or earlier termination of the Term, nor shall Tenant have the right to remove such Tenant Improvements at any time except as otherwise provided in this Section 12

13 **Landlord's Repairs** Landlord, as an Operating Expense (except to the extent the cost thereof is excluded from Operating Expenses pursuant to Section 5 hereof), shall maintain, or cause to be maintained, the roof and all of the structural, exterior, parking and other Common Areas of the Project, including FIVAC, plumbing, fire sprinklers, elevators and all other building systems serving the Premises and other portions of the Project ("**Building Systems**"), in good operating order and repair, reasonable wear and tear and uninsured losses and damages caused by

Tenant, or by any of Tenant's assignees, sublessees, licensees, agents, servants, employees, invitees and contractors (or any of Tenant's assignees, sublessees and/or licensees respective agents, servants, employees, invitees and contractors) (collectively, "**Tenant Parties**") excluded Losses and damages caused by Tenant or any Tenant Party shall be repaired by Landlord, to the extent not covered by insurance, at Tenant's sole cost and expense Landlord reserves the right to stop Building Systems services when necessary (i) by reason of accident or emergency, or (n) for planned repairs, alterations or improvements, which are, in the judgment of Landlord, necessary to be made, until said repairs, alterations or improvements shall have been completed Landlord shall have no responsibility or liability for failure to supply Building Systems services during any such period of interruption, provided, however, that Landlord shall, except in case of emergency, make a commercially reasonable effort to give Tenant 24 hours advance notice of any planned stoppage of Building Systems services for routine maintenance, repairs, alterations or improvements Landlord shall use reasonable efforts to minimize interference with Tenant's operations in the Premises during such planned stoppages of Building Systems and shall use reasonable efforts to coordinate such planned stoppages in advance (except in the case of an emergency) with Tenant Tenant shall promptly give Landlord written notice of any repair required by Landlord pursuant to this Section, after which Landlord shall have a reasonable opportunity to effect such repair Landlord shall not be liable for any failure to make any repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after Tenant's written notice of the need for such repairs or maintenance Tenant waives its rights under any state or local law to terminate this Lease or to make such repairs at Landlord's expense and agrees that the parties' respective rights with respect to such matters shall be solely as set forth herein Repairs required as the result of fire, earthquake, flood, vandalism, war, or similar cause of damage or destruction shall be controlled by Section 18

14 **Tenant's Repairs** Subject to Section 13 hereof, Tenant, at its expense, shall repair, replace and maintain in good condition, subject to reasonable wear and tear, all portions of the Premises, including, without limitation, entries, doors, ceilings, interior windows, interior walls, and the interior side of demising walls Should Tenant fail to make any such repair or replacement or fail to maintain the Premises, Landlord shall give Tenant notice of such failure If Tenant fails to commence cure of such failure within 10 days of Landlord's written notice, and thereafter diligently prosecute such cure to completion, Landlord may perform such work and shall be reimbursed by Tenant for the reasonable out- of-pocket costs incurred by Landlord to perform such work, within 10 days after demand therefor, provided, however, that if such failure by Tenant creates or could create an emergency, Landlord may immediately commence cure of such failure and shall thereafter be entitled to recover the costs of such cure from Tenant Subject to Sections 17 and 18, Tenant shall bear the full uninsured cost of any repair or replacement to any part of the Project that results from damage caused by Tenant or any Tenant Party and any repair that benefits only the Premises

15 **Mechanic's Liens** Tenant shall discharge, by bond or otherwise, any mechanic's lien filed against the Premises or against the Project for work claimed to have been done for, or materials claimed to have been furnished to, Tenant within 10 business days after the filing thereof, at Tenant's sole cost and shall otherwise keep the Premises and the Project free from any liens arising out of work performed, materials furnished or obligations incurred by Tenant Should Tenant fail to discharge any lien described herein, Landlord shall have the right, but not the obligation, to pay such claim or post a bond or otherwise provide security to eliminate the lien as

a claim against title to the Project and the cost thereof shall be immediately due from Tenant as Additional Rent If Tenant shall lease or finance the acquisition of office equipment, furnishings, or other personal property of a removable nature utilized by Tenant in the operation of Tenant's business, Tenant warrants that any Uniform Commercial Code Financing Statement filed as a matter of public record by any lessor or creditor of Tenant will upon its face or by exhibit thereto indicate that such Financing Statement is applicable only to removable personal property of Tenant located within the Premises In no event shall the address of the Project be furnished on the statement without qualifying language as to applicability of the lien only to removable personal property, located in an identified suite held by Tenant

16 **Indemnification** Tenant hereby indemnifies and agrees to defend, save and hold Landlord, its officers, directors, employees, managers, agents, sub-agents, constituent entities and lease signators (collectively, "**Landlord Indemnified Parties**") and Holders of Mortgages (each as defined in Section 27 below) as to which Tenant has been given notice harmless from and against any and all Claims for injury or death to persons or damage to property occurring within or about the Premises, arising directly or indirectly out use or occupancy of the Premises or a breach or default by Tenant in the performance of any of its obligations hereunder, except to the extent caused by the willful misconduct or negligence of Landlord Indemnified Parties Landlord Indemnified Parties shall not be liable to Tenant for, and Tenant assumes all risk of damage to, personal property (including, without limitation, loss of records kept within the Premises) Tenant further hereby irrevocably waives any and all Claims for injury to Tenant's business or loss of income relating to any such damage or destruction of personal property (including, without limitation, any loss of records) Landlord Indemnified Parties shall not be liable for any damages arising from any act, omission or neglect of any tenant in the Project or of any other third party

17 **Insurance** Landlord shall maintain all risk property and, if applicable, sprinkler damage insurance covering the full replacement cost of the Project (including the Tenant Improvements) Landlord shall further procure and maintain commercial general liability insurance with a single loss limit of not less than $2,000,000 for bodily injury and property damage with respect to the Project Landlord may, but is not obligated to, maintain such other insurance and additional coverages as it may deem necessary, including, but not limited to, flood, environmental hazard and earthquake, loss or failure of building equipment, errors and omissions, rental loss during the period of repair or rebuilding, workers' compensation insurance and fidelity bonds for employees employed to perform services and insurance for any improvements installed by Tenant or which are in addition to the standard improvements customarily furnished by Landlord without regard to whether or not such are made a part of the Project All such insurance shall be included as part of the Operating Expenses The Project may be included in a blanket policy (in which case the cost of such insurance allocable to the Project will be determined by Landlord based upon the insurer's cost calculations) Tenant shall also reimburse Landlord for any increased premiums or additional insurance which Landlord reasonably deems necessary as a result of Tenant's use of the Premises

Tenant, at its sole cost and expense, shall maintain during the Term all risk property insurance with business interruption and extra expense coverage, covering the full replacement cost of all property and improvements installed or placed in the Premises by Tenant at Tenant's expense, workers' compensation insurance with no less than the minimum limits required by law, employer's liability insurance with employers liability limits of $1,000,000 bodily injury by

accident – each accident, $1,000,000 bodily injury by disease – policy limit, and $1,000,000 bodily injury by disease – each employee, and commercial general liability insurance, with a minimum limit of not less than $2,000,000 per occurrence for bodily injury and property damage with respect to the Premises The commercial general liability insurance maintained by Tenant shall name Alexandria Real Estate Equities, Inc., and Landlord, its officers, directors, employees, managers, agents, invitees and contractors (collectively, "**Landlord Insured Parties**"), as additional insureds, insure on an occurrence and not a claims-made basis, be issued by insurance companies which have a rating of not less than policyholder rating of A and financial category rating of at least Class X in "Best's Insurance Guide", not contain a hostile fire exclusion, contain a contractual liability endorsement, and provide primary coverage to Landlord Insured Parties (any policy issued to Landlord Insured Parties providing duplicate or similar coverage shall be deemed excess over Tenant's policies, regardless of limits) Tenant shall (i) provide Landlord with 30 days advance written notice of cancellation of such commercial general liability policy, and (n) request Tenant's insurer to endeavor to provide advance written notice to Landlord of cancellation of such commercial general liability policy Copies of such policies (if requested by Landlord), or certificates of insurance showing the limits of coverage required hereunder and showing Landlord as an additional insured, along with reasonable evidence of the payment of premiums for the applicable period, shall be delivered to Landlord by Tenant prior to (i) the earlier to occur of (x) the Phase 1 Premises Commencement Date, or (y) the date that Tenant accesses the Premises under this Lease, and (n) each renewal of said insurance Tenant's policy may be a "blanket policy" with an aggregate per location endorsement which specifically provides that the amount of insurance shall not be prejudiced by other losses covered by the policy Tenant shall, at least 5 days prior to the expiration of such policies, furnish Landlord with renewal certificates

In each instance where insurance is to name Landlord as an additional insured, Tenant shall upon written request of Landlord also designate and furnish certificates so evidencing Landlord as additional insured to the following parties (collectively "Additional Insured Parties") (i) any lender of Landlord holding a security interest in the Project or any portion thereof and any servicer in connection therewith, (n) the landlord under any lease wherein Landlord is tenant of the real property on which the Project is located, if the interest of Landlord is or shall become that of a tenant under a ground or other underlying lease rather than that of a fee owner, (in) any management company retained by Landlord to manage the Project, (iv) the condominium association with respect to the Condominium, (v) any member, partner or shareholder of Landlord or the owner of any beneficial interest therein and/or (vi) any other party reasonably designated by Landlord

The property insurance obtained by Landlord and Tenant shall include a waiver of subrogation by the insurers and all rights based upon an assignment from its insured, against Landlord or Tenant, and their respective officers, directors, employees, managers, agents, invitees and contractors ("**Related Parties**"), in connection with any loss or damage thereby insured against Neither party nor its respective Related Parties shall be liable to the other for loss or damage caused by any risk insured against under property insurance required to be maintained hereunder, and each party waives any claims against the other party, and its respective Related Parties, for such loss or damage The failure of a party to insure its property shall not void this waiver Landlord and its respective Related Parties shall not be liable for, and Tenant hereby waives all claims against such parties for, business interruption and losses occasioned thereby sustained by Tenant or any person claiming through Tenant resulting from any accident or occurrence in or upon the Premises or the Project from any cause whatsoever If the foregoing waivers shall contravene any law with respect to exculpatory agreements, the liability of Landlord or Tenant shall be deemed not released but shall be secondary to the other's insurer

Landlord may require insurance policy limits to be raised to conform with requirements of Landlord's lender and/or to bring coverage limits to levels then being generally required of new tenants within the Project, provided, however, that the increased amount of coverage is consistent with coverage amounts then being required by institutional owners of similar projects with tenants occupying similar size premises in Cambridge, Massachusetts

18 **Restoration** If, at any time during the Term, the Building or the Premises are damaged or destroyed by a fire or other insured casualty, Landlord shall notify Tenant within 60 days after discovery of such damage as to the amount of time Landlord reasonably estimates it will take to restore the Building or the Premises, as applicable (the "**Restoration Period**") If the Restoration Period is estimated to exceed 12 months (the "**Maximum Restoration Period**"), Landlord may, in such notice, elect to terminate this Lease as of the date that is 75 days after the date of discovery of such damage or destruction, provided, however, that notwithstanding Landlord's election to restore, Tenant may elect to terminate this Lease by written notice to Landlord delivered within 5 business days of receipt of a notice from Landlord estimating a Restoration Period for the Premises longer than the Maximum Restoration Period Unless either Landlord or Tenant so elects to terminate this Lease, Landlord shall, subject to receipt of sufficient insurance proceeds (with any deductible to be treated as a current Operating Expense), promptly restore the Premises (excluding the improvements installed by Tenant or by Landlord and paid for by Tenant except to the extent to which Landlord receives insurance proceeds for the restoration of improvements from the insurance required to be maintained by Landlord under Section 17, in which case such improvements shall be included as part of Landlord's restoration), subject to delays arising from the collection of insurance proceeds, from Force Majeure events or as needed to obtain any license, clearance or other authorization of any kind required to enter into and restore the Premises issued by any Governmental Authority having jurisdiction over the use, storage, handling, treatment, generation, release, disposal, removal or remediation of Hazardous Materials (as defined in Section 30) in, on or about the Premises (collectively referred to herein as "**Hazardous Materials Clearances**"), provided, however, that if repair or restoration of the Premises is not substantially complete as of the end of the Maximum Restoration Period or, if longer, the Restoration Period, Landlord may, in its sole and absolute discretion, elect not to proceed with such repair and restoration, or Tenant may by written notice to Landlord delivered within 10 business days of the expiration of the Maximum Restoration Period or, if longer, the Restoration Period, elect to terminate this Lease, in either of which events Landlord shall be relieved of its obligation to make such repairs or restoration and this Lease shall terminate as of the date that is 75 days after the later of (i) discovery of such damage or destruction, or (n) the date all required Hazardous Materials Clearances are obtained, but Landlord shall retain any Rent paid and the right to any Rent payable by Tenant prior to such election by Landlord or Tenant

Tenant, at its expense, shall promptly perform, subject to delays arising from the collection of insurance proceeds, from Force Majeure (as defined in Section 34) events or to obtain Hazardous Material Clearances, all repairs or restoration not required to be done by Landlord and shall promptly re¬enter the Premises and commence doing business in accordance with this Lease Notwithstanding the foregoing, Landlord may terminate this Lease if the Premises are damaged

during the 12 months of the Term and Landlord reasonably estimates that it will take more than 2 months to repair such damage, or if insurance proceeds are not available for such restoration Rent shall be abated from the date all required Hazardous Material Clearances are obtained until the Premises are repaired and restored, in the proportion which the area of the Premises, if any, which is not usable by Tenant bears to the total area of the Premises, unless Landlord provides Tenant with other space reasonably acceptable to Tenant during the period of repair that is suitable for the temporary conduct of Tenant's business In the event that no Hazardous Material Clearances are required to be obtained by Tenant with respect to the Premises, rent abatement shall commence on the date of discovery of the damage or destruction Such abatement shall be the sole remedy of Tenant, and except as provided in this Section 18, Tenant waives any right to terminate the Lease by reason of damage or casualty loss

The provisions of this Lease, including this Section 18, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, or any other portion of the Project, and any statute or regulation which is now or may hereafter be in effect shall have no application to this Lease or any damage or destruction to all or any part of the Premises or any other portion of the Project, the parties hereto expressly agreeing that this Section 18 sets forth their entire understanding and agreement with respect to such matters

19 **Condemnation** If the whole or any material part of the Premises, Building or the Project is taken for any public or quasi-public use under governmental law, ordinance, or regulation, or by right of eminent domain, or by private purchase in lieu thereof (a "**Taking**" or "**Taken**"), and the Taking would in Landlord's reasonable judgment materially interfere with or impair Landlord's ownership or operation of the Building or Project, or would in the reasonable judgment of Landlord and Tenant either prevent or materially interfere with Tenant's use of the Premises (as resolved, if the parties are unable to agree, by arbitration by a single arbitrator with the qualifications and experience appropriate to resolve the matter and appointed pursuant to and acting in accordance with the rules of the American Arbitration Association), then upon written notice by Landlord or Tenant to the other this Lease shall terminate and Rent shall be apportioned as of said date If part of the Premises shall be Taken, and this Lease is not terminated as provided above, Landlord shall promptly restore the Premises, the Building and the Project as nearly as is commercially reasonable under the circumstances to their condition prior to such partial Taking and the rentable square footage of the Building, the rentable square footage of the Premises, Tenant's Share of Operating Expenses, the Building's Share of Project and the Rent payable hereunder during the unexpired Term shall be reduced to such extent as may be fair and reasonable under the circumstances Upon any such Taking, Landlord shall be entitled to receive the entire price or award from any such Taking without any payment to Tenant, and Tenant hereby assigns to Landlord Tenant's interest, if any, in such award Tenant shall have the right, to the extent that same shall not diminish Landlord's award, to make a separate claim against the condemning authority (but not Landlord) for such compensation as may be separately awarded or recoverable by Tenant for moving expenses and damage to Tenant's trade fixtures, if a separate award for such items is made to Tenant Tenant hereby waives any and all rights it might otherwise have pursuant to any provision of state law to terminate this Lease upon a partial Taking of the Premises, Building or the Project

20 **Events of Default** Each of the following events shall be a default ("Default") by Tenant under this Lease

(a) **Payment Defaults** Tenant shall fail to pay any installment of Rent or any other payment hereunder when due, provided, however, that Landlord will give Tenant notice and an opportunity to cure any failure to pay Rent within 5 business days of any such notice not more than once in any 12 month period and Tenant agrees that such notice shall be in lieu of and not in addition to, or shall be deemed to be, any notice required by law

(b) **Insurance** Any insurance required to be maintained by Tenant pursuant to this Lease shall be canceled or terminated or shall expire or shall be reduced or materially changed, or Landlord shall receive a notice of nonrenewal of any such insurance and Tenant shall fail to obtain replacement insurance at least 20 days before the expiration of the current coverage

(c) **Abandonment** Tenant shall abandon the Premises, provided that Tenant shall not be deemed to have abandoned the Premises if (i) Tenant provides Landlord with reasonable advance notice prior to vacating and, at the time of vacating the Premises, Tenant has completed Tenant's obligations with respect to the Decommissioning and HazMat Closure Plan in compliance with Section 28, (ii) Tenant has made reasonable arrangements for the security of the Premises for the balance of the Term, and (iii) Tenant continues during the balance of the Term to satisfy all of its obligations under the Lease as they come due, including without limitation the obligation to pay Rent

(d) **Improper Transfer** Tenant shall assign, sublease or otherwise transfer or attempt to transfer all or any portion of Tenant's interest in this Lease or the Premises except as expressly permitted herein, or Tenant's interest in this Lease shall be attached, executed upon, or otherwise judicially seized and such action is not released within 90 days of the action

(e) **Liens** Tenant shall fail to discharge or otherwise obtain the release of any lien placed upon the Premises in violation of this Lease within the time period required pursuant to Section 15 of this Lease

(f) **Insolvency Events** Tenant or any guarantor or surety of Tenant's obligations hereunder shall (A) make a general assignment for the benefit of creditors, (B) commence any case, proceeding or other action seeking to have an order for relief entered on its behalf as a debtor or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or of any substantial part of its property (collectively a "**Proceeding for Relief**"), (C) become the subject of any Proceeding for Relief which is not dismissed within 90 days of its filing or entry, or (D) die or suffer a legal disability (if Tenant, guarantor, or surety is an individual) or be dissolved or otherwise fail to maintain its legal existence (if Tenant, guarantor or surety is a corporation, partnership or other entity)

(g) **Estoppel Certificate or Subordination Agreement** Tenant fails to execute any document required from Tenant under Sections 23 or 27 within 5 business days after a second notice requesting such document

(h) **Other Defaults** Tenant shall fail to comply with any provision of this Lease other than those specifically referred to in this Section 20, and, except as otherwise expressly provided herein, such failure shall continue for a period of 30 days after written notice thereof from Landlord to Tenant

(i) Any notice given under Section 20(h) hereof shall (i) specify the alleged default, (n) demand that Tenant cure such default, (in) be in lieu of, and not in addition to, or shall be deemed to be, any notice required under any provision of applicable law, and (iv) not be deemed a forfeiture or a termination of this Lease unless Landlord elects otherwise in such notice, provided that if the nature of Tenant's default pursuant to Section 20(h) is such that it cannot be cured by the payment of money and reasonably requires more than 30 days to cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30 day period and thereafter diligently prosecutes the same to completion, provided, however, that such cure shall be completed no later than 90 days from the date of Landlord's notice

21 **Landlord's Remedies**

(a) **Payment By Landlord; Interest** Upon a Default by Tenant hereunder, Landlord may, without waiving or releasing any obligation of Tenant hereunder, make such payment or perform such act All sums so paid or incurred by Landlord, together with interest thereon, from the date such sums were paid or incurred, at the annual rate equal to 12% per annum or the highest rate permitted by law (the "**Default Rate**"), whichever is less, shall be payable to Landlord on demand as Additional Rent Nothing herein shall be construed to create or impose a duty on Landlord to mitigate any damages resulting from Tenant's Default hereunder

(b) **Late Payment Rent** Late payment by Tenant to Landlord of Rent and other sums due will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult and impracticable to ascertain Such costs include, but are not limited to, processing and accounting charges and late charges which may be imposed on Landlord under any Mortgage covering the Premises Therefore, if any installment of Rent due from Tenant is not received by Landlord within 5 days after the date such payment is due, Tenant shall pay to Landlord an additional sum equal to 6% of the overdue Rent as a late charge Notwithstanding the foregoing, before assessing a late charge the first time in any calendar year, Landlord shall provide Tenant written notice of the delinquency and will waive the right if Tenant pays such delinquency within 5 days thereafter The parties agree that this late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant In addition to the late charge, Rent not paid when due shall bear interest at the Default Rate from the 5th day after the date due until paid

(c) **Remedies** Upon the occurrence of a Default, Landlord, at its option, without further notice or demand to Tenant, shall have in addition to all other rights and remedies provided in this Lease, at law or in equity, the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever (except as otherwise expressly provided in Section 21(c)(v) with respect to Landlord's Lump Sum Election) No cure in whole or in part of such Default by Tenant after Landlord has taken any action beyond giving Tenant notice of such Default to pursue any remedy provided for herein (including retaining counsel to file an action or otherwise pursue any remedies) shall in any way affect Landlord's right to pursue such remedy or any other remedy provided Landlord herein or under law or in equity, unless Landlord, in its sole discretion, elects to waive such Default

(i) This Lease and the Term and estate hereby granted are subject to the limitation that whenever a Default shall have happened and be continuing, Landlord shall have the right, at its election, then or thereafter while any such Default shall continue and notwithstanding the fact that Landlord may have some other remedy hereunder or at law or in equity, to give Tenant written notice of Landlord's intention to terminate this Lease on a date specified in such notice, which date shall be not less than 5 days after the giving of such notice, and upon the date so specified, this Lease and the estate hereby granted shall expire and terminate with the same force and effect as if the date specified in such notice were the date hereinbefore fixed for the expiration of this Lease, and all rights of Tenant hereunder shall expire and terminate, and Tenant shall be liable as hereinafter in this Section 21(c) provided If any such notice is given, Landlord shall have, on such date so specified, the right of re-entry and possession of the Premises and the right to remove all persons and property therefrom and to store such property in a warehouse or elsewhere at the risk and expense, and for the account, of Tenant Should Landlord elect to re-enter as herein provided or should Landlord take possession pursuant to legal proceedings or pursuant to any notice provided for by law, Landlord may, subject to Section 21(c)(ii) from time to time re-let the Premises or any part thereof for such term or terms and at such rental or rentals and upon such terms and conditions as Landlord may deem advisable, with the right to make commercially reasonable alterations in and repairs to the Premises

(ii) Landlord shall be deemed to have satisfied any obligation to mitigate its damages by hiring an experienced commercial real estate broker to market the Premises and directing such broker to advertise and show the Premises to prospective tenants

(iii) In the event of any termination of this Lease as in this Section 21 provided or as required or permitted by law or in equity, Tenant shall forthwith quit and surrender the Premises to Landlord, and Landlord may, without further notice, enter upon, re-enter, possess and repossess the same by summary proceedings, ejectment or otherwise, and again have, repossess and enjoy the same free of any rights of Tenant, and in any such event Tenant and no person claiming through or under Tenant by virtue of any law or an order of any court shall be entitled to possession or to remain in possession of the Premises

(iv) If this Lease is terminated or if Landlord shall re-enter the Premises as aforesaid, or in the event of the termination of this Lease, or of re-entry, by or under any proceeding or action or any provision of law by reason of a Default by Tenant, Tenant covenants and agrees forthwith to pay and be liable for, on the days originally fixed in this Lease for the payment thereof, amounts equal to the installments of Base Rent and all Additional Rent as they would, under the terms of this Lease become due if this Lease had not been terminated or if Landlord had not entered or re-entered, as aforesaid, and whether the Premises be relet or remain vacant, in whole or in part, or for a period less than the remainder of the Term, or for the whole thereof, but in the event that the Premises be relet by Landlord, Tenant shall be entitled to a credit in the net amount of rent and other charges received by Landlord in reletting, after deduction of all of Landlord's expenses incurred in reletting the Premises (including, without limitation, tenant improvement, demising and

remodeling costs, brokerage fees and the like), and in collecting the rent in connection therewith, in the following manner Amounts received by Landlord after reletting, if any, shall first be applied against such Landlord's expenses, until the same are recovered, and until such recovery, Tenant shall pay, as of each day when a payment would fall due under this Lease, the amount which Tenant is obligated to pay under the terms of this Lease (Tenant's liability prior to any such reletting and such recovery by Landlord no in any way to be diminished as a result of the fact that such reletting might be for a rent higher than the rent provided for in this Lease), when and if such expenses have been completely recovered by Landlord, the amounts received from reletting by Landlord as have not previously been applied shall be credited against Tenant's obligations as of each day when a payment would fall due under this Lease, and only the net amount thereof shall be payable by Tenant Further, Tenant shall not be entitled to any credit of any kind for any period after the date when the Term of this Lease is scheduled to expire according to its terms

Actions, proceedings or suits for the recovery of damages, whether liquidated or other damages, under this Lease, or any installments thereof, may be brought by Landlord from time to time at its election, and nothing contained herein shall be deemed to require Landlord to postpone suit until the date when the Term of this Lease would have expired if it had not been terminated hereunder

(v) In addition, Landlord, at its election, notwithstanding any other provision of this Lease, by written notice to Tenant (the "**Lump Sum Election**"), shall be entitled to recover from Tenant, as and for liquidated damages, at any time following any termination of this Lease, a lump sum payment representing, at the time of Landlord's written notice of its Lump Sum Election, the sum of

(A) the then present value (calculated in accordance with accepted financial practice using as the discount rate the yield to maturity on United States Treasury Notes as set forth below) of the amount of unpaid Base Rent and Additional Rent that would have been payable pursuant to this Lease for the remainder of the Term following Landlord's Lump Sum Election if this Lease had not been terminated, and

(B) all other damages and expenses (including attorneys' fees and expenses), if any, which Landlord shall have sustained by reason of the breach of any provision of this Lease, less

(C) the then present value (calculated in accordance with accepted financial practice using as the discount rate the yield to maturity on United States Treasury Notes as set forth below) of the aggregate net fair market rent plus additional charges payable for the Premises (if less than the then present value of Base Rent and Additional Rent that would have been payable pursuant to this Lease) for the remainder of the Term following Landlord's Lump Sum Election, calculated as of the date of Landlord's Lump Sum Election, and taking into account reasonable estimates of the future costs to relet any then vacant portions of the Premises (except to the extent that Tenant has actually paid such costs pursuant to this Section 21) in order to calculate the net rental revenue that Landlord may expect to obtain for the Premises for the balance of the Term

Landlord's recovery under its Lump Sum Election shall be in addition to Tenant's obligations to pay Base Rent and Additional Rent due and costs incurred prior to the date of Landlord's Lump Sum Election, and in lieu of any Base Rent and Additional Rent which would otherwise have been due under this Section from and after the date of Landlord's Lump Sum Election The yield to maturity on United States Treasury Notes having a maturity date that is nearest the date that would have been the last day of the Term of the Lease, as reported in the Wall Street Journal or a comparable publication if it ceases to publish such yields, shall be used in calculating present values for purposes of Landlord's Lump Sum Election For the purposes of this Section, if Landlord makes the Lump Sum Election to recover liquidated damages in accordance with this Section, the total Additional Rent shall be computed based upon Landlord's reasonable estimate of Tenant's Share of Operating Expenses and other Additional Rent for each 12-month period in what would have been the remainder of the Term of the Lease and any part thereof at the end of such remainder of the Term, but in no event less than the amounts therefor payable for the twelve (12) calendar months (or if less than twelve (12) calendar months have elapsed since the date hereof, the partial year) immediately preceding the date of Landlord's Lump Sum Election Amounts of Tenant's Share of Operating Expenses and any other Additional Rent for any partial year at the beginning of the Term or at the end of what would have been the remainder of the Term shall be prorated

(vi) Nothing herein contained shall limit or prejudice the right of Landlord, in any bankruptcy or insolvency proceeding, to prove for and obtain as liquidated damages by reason of such termination an amount equal to the maximum allowed by any bankruptcy or insolvency proceedings, or to prove for and obtain as liquidated damages by reason of such termination, an amount equal to the maximum allowed by any statute or rule of law, whether such amount shall be greater or less than the excess referred to above

(vii) Nothing in this Section 21 shall be deemed to affect the right of either party to indemnifications pursuant to this Lease

(viii) If Landlord terminates this Lease upon the occurrence of a Default, Tenant will quit and surrender the Premises to Landlord or its agents, and Landlord may, without further notice, enter upon, re-enter and repossess the Premises by summary proceedings, ejectment or otherwise The words "enter", "re-enter", and "re-entry" are not restricted to their technical legal meanings

(ix) If Tenant shall be in default in the observance or performance of any provision of this Lease, and an action shall be brought for the enforcement thereof in which it shall be determined that Tenant was in default, Tenant shall pay to Landlord all reasonable, out of pocket fees, costs and other expenses which may become payable as a result thereof or in connection therewith, including reasonable attorneys' fees and expenses

(x) If default by Tenant shall occur in the keeping, observance or performance of any covenant, agreement, term, provision or condition herein contained, Landlord, without thereby waiving such default, may perform the same for the account and at the

expense of Tenant (a) immediately or at any time thereafter and with only such notice, if any, as may be practicable under the circumstances in the case of an emergency or in case such default will result in a violation of any legal or insurance requirements, or in the imposition of any lien against all or any portion of the Premises or the Project not discharged, released or bonded over to Landlord's satisfaction by Tenant within the time period required pursuant to Section 15 of this Lease, and (b) in any other case if such default continues after any applicable notice and cure period provided in Section 20 All reasonable costs and expenses incurred by Landlord in connection with any such performance by it for the account of Tenant and also all reasonable costs and expenses, including attorneys' fees and disbursements incurred by Landlord in any action or proceeding (including any summary dispossess proceeding) brought by Landlord to enforce any obligation of Tenant under this Lease and/or right of Landlord in or to the Premises, shall be paid by Tenant to Landlord within 10 days after demand

(xi) Independent of the exercise of any other remedy of Landlord hereunder or under applicable law, Landlord may conduct an environmental test of the Premises as generally described in Section 30(d)

(xii) In the event that Tenant is in breach or Default under this Lease, whether or not Landlord exercises its right to terminate or any other remedy, Tenant shall reimburse Landlord upon demand for any out of pocket costs and expenses that Landlord may incur in connection with any such breach or Default, as provided in this Section 21(c) Such costs shall include legal fees and costs incurred for the negotiation of a settlement, enforcement of rights or otherwise Tenant shall also indemnify Landlord against and hold Landlord harmless from all costs, expenses, demands and liability, including without limitation, legal fees and costs Landlord shall incur if Landlord shall become or be made a party to any claim or action instituted by Tenant against any third party, by any third party against Tenant or by or against any person holding any interest under or using the Premises by license of or agreement with Tenant

(xiii) Except as otherwise provided in this Section 21, no right or remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other right or remedy, and every right and remedy shall be cumulative and in addition to any other legal or equitable right or remedy given hereunder, or now or hereafter existing No waiver by Landlord of any provision of this Lease shall be deemed to have been made unless expressly so made in writing by Landlord expressly waiving such provision Landlord shall be entitled, to the extent permitted by law, to seek injunctive relief in case of the violation, or attempted or threatened violation, of any provision of this Lease, or to seek a decree compelling observance or performance of any provision of this Lease, or to seek any other legal or equitable remedy

22 **Assignment and Subletting**

(a) **General Prohibition** Without Landlord's prior written consent, which shall not be unreasonably withheld, subject to and on the conditions described in this Section 22, Tenant shall not, directly or indirectly, voluntarily or by operation of law, assign this Lease or sublease the Premises or any part thereof or mortgage, pledge, or hypothecate its leasehold interest or grant any

concession or license within the Premises, and any attempt to do any of the foregoing shall be void and of no effect If Tenant is a corporation, partnership or limited liability company, the shares or other ownership interests thereof which are not actively traded upon a stock exchange or in the over-the-counter market, a transfer or series of transfers whereby 50% or more of the issued and outstanding shares or other ownership interests of such corporation are, or voting control is, transferred (but excepting transfers upon deaths of individual owners) from a person or persons or entity or entities which were owners thereof at time of execution of this Lease to persons or entities who were not owners of shares or other ownership interests of the corporation, partnership or limited liability company at time of execution of this Lease, shall be deemed an assignment of this Lease requiring the consent of Landlord as provided in this Section 22 Notwithstanding the foregoing, Tenant shall have the right to (x) obtain financing from institutional or individual investors (including venture capital funding and corporate partners) which regularly invest in private biotechnology companies, (y) undergo a public offering, or (z) if Tenant is a public company, transfer shares of Tenant effected through any recognized exchange or through the "over the counter" market, any of which results in a change in control of Tenant without such change of control constituting an assignment under this Section 22 requiring Landlord consent, provided that (i) Tenant notifies Landlord in writing of the financing at least 10 business days prior to the closing of the financing, and (n) provided that in no event shall such financing result in a change in use of the Premises from the use contemplated by Tenant at the commencement of the Term

(b) **Permitted Transfers** If Tenant desires to assign, sublease, hypothecate or otherwise transfer this Lease or sublet the Premises, other than pursuant to a Permitted Assignment (as defined below) then at least 15 business days, but not more than 45 business days, before the date Tenant desires the assignment or sublease to be effective (the "**Assignment Date**"), Tenant shall give Landlord a notice (the "**Assignment Notice**") containing such information about the proposed assignee or sublessee, including the proposed use of the Premises and any Hazardous Materials proposed to be used, stored handled, treated, generated in or released or disposed of from the Premises, the Assignment Date, any relationship between Tenant and the proposed assignee or sublessee, and all material terms and conditions of the proposed assignment or sublease, including a copy of any proposed assignment or sublease in its final form, and such other information as Landlord may deem reasonably necessary or appropriate to its consideration whether to grant its consent Landlord may, by giving written notice to Tenant within 15 business days after receipt of the Assignment Notice (i) grant such consent, (n) refuse such consent, in its reasonable discretion, or (in) with respect to any assignment or any sublease that would result in more than 50% of the Premises being subleased for substantially the remainder of the Term, terminate this Lease with respect to the space described in the Assignment Notice as of the Assignment Date (an "**Assignment Termination**") If Landlord delivers notice of its election to exercise an Assignment Termination, Tenant shall have the right to withdraw such Assignment Notice by written notice to Landlord of such election within 5 business days after Landlord's notice electing to exercise the Assignment Termination If Tenant withdraws such Assignment Notice, this Lease shall continue in full force and effect If Tenant does not withdraw such Assignment Notice, this Lease, and the term and estate herein granted, shall terminate as of the Assignment Date with respect to the space described in such Assignment Notice No failure of Landlord to exercise any such option to terminate this Lease, or to deliver a timely notice in response to the Assignment Notice, shall be deemed to be Landlord's consent to the proposed assignment, sublease or other transfer It shall be reasonable for Landlord to withhold its consent, among other reasons, in any of the following instances (A) the business or financial reputation of the proposed assignee or sublessee, or the

business or financial reputation of any of the respective principals or officers thereof, is objectionable in Landlord's reasonable judgment, (B) the proposed assignee or sublessee is engaged in areas of scientific research or other business concerns that are controversial, in Landlord's reasonable judgment, or its proposed use of the Premises will violate any applicable Legal Requirement, (C) the proposed assignee or sublessee is at that time negotiating with Landlord or an affiliate thereof for the lease of other space in the Project, (D) the proposed assignee or sublessee does not have a net worth (determined in accordance with GAAP (as defined below)), as of the date of the Transfer, at least equal to the greater of (x) the net worth of Tenant as of the date of this Lease (based on the financial statements submitted by Tenant to Landlord prior to execution of the Lease), or (y) the net worth of Tenant immediately prior to the Transfer Date (based on the financial statements then most recently submitted by Tenant pursuant to Section 40(c) below or if Tenant is publicly traded, as provided in Tenant's then most recent financial statements filed with the Securities and Exchange Commission), or otherwise lacks the creditworthiness to support the financial obligations it would incur under the proposed assignment or sublease, (E) the proposed assignee or sublessee is a governmental agency, (F) in Landlord's reasonable judgment, the use of the Premises by the proposed assignee or sublessee would entail any alterations that would lessen the value of the leasehold improvements in the Premises, or would require increased services by Landlord, (G) Landlord has experienced previous defaults by or is in litigation with the proposed assignee or sublessee or (H) the assignment or sublease is prohibited by Landlord's lender In any event, Landlord shall further have the right to review and approve or disapprove the proposed form of sublease prior to the effective date of any such subletting If Landlord delivers notice of its election to exercise an Assignment Termination, Tenant shall have the right to withdraw such Assignment Notice by written notice to Landlord of such election within 5 business days after Landlord's notice electing to exercise the Assignment Termination If Tenant withdraws such Assignment Notice, this Lease shall continue in full force and effect If Tenant does not withdraw such Assignment Notice, this Lease, and the term and estate herein granted, shall terminate as of the Assignment Date with respect to the space described in such Assignment Notice No failure of Landlord to exercise any such option to terminate this Lease, or to deliver a timely notice in response to the Assignment Notice, shall be deemed to be Landlord's consent to the proposed assignment, sublease or other transfer Other than in connection with any Permitted Assignment, Tenant shall pay to Landlord a fee equal to Two Thousand Dollars ($2,000) in connection with its consideration of any Assignment Notice and/or its preparation or review of any consent documents Notwithstanding the foregoing, Landlord's consent to an assignment of this Lease or a subletting of any portion of the Premises to any entity controlling, controlled by or under common control with Tenant or any entity funded or sponsored by Flagship Ventures (a "**Control Permitted Assignment**") shall not be required, provided that Landlord shall have the right to approve the form of any such sublease or assignment In addition, Tenant shall have the right to assign this Lease, upon 30 days prior written notice to Landlord but without obtaining Landlord's prior written consent, to a corporation or other entity which is a successor-in-interest to Tenant, by way of merger, consolidation or corporate reorganization, or by the purchase of all or substantially all of the assets or the ownership interests of Tenant provided that (i) such merger or consolidation, or such acquisition or assumption, as the case may be, is for a good business purpose and not principally for the purpose of transferring the Lease, and (n) the net worth (as determined in accordance with generally accepted accounting principles ("**GAAP**")) of the assignee is not less than the greater of the net worth (as determined in accordance with GAAP) of Tenant as of (A) the Commencement Date, or (B) as of the date of Tenant's most current quarterly

or annual financial statements, and (m) such assignee shall agree in writing to assume all of the terms, covenants and conditions of this Lease (a "**Corporate Permitted Assignment**") Control Permitted Assignments and Corporate Permitted Assignments are hereinafter referred to as "**Permitted Assignments**" Notwithstanding anything to the contrary contained herein and for the avoidance of any doubt, Landlord may not elect to exercise an Assignment Termination in connection with a Permitted Assignment

(c) **Additional Conditions** As a condition to any such assignment or subletting, whether or not Landlord's consent is required, Landlord may require

(i) that any assignee or subtenant agree, in writing at the time of such assignment or subletting, that if Landlord gives such party notice that Tenant is in default under this Lease, such party shall thereafter make all payments otherwise due Tenant directly to Landlord, which payments will be received by Landlord without any liability except to credit such payment against those due under the Lease, and any such third party shall agree to attorn to Landlord or its successors and assigns should this Lease be terminated for any reason, provided, however, in no event shall Landlord or its successors or assigns be obligated to accept such attornment, and

(ii) A list of Hazardous Materials, certified by the proposed assignee or sublessee to be true and correct, which the proposed assignee or sublessee intends to use, store, handle, treat, generate in or release or dispose of from the Premises, together with copies of all documents relating to such use, storage, handling, treatment, generation, release or disposal of Hazardous Materials by the proposed assignee or subtenant in the Premises or on the Project, prior to the proposed assignment or subletting, including, without limitation permits, approvals, reports and correspondence, storage and management plans, plans relating to the installation of any storage tanks to be installed in or under the Project (provided, said installation of tanks shall only be permitted after Landlord has given its written consent to do so, which consent may be withheld in Landlord's sole and absolute discretion), and all closure plans or any other documents required by any and all federal, state and local Governmental Authorities for any storage tanks installed in, on or under the Project for the closure of any such tanks Neither Tenant nor any such proposed assignee or subtenant is required, however, to provide Landlord with any portion(s) of the such documents containing information of a proprietary nature which, in and of themselves, do not contain a reference to any Hazardous Materials or hazardous activities

(d) **No Release of Tenant, Sharing of Excess Rents** Notwithstanding any assignment or subletting, Tenant and any guarantor or surety of Tenant's obligations under this Lease shall at all times remain fully and primarily responsible and liable for the payment of Rent and for compliance with all of Tenant's other obligations under this Lease Other than in connection with a Permitted Assignment, if the Rent due and payable by a sublessee or assignee (or a combination of the rental payable under such sublease or assignment plus any bonus or other consideration therefor or incident thereto in any form) exceeds the sum of the rental payable under this Lease, (excluding however, any Rent payable under this Section) and actual and reasonable brokerage fees, legal costs, advertising expenses, free rent or other reasonable concessions and any design or construction fees and tenant improvement costs directly related to and required pursuant to the

terms of any such sublease) ("**Excess Rent**"), then Tenant shall be bound and obligated to pay Landlord as Additional Rent hereunder 50% of such Excess Rent within 10 days following receipt thereof by Tenant Notwithstanding anything to the contrary contained herein, if Tenant realizes any Excess Rent with respect to any sublease of all or any portion of the Phase 2 Premises during the first 6 full calendar months following the Phase 2 Premises Commencement Date, Tenant shall in no event be required to share any portion of such Excess Rent with Landlord If Tenant shall sublet the Premises or any part thereof, Tenant hereby immediately and irrevocably assigns to Landlord, as security for Tenant's obligations under this Lease, all rent from any such subletting, and Landlord as assignee and as attorney-in-fact for Tenant, or a receiver for Tenant appointed on Landlord's application, may collect such rent and apply it toward Tenant's obligations under this Lease, except that, until the occurrence of a Default, Tenant shall have the right to collect such rent

(e) **No Waiver** The consent by Landlord to an assignment or subletting shall not relieve Tenant or any assignees of this Lease or any sublessees of the Premises from obtaining the consent of Landlord to any further assignment or subletting nor shall it release Tenant or any assignee or sublessee of Tenant from full and primary liability under the Lease The acceptance of Rent hereunder, or the acceptance of performance of any other term, covenant, or condition thereof, from any other person or entity shall not be deemed to be a waiver of any of the provisions of this Lease or a consent to any subletting, assignment or other transfer of the Premises

(f) Prior Conduct of Proposed Transferee Notwithstanding any other provision of this Section 22, if (i) the proposed assignee or sublessee of Tenant has been required by any prior landlord, lender or Governmental Authority to take remedial action in connection with Hazardous Materials contaminating a property, where the contamination resulted from such party's action or use of the property in question, (n) the proposed assignee or sublessee is subject to an enforcement order issued by any Governmental Authority in connection with the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials (including, without limitation, any order related to the failure to make a required reporting to any Governmental Authority), or (in) because of the existence of a pre-existing environmental condition in the vicinity of or underlying the Project, the risk that Landlord would be targeted as a responsible party in connection with the remediation of such pre-existing environmental condition would be materially increased or exacerbated by the proposed use of Hazardous Materials by such proposed assignee or sublessee, Landlord shall have the absolute right to refuse to consent to any assignment or subletting to any such party

23 **Estoppel Certificate** Tenant shall, within 10 business days of written notice from Landlord, execute, acknowledge and deliver a statement in writing in any form reasonably requested by a proposed lender or purchaser, (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect) and the dates to which the rental and other charges are paid in advance, if any, (n) acknowledging, to the best of Tenant's knowledge, that there are not any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed, and (in) setting forth such further information with respect to the status of this Lease or the Premises as may be reasonably requested thereon Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part Tenant's failure to deliver such statement within such time shall, at the option of Landlord, be conclusive upon Tenant that the Lease is in full force and effect and without modification except as may be represented by Landlord in any certificate prepared by Landlord and delivered to Tenant for execution

24 **Quiet Enjoyment** So long as Tenant shall perform all of the covenants and agreements herein required to be performed by Tenant, Tenant shall, subject to the terms of this Lease, at all times during the Term, have peaceful and quiet enjoyment of the Premises against any person claiming by, through or under Landlord

25 **Prorations** All prorations required or permitted to be made hereunder shall be made on the basis of a 360 day year and 30 day months

26 **Rules and Regulations** Tenant shall, at all times during the Term and any extension thereof, comply with all reasonable rules and regulations at any time or from time to time established by Landlord covering use of the Premises and the Project The current rules and regulations are attached hereto as **Exhibit E** If there is any conflict between said rules and regulations and other provisions of this Lease, the terms and provisions of this Lease shall control Landlord shall not have any liability or obligation for the breach of any rules or regulations by other tenants in the Project and shall not enforce such rules and regulations in a discriminatory manner

27 **Subordination** This Lease and Tenant's interest and rights hereunder are hereby made and shall be subject and subordinate at all times to the lien of any Mortgage now existing or hereafter created on or against the Project or the Premises, and all amendments, restatements, renewals, modifications, consolidations, refinancing, assignments and extensions thereof, without the necessity of any further instrument or act on the part of Tenant, provided, however that so long as there is no Default hereunder, Tenant's right to possession of the Premises shall not be disturbed by the Holder of any such Mortgage Tenant agrees, at the election of the Holder of any such Mortgage, to attorn to any such Holder Tenant agrees upon demand to execute, acknowledge and deliver such instruments, confirming such subordination, and such instruments of attornment as shall be requested by any such Holder, provided any such instruments contain appropriate non-disturbance provisions assuring Tenant's quiet enjoyment of the Premises as set forth in Section 24 hereof Notwithstanding the foregoing, any such Holder may at any time subordinate its Mortgage to this Lease, without Tenant's consent, by notice in writing to Tenant, and thereupon this Lease shall be deemed prior to such Mortgage without regard to their respective dates of execution, delivery or recording and in that event such Holder shall have the same rights with respect to this Lease as though this Lease had been executed prior to the execution, delivery and recording of such Mortgage and had been assigned to such Holder The term "**Mortgage**" whenever used in this Lease shall be deemed to include deeds of trust, security assignments, ground leases or other superior leases and any other encumbrances, and any reference to the "**Holder**" of a Mortgage shall be deemed to include the beneficiary under a deed of trust As of the date of this Lease, there is no existing Mortgage encumbering the Project

28 **Surrender** Upon the expiration of the Term or earlier termination of Tenant's right of possession, Tenant shall surrender the Premises to Landlord in the same condition as received, subject to any Alterations or Installations permitted by Landlord to remain in the Premises, free of Hazardous Materials brought upon, kept, used, stored, handled, treated, generated in, or released

or disposed of from, the Premises by any person other than a Landlord Party (collectively, "**Tenant HazMat Operations**") and released of all Hazardous Materials Clearances, broom clean, ordinary wear and tear and casualty loss and condemnation covered by Sections 18 and 19 excepted At least 3 months prior to the surrender of the Premises or such earlier date as Tenant may elect to cease operations at the Premises, Tenant shall deliver to Landlord a narrative description of the actions proposed (or required by any Governmental Authority) to be taken by Tenant in order to surrender the Premises (including any Installations permitted by Landlord to remain in the Premises) at the expiration or earlier termination of the Term, free from any residual impact from the Tenant HazMat Operations and otherwise released for unrestricted use and occupancy (the "**Decommissioning and HazMat Closure Plan**") Such Decommissioning and HazMat Closure Plan shall be accompanied by a current listing of (i) all Hazardous Materials licenses and permits held by or on behalf of any Tenant Party with respect to the Premises, and (n) all Hazardous Materials used, stored, handled, treated, generated, released or disposed of from the Premises, and shall be subject to the review and reasonable approval of Landlord's environmental consultant Landlord shall use reasonable efforts to cause Landlord's environmental consultant to provide Tenant with comments to or approval of, as the case may be, the Decommissioning and HazMat Closure Plan within a reasonable time after Tenant delivers the Decommissioning and HazMat Closure Plan to Landlord In connection with the review and approval of the Decommissioning and HazMat Closure Plan, upon the request of Landlord, Tenant shall deliver to Landlord or its consultant such additional non-proprietary information concerning Tenant HazMat Operations as Landlord shall request On or before such surrender, Tenant shall deliver to Landlord evidence that the approved Decommissioning and HazMat Closure Plan shall have been satisfactorily completed and Landlord shall have the right, subject to reimbursement at Tenant's expense as set forth below, to cause Landlord's environmental consultant to inspect the Premises and perform such additional procedures as may be deemed reasonably necessary to confirm that the Premises are, as of the effective date of such surrender or early termination of the Lease, free from any residual impact from Tenant HazMat Operations Tenant shall reimburse Landlord, as Additional Rent, for the actual out-of-pocket expense incurred by Landlord for Landlord's environmental consultant to review and approve the Decommissioning and HazMat Closure Plan and to visit the Premises and verify satisfactory completion of the same, which cost shall not exceed $5,000 Landlord shall have the unrestricted right to deliver such Decommissioning and HazMat Closure Plan and any report by Landlord's environmental consultant with respect to the surrender of the Premises to third parties

If Tenant shall fail to prepare or submit a Decommissioning and HazMat Closure Plan approved by Landlord, or if Tenant shall fail to complete the approved Decommissioning and HazMat Closure Plan, or if such Decommissioning and HazMat Closure Plan, whether or not approved by Landlord, shall fail to adequately address any residual effect of Tenant HazMat Operations in, on or about the Premises, Landlord shall have the right to take such actions as Landlord may deem reasonable or appropriate to assure that the Premises and the Project are surrendered free from any residual impact from Tenant HazMat Operations, the actual cost of which actions shall be reimbursed by Tenant as Additional Rent, without regard to the limitation set forth in the first paragraph of this Section 28

Upon the expiration or earlier termination of the Term, Tenant shall immediately return to Landlord all keys and/or access cards to parking, the Building, restrooms or all or any portion of the Premises, Building or Project furnished to or otherwise procured by Tenant If any such access

card or key is lost, Tenant shall pay to Landlord, at Landlord's election, either the cost of replacing such lost access card or key or the cost of reprogramming the access security system in which such access card was used or changing the lock or locks opened by such lost key Any Tenant's Property, Alterations and other property of Tenant not so removed by Tenant as permitted or required herein shall be deemed abandoned and may be stored, removed, and disposed of by Landlord at Tenant's expense, and Tenant waives all claims against Landlord for any damages resulting from Landlord's retention and/or disposition of such property All obligations of Tenant hereunder not fully performed as of the termination of the Term, including the obligations of Tenant under Section 30 hereof, shall survive the expiration or earlier termination of the Term, including, without limitation, indemnity obligations, payment obligations with respect to Rent and obligations concerning the condition and repair of the Premises

29 **Waiver of Jury Trial** TENANT AND LANDLORD WAIVE ANY RIGHT TO TRIAL BY JURY OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, BETWEEN LANDLORD AND TENANT ARISING OUT OF THIS LEASE OR ANY OTHER INSTRUMENT, DOCUMENT, OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED HERETO

30 **Environmental Requirements**

(a) **Prohibition/Compliance/Indemnity** Tenant shall not cause or permit any Hazardous Materials (as hereinafter defined) to be brought upon, kept, used, stored, handled, treated, generated in or about, or released or disposed of from, the Premises or the Project in violation of applicable Environmental Requirements (as hereinafter defined) by Tenant or any Tenant Party If Tenant breaches the obligation stated in the preceding sentence, or if the presence of Hazardous Materials in the Premises during the Term or any holding over results in contamination of the Premises, the Project or any adjacent property or if contamination of the Premises, the Project or any adjacent property by Hazardous Materials brought into, kept, used, stored, handled, treated, generated in or about, or released or disposed of from, the Premises by anyone other than Landlord and Landlord's employees, agents and contractors otherwise occurs during the Term or any holding over, Tenant hereby indemnifies and shall defend and hold Landlord, its officers, directors, employees, agents and contractors harmless from any and all actions (including, without limitation, remedial or enforcement actions of any kind, administrative or judicial proceedings, and orders or judgments arising out of or resulting therefrom), costs, claims, damages (including, without limitation, punitive damages and damages based upon diminution in value of the Premises or the Project, or the loss of, or restriction on, use of the Premises or any portion of the Project), expenses (including, without limitation, reasonable attorneys', consultants' and experts' fees, court costs and amounts paid in settlement of any claims or actions), fines, forfeitures or other civil, administrative or criminal penalties, injunctive or other relief (whether or not based upon personal injury, property damage, or contamination of, or adverse effects upon, the environment, water tables or natural resources), liabilities or losses (collectively, "**Environmental Claims**") which arise during or after the Term as a result of such breach of Tenant's obligation stated in the preceding sentence or as a result of such contamination This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, treatment, remedial, removal, or restoration work required by any federal, state or local Governmental Authority because of

Hazardous Materials present in the air, soil or ground water above, on, or under the Premises Without limiting the foregoing, if the presence of any Hazardous Materials on the Premises, the Building, the Project or any adjacent property caused or permitted by Tenant or any Tenant Party results in any contamination of the Premises, the Building, the Project or any adjacent property, Tenant shall promptly take all actions at its sole expense and in accordance with applicable Environmental Requirements as are necessary to return the Premises, the Building, the Project or any adjacent property to the condition existing prior to the time of such contamination, provided that Landlord's approval of such action shall first be obtained, which approval shall not unreasonably be withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises, the Building or the Project Notwithstanding anything to the contrary contained in Section 28 or this Section 30, Tenant shall not be responsible for, and the indemnification and hold harmless obligations set forth in this paragraph shall not apply to (i) contamination in the Premises which Tenant can prove to Landlord's reasonable satisfaction existed in the Premises prior to the Commencement Date, (n) the presence of any Hazardous Materials in the Premises which Tenant can prove to Landlord's reasonable satisfaction migrated from outside the Premises into the Premises, or (m) contamination caused by Landlord or any Landlord's employees, agents and contractors, unless in any case, the presence of such Hazardous Materials (x) is the result of a breach by Tenant of any of its obligations under this Lease, or (y) was caused, contributed to or exacerbated by Tenant or any Tenant Party

(b) **Business** Landlord acknowledges that it is not the intent of this Section 30 to prohibit Tenant from using the Premises for the Permitted Use Tenant may operate its business according to prudent industry practices so long as the use or presence of Hazardous Materials is strictly and properly monitored according to all then applicable Environmental Requirements As a material inducement to Landlord to allow Tenant to use Hazardous Materials in connection with its business, Tenant agrees to deliver to Landlord prior to the Commencement Date a list identifying each type of Hazardous Materials to be brought upon, kept, used, stored, handled, treated, generated on, or released or disposed of from, the Premises and setting forth any and all governmental approvals or permits required in connection with the presence, use, storage, handling, treatment, generation, release or disposal of such Hazardous Materials on or from the Premises ("**Hazardous Materials List**") Upon Landlord's request, or any time that Tenant is required to deliver a Hazardous Materials List to any Governmental Authority (e g , the fire department) in connection with Tenant's use or occupancy of the Premises, Tenant shall deliver to Landlord a copy of such Hazardous Materials List Tenant shall deliver to Landlord true and correct copies of the following documents (the "**Haz Mat Documents**") relating to the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials prior to the Commencement Date, or if unavailable at that time, concurrent with the receipt from or submission to a Governmental Authority permits, approvals, reports and correspondence, storage and management plans, notice of violations of any Legal Requirements, plans relating to the installation of any storage tanks to be installed in or under the Project (provided, said installation of tanks shall only be permitted after Landlord has given Tenant its written consent to do so, which consent may be withheld in Landlord's sole and absolute discretion), all closure plans or any other documents required by any and all federal, state and local Governmental Authorities for any storage tanks installed in, on or under the Project for the closure of any such tanks, and a Decommissioning and HazMat Closure Plan (to the extent surrender in accordance with Section 28 cannot be accomplished in 3 months) Tenant is not required, however, to provide Landlord with any portion(s) of the Haz Mat Documents containing information of a proprietary nature which, in and of themselves, do not contain a reference to any Hazardous Materials or hazardous activities It is not the intent of this Section to provide Landlord with information which could be detrimental to Tenant's business should such information become possessed by Tenant's competitors

(c) **Tenant Representation and Warranty** Tenant hereby represents and warrants to Landlord that (i) neither Tenant nor any of its legal predecessors has been required by any prior landlord, lender or Governmental Authority at any time to take remedial action in connection with Hazardous Materials contaminating a property which contamination was permitted by Tenant of such predecessor or resulted from Tenant's or such predecessor's action or use of the property in question, and (n) Tenant is not subject to any enforcement order issued by any Governmental Authority in connection with the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials (including, without limitation, any order related to the failure to make a required reporting to any Governmental Authority) If Landlord reasonably determines that this representation and warranty was not true as of the date of this lease, Landlord shall have the right to terminate this Lease in Landlord's sole and absolute discretion

(d) **Testing** Landlord shall have the right to conduct annual tests of the Premises to determine whether any contamination of the Premises or the Project has occurred as a result of Tenant's use Tenant shall be required to pay the reasonable cost of such annual test of the Premises, provided, however, that if Tenant conducts its own tests of the Premises using third party contractors and test procedures acceptable to Landlord which tests are certified to Landlord, Landlord shall accept such tests in lieu of the annual tests to be paid for by Tenant In addition, at any time, and from time to time, prior to the expiration or earlier termination of the Term, Landlord shall have the right to conduct appropriate tests of the Premises and the Project to determine if contamination has occurred as a result of Tenant's use of the Premises In connection with such testing, upon the request of Landlord, Tenant shall deliver to Landlord or its consultant such non-proprietary information concerning the use of Hazardous Materials in or about the Premises by Tenant or any Tenant Party If contamination has occurred for which Tenant is liable under this Section 30, Tenant shall pay all costs to conduct such tests If no such contamination is found, Landlord shall pay the costs of such tests (which shall not constitute an Operating Expense) Landlord shall provide Tenant with a copy of all third party, non-confidential reports and tests of the Premises made by or on behalf of Landlord during the Term without representation or warranty and subject to a confidentiality agreement Tenant shall, at its sole cost and expense, promptly and satisfactorily remediate any environmental conditions identified by such testing which Tenant is responsible for under this Lease in accordance with all Environmental Requirements Landlord's receipt of or satisfaction with any environmental assessment in no way waives any rights which Landlord may have against Tenant

(e) **Underground Tanks** If underground or other storage tanks storing Hazardous Materials located on the Premises or the Project are used by Tenant or are hereafter placed on the Premises or the Project by Tenant, Tenant shall install, use, monitor, operate, maintain, upgrade and manage such storage tanks, maintain appropriate records, obtain and maintain appropriate insurance, implement reporting procedures, properly close any underground storage tanks, and take or cause to be taken all other actions necessary or required under applicable state and federal Legal Requirements, as such now exists or may hereafter be adopted or amended in connection with the installation, use, maintenance, management, operation, upgrading and closure of such storage tanks

(f) **Tenant's Obligations** Tenant's obligations under this Section 30 shall survive the expiration or earlier termination of the Lease During any period of time after the expiration or earlier termination of this Lease required by Tenant or Landlord to complete the removal from the Premises of any Hazardous Materials for which Tenant is responsible under this Lease (including, without limitation, the release and termination of any licenses or permits restricting the use of the Premises and the completion of the approved Decommissioning and HazMat Closure Plan), Tenant shall continue to pay the full Rent in accordance with this Lease for any portion of the Premises not relet by Landlord in Landlord's sole discretion, which Rent shall be prorated daily

(g) **Definitions** As used herein, the term "**Environmental Requirements**" means all applicable present and future statutes, regulations, ordinances, rules, codes, judgments, orders or other similar enactments of any Governmental Authority regulating or relating to health, safety, or environmental conditions on, under, or about the Premises or the Project, or the environment, including without limitation, the following the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, and all state and local counterparts thereto, and any regulations or policies promulgated or issued thereunder As used herein, the term "**Hazardous Materials**" means and includes any substance, material, waste, pollutant, or contaminant listed or defined as hazardous or toxic, or regulated by reason of its impact or potential impact on humans, animals and/or the environment under any Environmental Requirements, asbestos and petroleum, including crude oil or any fraction thereof, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas) As defined in Environmental Requirements, Tenant is and shall be deemed to be the "**operator**" of Tenant's "**facility**" and the "**owner**" of all Hazardous Materials brought on the Premises by Tenant or any Tenant Party, and the wastes, by-products, or residues generated, resulting, or produced therefrom

31 **Tenant's Remedies/Limitation of Liability** Landlord shall not be in default hereunder unless Landlord fails to perform any of its obligations hereunder within 30 days after written notice from Tenant specifying such failure (unless such performance will, due to the nature of the obligation, require a period of time in excess of 30 days, then after such period of time as is reasonably necessary) Upon any default by Landlord, Tenant shall give notice by registered or certified mail to any Holder of a Mortgage covering the Premises and to any landlord of any lease of property in or on which the Premises are located and Tenant shall offer such Holder and/or landlord a reasonable opportunity to cure the default, including time to obtain possession of the Project by power of sale or a judicial action if such should prove necessary to effect a cure, provided Landlord shall have furnished to Tenant in writing the names and addresses of all such persons who are to receive such notices All obligations of Landlord hereunder shall be construed as covenants, not conditions, and, except as may be otherwise expressly provided in this Lease, Tenant may not terminate this Lease for breach of Landlord's obligations hereunder

All obligations of Landlord under this Lease will be binding upon Landlord only during the period of its ownership of the Premises and not thereafter The term "**Landlord**" in this Lease shall mean only the owner for the time being of the Premises Upon the transfer by such owner of its interest in the Premises, such owner shall thereupon be released and discharged from all obligations of Landlord thereafter accruing, but such obligations shall be binding during the Term upon each new owner for the duration of such owner's ownership

32 **Inspection and Access** Landlord and Landlord's representatives may enter the Premises during business hours on not less than 48 hours advance written notice (except in the case of emergencies in which case no such notice shall be required and such entry may be at any time) for the purpose of effecting any such repairs, inspecting the Premises, showing the Premises to prospective purchasers and, during the last year of the Term, to prospective tenants or for any other business purpose Landlord may erect a suitable sign on the Premises stating that the Project is available for sale, or in the last 12 months of the Term, that the Premises are available to let Landlord shall use reasonable efforts to minimize interference with Tenant's business operations at the Premises in connection with its entry into the Premises under this Section 32 Landlord may grant and amend easements, make public dedications, designate Common Areas and create and amend restrictions on or about the Premises, provided that no such easement, dedication, designation or restriction materially, adversely affects Tenant's use or occupancy of the Premises for the Permitted Use or Tenant's access to the Premises At Landlord's request, Tenant shall execute such instruments as may be necessary for such easements, dedications or restrictions Tenant shall at all times, except in the case of emergencies, have the right to escort Landlord or its agents, representatives, contractors or guests while the same are in the Premises, provided such escort does not materially and adversely affect Landlord's access rights hereunder Landlord shall use reasonable efforts to comply with Tenant's reasonable security, confidentiality and safety requirements with respect to entering restricted portions of the Premises, provided, however, that Tenant has notified Landlord of such security, confidentiality and safety requirements reasonably prior to Landlord's entry into the Premises and provided further that in no event shall Tenant bar or prohibit access by Landlord and its employees, agents and contractors for the performance of the obligations of Landlord or the exercise of the rights of Landlord under this Lease

33 **Security** Tenant acknowledges and agrees that security devices and services, if any, while intended to deter crime may not in given instances prevent theft or other criminal acts and that Landlord is not providing any security services with respect to the Premises Tenant agrees that Landlord shall not be liable to Tenant for, and Tenant waives any claim against Landlord with respect to, any loss by theft or any other damage suffered or incurred by Tenant in connection with any unauthorized entry into the Premises or any other breach of security with respect to the Premises Tenant shall be solely responsible for the personal safety of Tenant's officers, employees, agents, contractors, guests and invitees while any such person is in, on or about the Premises and/or the Project Tenant shall at Tenant's cost obtain insurance coverage to the extent Tenant desires protection against such criminal acts

34 **Force Majeure** Neither party shall be responsible or liable for delays in the performance of its obligations hereunder when caused by, related to, or arising out of acts of God, strikes, lockouts, or other labor disputes, embargoes, quarantines, weather, national, regional, or local disasters, calamities, or catastrophes, inability to obtain labor or materials (or reasonable substitutes therefor) at reasonable costs or failure of, or inability to obtain, utilities necessary for performance, governmental restrictions, orders, limitations, regulations, or controls, national emergencies, delay in issuance or revocation of permits, enemy or hostile governmental action, terrorism, insurrection, riots, civil disturbance or commotion, fire or other casualty, and other causes or events beyond the reasonable control of the parties ("**Force Majeure**") Notwithstanding anything to the contrary contained in this Lease, in no event shall any payment obligations of Tenant be delayed, abated, excused or reduced by Force Majeure

35 **Brokers** Landlord and Tenant each represents and warrants that it has not dealt with any broker, agent or other person (collectively, "**Broker**") in connection with this transaction and that no Broker brought about this transaction, other than CBRE, Inc and Newmark Knight Frank Landlord and Tenant each hereby agree to indemnify and hold the other harmless from and against any claims by any Broker, other than the broker, if any named in this Section 35, claiming a commission or other form of compensation by virtue of having dealt with Tenant or Landlord, as applicable, with regard to this leasing transaction Landlord shall be responsible for all commissions due to CBRE, Inc and Newmark Knight Frank arising out of the execution of this Lease in accordance with the terms of a separate written agreement between such parties and Landlord

36 **Limitation on Landlord's Liability** NOTWITHSTANDING ANYTHING SET FORTH HEREIN OR IN ANY OTHER AGREEMENT BETWEEN LANDLORD AND TENANT TO THE CONTRARY (A) LANDLORD SHALL NOT BE LIABLE TO TENANT OR ANY OTHER PERSON FOR (AND TENANT AND EACH SUCH OTHER PERSON ASSUME ALL RISK OF) LOSS, DAMAGE OR INJURY, WHETHER ACTUAL OR CONSEQUENTIAL TO TENANT'S PERSONAL PROPERTY OF EVERY KIND AND DESCRIPTION, INCLUDING, WITHOUT LIMITATION TRADE FIXTURES, EQUIPMENT, INVENTORY, SCIENTIFIC RESEARCH, SCIENTIFIC EXPERIMENTS, LABORATORY ANIMALS, PRODUCT, SPECIMENS, SAMPLES, AND/OR SCIENTIFIC, BUSINESS, ACCOUNTING AND OTHER RECORDS OF EVERY KIND AND DESCRIPTION KEPT AT THE PREMISES AND ANY AND ALL INCOME DERIVED OR DERIVABLE THEREFROM, (B) THERE SHALL BE NO PERSONAL RECOURSE TO LANDLORD FOR ANY ACT OR OCCURRENCE IN, ON OR ABOUT THE PREMISES OR ARISING IN ANY WAY UNDER THIS LEASE OR ANY OTHER AGREEMENT BETWEEN LANDLORD AND TENANT WITH RESPECT TO THE SUBJECT MATTER HEREOF AND ANY LIABILITY OF LANDLORD HEREUNDER SHALL BE STRICTLY LIMITED SOLELY TO LANDLORD'S INTEREST IN THE PROJECT OR ANY PROCEEDS FROM SALE OR CONDEMNATION THEREOF AND ANY INSURANCE PROCEEDS PAYABLE IN RESPECT OF LANDLORD'S INTEREST IN THE PROJECT OR IN CONNECTION WITH ANY SUCH LOSS, AND (C) IN NO EVENT SHALL ANY PERSONAL LIABILITY BE ASSERTED AGAINST ANY OF LANDLORD'S OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR CONTRACTORS UNDER NO CIRCUMSTANCES SHALL LANDLORD OR ANY OF LANDLORD'S OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR CONTRACTORS BE LIABLE FOR INJURY TO TENANT'S BUSINESS OR FOR ANY LOSS OF INCOME OR PROFIT THEREFROM

37 **Severability** If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby It is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added, as a part of this Lease, a clause or provision as similar in effect to such illegal, invalid or unenforceable clause or provision as shall be legal, valid and enforceable

38 **Signs; Exterior Appearance** Tenant shall not, without the prior written consent of Landlord, which may be granted or withheld in Landlord's sole discretion (i) attach any awnings, exterior lights, decorations, balloons, flags, pennants, banners, painting or other projection to any

outside wall of the Project, (II) use any curtains, blinds, shades or screens other than Landlord's standard window coverings, (in) coat or otherwise sunscreen the interior or exterior of any windows, (iv) place any bottles, parcels, or other articles on the window sills, (v) place any equipment, furniture or other items of personal property on any exterior balcony, or (vi) paint, affix or exhibit on any part of the Premises or the Project any signs, notices, window or door lettering, placards, decorations, or advertising media of any type which can be viewed from the exterior of the Premises Interior signs on the sixth, seventh, eighth and ninth floors and the directory tablet shall be inscribed, painted or affixed for Tenant by Landlord at the sole cost and expense of Landlord, and shall be of a size, color and type acceptable to Landlord Nothing may be placed on the exterior of corridor walls or corridor doors other than Landlord's standard lettering The directory tablet shall be provided exclusively for the display of the name and location of tenants

39 **Right to Extend Term** Tenant shall have the right to extend the Term of the Lease upon the following terms and conditions

(a) **Extension Right** Tenant shall have the right (the "**Extension Right**") to extend the term of this Lease for an additional 5 years (the "**Extension Term**") on the same terms and conditions as this Lease (other than Base Rent) by giving Landlord written notice of its election to exercise the Extension Right at least 12 months prior, and no earlier than 18 months prior, to the expiration of the Base Term of the Lease

Upon the commencement of any Extension Term, Base Rent shall be payable at the Market Rate (as defined below) Base Rent shall thereafter be adjusted on each annual anniversary of the commencement of the Extension Term by a percentage as determined by Landlord and agreed to by Tenant at the time the Market Rate is determined As used herein, "**Market Rate**" shall mean the then market rental rate for space comparable to the Premises in a building comparable to the Building in the East Cambridge and Kendall Square market area of Cambridge, MA as determined by Landlord and agreed to by Tenant or determined by arbitration as provided below In addition, Landlord may impose a market rent for the parking rights provided hereunder

Within 30 days of the delivery to Landlord of Tenant's written notice of Tenant's election to exercise an Extension Right, Landlord shall deliver to Tenant Landlord's determination of the Market Rate and rent escalations for such Extension Term If, on or before the date which is 210 days prior to the expiration of the Base Term of this Lease, or the expiration of any prior Extension Term, Tenant has not agreed with Landlord's determination of the Market Rate and the rent escalations during such subsequent Extension Term after negotiating in good faith, Tenant shall be deemed to have elected arbitration as described in Section 39(b) below Tenant acknowledges and agrees that, if Tenant has elected to exercise the Extension Right by delivering notice to Landlord as required in this Section 39(a), Tenant shall have no right thereafter to rescind or elect not to extend the term of the Lease for the Extension Term

(b) **Arbitration**

(i) Within 10 days of Tenant's notice to Landlord of its election to arbitrate Market Rate and escalations, each party shall deliver to the other a proposal containing the Market Rate and escalations that the submitting party believes to be correct ("**Extension**

Proposal") If either party fails to timely submit an Extension Proposal, the other party's submitted proposal shall determine the Base Rent and escalations for the Extension Term If both parties submit Extension Proposals, then Landlord and Tenant shall meet within 7 days after delivery of the last Extension Proposal and make a good faith attempt to mutually appoint a single Arbitrator (as defined below) to determine the Market Rate and escalations If Landlord and Tenant are unable to agree upon a single Arbitrator, then each shall, by written notice delivered to the other within 10 days after the meeting, select an Arbitrator If either party fails to timely give notice of its selection for an Arbitrator, the other party's submitted proposal shall determine the Base Rent for the Extension Term The 2 Arbitrators so appointed shall, within 5 business days after their appointment, appoint a third Arbitrator If the 2 Arbitrators so selected cannot agree on the selection of the third Arbitrator within the time above specified, then either party, on behalf of both parties, may request such appointment of such third Arbitrator by application to any state court of general jurisdiction in the jurisdiction in which the Premises are located, upon 10 days prior written notice to the other party of such intent

(ii) The decision of the Arbitrator(s) shall be made within 30 days after the appointment of a single Arbitrator or the third Arbitrator, as applicable The decision of the single Arbitrator shall be final and binding upon the parties The average of the two closest Arbitrators in a three Arbitrator panel shall be final and binding upon the parties Each party shall pay the fees and expenses of the Arbitrator appointed by or on behalf of such party and the fees and expenses of the third Arbitrator shall be borne equally by both parties If the Market Rate and escalations are not determined by the first day of the Extension Term, then Tenant shall pay Landlord Base Rent in an amount equal to the Base Rent in effect immediately prior to the Extension Term and increased by the Rent Adjustment Percentage until such determination is made After the determination of the Market Rate and escalations, the parties shall make any necessary adjustments to such payments made by Tenant Landlord and Tenant shall then execute an amendment recognizing the Market Rate and escalations for the Extension Term

(iii) An "**Arbitrator"** shall be any person appointed by or on behalf of either party or appointed pursuant to the provisions hereof and (i) shall be (A) a member of the American Institute of Real Estate Appraisers with not less than 10 years of experience in the appraisal of improved office and high tech industrial real estate in the greater Boston metropolitan area, or (B) a licensed commercial real estate broker with not less than 15 years' experience representing landlords and/or tenants in the leasing of high tech or life sciences space in the greater Boston metropolitan area, (n) devoting substantially all of their time to professional appraisal or brokerage work, as applicable, at the time of appointment and (m) be in all respects impartial and disinterested

(c) **Rights Personal** The Extension Right is personal to Tenant and is not assignable without Landlord's consent, which may be granted or withheld in Landlord's sole discretion separate and apart from any consent by Landlord to an assignment of Tenant's interest in the Lease, except that they may be assigned in connection with any Permitted Assignment of this Lease

(d) **Exceptions** Notwithstanding anything set forth above to the contrary, the Extension Right shall not be in effect and Tenant may not exercise the Extension Right

(i) during any period of time that Tenant is in Default under any provision of this

(ii) Lease, or

(iii) if Tenant has been in Default under any provision of this Lease 3 or more times, whether or not the Defaults are cured, during the 12 month period immediately prior to the date that Tenant intends to exercise the Extension Right, whether or not the Defaults are cured, or

(iv) if Tenant is not in occupancy of the entire Premises demised hereunder both at the time of the exercise of the Extension Right and at the time of the commencement date of the Extension Term

(e) **No Extensions** The period of time within which the Extension Right may be exercised shall not be extended or enlarged by reason of Tenant's inability to exercise the Extension Right

(f) **Termination** The Extension Right shall terminate and be of no further force or effect even after Tenant's due and timely exercise the Extension Right, if, after such exercise, but prior to the commencement date of the Extension Term, (i) Tenant fails to timely cure any default by Tenant under this Lease, or (n) Tenant has Defaulted 3 or more times during the period from the date of the exercise of the Extension Right to the date of the commencement of the Extension Term, whether or not such Defaults are cured

40 **Roof Equipment** Tenant shall have the right at its sole cost and expense, subject to compliance with all Legal Requirements, to install, maintain, and remove on the top of the roof of the Building (based on Tenant's proportionate share of the space available on the roof) one or more satellite dishes, communication antennae, or other equipment (all of which having a diameter and height acceptable to Landlord) for the transmission or reception of communication of signals as Tenant may from time to time desire (collectively, "the "**Roof Equipment**") on the following terms and conditions

(a) **Requirements** Tenant shall submit to Landlord (i) the plans and specifications for the installation of the Roof Equipment, (n) copies of all required governmental and quasi-governmental permits, licenses, and authorizations that Tenant will and must obtain at its own expense, with the cooperation of Landlord, if necessary for the installation and operation of the Roof Equipment, and (in) an insurance policy or certificate of insurance evidencing insurance coverage as required by this Lease and any other insurance as reasonably required by Landlord for the installation and operation of the Roof Equipment Landlord shall not unreasonably withhold or delay its approval for the installation and operation of the Roof Equipment, provided, however, that Landlord may reasonably withhold its approval if the installation or operation of the Roof Equipment (A) may damage the structural integrity of the Building, (B) may void, terminate, or invalidate any applicable roof warranty, (C) may interfere with any service provided by Landlord or any tenant of the Building, (D) may reduce the leasable space in the Building, or (E) is not properly screened from the viewing public

(b) **No Damage to Roof** If installation of the Roof Equipment requires Tenant to make any roof cuts or perform any other roofing work, such cuts shall only be made to the roof area of the Building located directly above the Premises and only in the manner designated in writing by Landlord, and any such installation work (including any roof cuts or other roofing work) shall be performed by Tenant, at Tenant's sole cost and expense by a roofing contractor designated by Landlord If Tenant or its agents shall otherwise cause any damage to the roof during the installation, operation, and removal of the Roof Equipment such damage shall be repaired promptly at Tenant's expense and the roof shall be restored in the same condition it was in before the damage Landlord shall not charge Tenant Additional Rent for the installation and use of the Roof Equipment If, however, Landlord's insurance premium or Tax assessment increases as a result of the Roof Equipment, Tenant shall pay such increase as Additional Rent within ten (10) days after receipt of a reasonably detailed invoice from Landlord Tenant shall not be entitled to any abatement or reduction in the amount of Rent payable under this Lease if for any reason Tenant is unable to use the Roof Equipment In no event whatsoever shall the installation, operation, maintenance, or removal of the Roof Equipment by Tenant or its agents void, terminate, or invalidate any applicable roof warranty

(c) **Protection** The installation, operation, and removal of the Roof Equipment shall be at Tenant's sole risk Tenant shall indemnify, defend, and hold Landlord harmless from and against any and all claims, costs, damages, liabilities and expenses (including, but not limited to, reasonable attorneys' fees) of every kind and description that may arise out of or be connected in any way with Tenant's installation, operation, or removal of the Roof Equipment

(d) **Removal** At the expiration or earlier termination of this Lease or the discontinuance of the use of the Roof Equipment by Tenant, Tenant shall, at its sole cost and expense, remove the Roof Equipment from the Building Tenant shall leave the portion of the roof where the Roof Equipment was located in good order and repair, reasonable wear and tear excepted If Tenant does not so remove the Roof Equipment, Tenant hereby authorizes Landlord to remove and dispose of the Roof Equipment and charge Tenant as Additional Rent for all costs and expenses incurred by Landlord in such removal and disposal Tenant agrees that Landlord shall not be liable for any Roof Equipment or related property disposed of or removed by Landlord

(e) **No Interference** The Roof Equipment shall not interfere with the proper functioning of any telecommunications equipment or devices that have been installed or will be installed by Landlord or for any other tenant or future tenant of the Building Tenant acknowledges that other tenant(s) may have approval rights over the installation and operation of telecommunications equipment and devices on or about the roof, and that Tenant's right to install and operate the Roof Equipment is subject and subordinate to the rights of such other tenants Tenant agrees that any other tenant of the Building that currently has or in the future takes possession of any portion of the Building will be permitted to install such telecommunication equipment that is of a type and frequency that will not cause unreasonable interference to the Roof Equipment

(f) **Relocation** Landlord shall have the right, at its expense and after 60 days prior notice to Tenant, to relocate the Roof Equipment to another site on the roof of the Building as long as such site reasonably meets Tenant's sight line and interference requirements and does not unreasonably interfere with Tenant's use and operation of the Roof Equipment

(g) **Access** Landlord grants to Tenant the right of ingress and egress on a 24 hour 7 day per week basis to install, operate, and maintain the Roof Equipment Before receiving access to the roof of the Building, Tenant shall give Landlord at least 24 hours' advance written or oral notice, except in emergency situations, in which case 2 hours' advance oral notice shall be given by Tenant Landlord shall supply Tenant with the name, telephone, and pager numbers of the contact individual(s) responsible for providing access during emergencies

(h) **Appearance** If permissible by Legal Requirements, the Roof Equipment shall be painted the same color as the Building so as to render the Roof Equipment virtually invisible from ground level

(i) **No Assignment** The right of Tenant to use and operate the Roof Equipment shall be personal solely to Foghorn Therapeutics, Inc, a Delaware corporation, and (i) no other person or entity shall have any right to use or operate the Roof Equipment, and (u) other than in connection with a Permitted Assignment or in connection with the sublease of the entire Phase 1 Premises, Phase 2 Premises or Phase 3 Premises, respectively, the Tenant shall not assign, convey, or otherwise transfer to any person or entity any right, title, or interest in all or any portion of the Roof Equipment or the use and operation thereof

41 **Miscellaneous**

(a) **Notices** All notices or other communications between the parties shall be in writing and shall be deemed duly given upon delivery or refusal to accept delivery by the addressee thereof if delivered in person, or upon actual receipt if delivered by reputable overnight guaranty courier, addressed and sent to the parties at their addresses set forth above Landlord and Tenant may from time to time by written notice to the other designate another address for receipt of future notices

(b) **Joint and Several Liability** If and when included within the term "**Tenant**," as used in this instrument, there is more than one person or entity, each shall be jointly and severally liable for the obligations of Tenant

(c) **Financial Information** Tenant shall furnish Landlord with true and complete copies of (i) Tenant's most recent unaudited (or if available, audited) annual financial statements within 180 days of the end of each of Tenant's fiscal years during the Term, (n) Tenant's most recent unaudited quarterly financial statements within 45 days of the end of each of Tenant's first three fiscal quarters of each of Tenant's fiscal years during the Term, (m) at Landlord's request from time to time, updated business plans, including cash flow projections and/or pro forma balance sheets and income statements, all of which shall be treated by Landlord as confidential information belonging to Tenant, (iv) corporate brochures and/or profiles prepared by Tenant for prospective investors, and (v) any other financial information or summaries that Tenant typically provides to its lenders or shareholders If the stock of Tenant is publicly traded on a recognized national exchange, then Tenant's filing of quarterly and annual financial statements with the SEC shall be deemed to satisfy Tenant's obligations to deliver financial statements under this Section Landlord shall treat Tenant's financial information as confidential information belonging to Tenant and will not disclose the same other than on a need-to-know basis to Landlord's affiliates, legal, financial or tax advisors, consultants, potential lenders and potential purchasers and as required by Legal Requirements

(d) **Recordation** This Lease shall not be filed by or on behalf of Tenant in any public record Notwithstanding the foregoing, upon Tenant's request and at Tenant's sole cost and expense, Landlord shall execute and notarize a memorandum of lease prepared by Tenant which memorandum shall contain only the following information and any other additional information that may be required by applicable law (i) the names of the parties to this Lease, (II) description of the Premises and the Project, and (in) the Term Tenant shall file such memorandum of lease, at Tenant's sole cost If Tenant fails, after written request from Landlord, to record a termination of the memorandum on the expiration or earlier termination of this Lease, Tenant shall be responsible for any damages suffered by Landlord (from any cause including, without limitation, resulting from any indemnities or certifications which may be made by Landlord in favor of third parties) Nothing contained in this Lease is intended to prohibit Tenant from filing this Lease with the Securities and Exchange Commission ("**SEC**") to the extent that Tenant is required to do so pursuant to applicable SEC requirements Prior to any such filing of this Lease, Tenant shall redact the Base Rent and other economic terms to the extent permitted by applicable SEC regulations The provisions of this Section 41(d) shall survive the expiration or earlier termination of this Lease

(e) **Interpretation** The normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Lease or any exhibits or amendments hereto Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires The captions inserted in this Lease are for convenience only and in no way define, limit or otherwise describe the scope or intent of this Lease, or any provision hereof, or in any way affect the interpretation of this Lease

(f) **Not Binding Until Executed** The submission by Landlord to Tenant of this Lease shall have no binding force or effect, shall not constitute an option for the leasing of the Premises, nor confer any right or impose any obligations upon either party until execution of this Lease by both parties

(g) **Limitations on Interest** It is expressly the intent of Landlord and Tenant at all times to comply with applicable law governing the maximum rate or amount of any interest payable on or in connection with this Lease If applicable law is ever judicially interpreted so as to render usurious any interest called for under this Lease, or contracted for, charged, taken, reserved, or received with respect to this Lease, then it is Landlord's and Tenant's express intent that all excess amounts theretofore collected by Landlord be credited on the applicable obligation (or, if the obligation has been or would thereby be paid in full, refunded to Tenant), and the provisions of this Lease immediately shall be deemed reformed and the amounts thereafter collectible hereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder

(h) **Choice of Law** Construction and interpretation of this Lease shall be governed by the internal laws of the state in which the Premises are located, excluding any principles of conflicts of laws

(i) **Time** Time is of the essence as to the performance of Tenant's obligations under this Lease

(j) **OFAC** Landlord, Tenant and all beneficial owners of Tenant are currently (a) in compliance with and shall at all times during the Term of this Lease remain in compliance with the regulations of the Office of Foreign Assets Control ("**OFAC**") of the U S Department of Treasury and any statute, executive order, or regulation relating thereto (collectively, the "**OFAC Rules**"), (b) not listed on, and shall not during the term of this Lease be listed on, the Specially Designated Nationals and Blocked Persons List, Foreign Sanctions Evaders List, or the Sectoral Sanctions Identification List, which are all maintained by OFAC and/or on any other similar list maintained by OFAC or other governmental authority pursuant to any authorizing statute, executive order, or regulation, and (c) not a person or entity with whom a U S person is prohibited from conducting business under the OFAC Rules

(k) **Incorporation by Reference** All exhibits and addenda attached hereto are hereby incorporated into this Lease and made a part hereof If there is any conflict between such exhibits or addenda and the terms of this Lease, such exhibits or addenda shall control

(l) **Entire Agreement** This Lease, including the exhibits attached hereto, constitutes the entire agreement between Landlord and Tenant pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, letters of intent, negotiations and discussions, whether oral or written, of the parties, and there are no warranties, representations or other agreements, express or implied, made to either party by the other party in connection with the subject matter hereof except as specifically set forth herein

(m) **No Accord and Satisfaction** No payment by Tenant or receipt by Landlord of a lesser amount than the monthly installment of Base Rent or any Additional Rent will be other than on account of the earliest stipulated Base Rent and Additional Rent, nor will any endorsement or statement on any check or letter accompanying a check for payment of any Base Rent or Additional Rent be an accord and satisfaction Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or to pursue any other remedy provided in this Lease

(n) **Change in Form of Ownership** Pursuant to M G L Chapter 183A, Section 19, Landlord reserves the right to remove all or part of the Condominium from the provisions of M G L Chapter 183A In the event that Landlord does remove all or part of the Condominium from the provisions of M G L Chapter 183A, the amounts payable by Tenant pursuant to this Lease shall not be greater than the amounts that would have been otherwise payable by Tenant if Landlord had not removed all or part of the Condominium from the provisions of M G L Chapter 183A

(o) **Hazardous Activities** Notwithstanding any other provision of this Lease, Landlord, for itself and its employees, agents and contractors, reserves the right to refuse to perform any repairs or services in any portion of the Premises which, pursuant to Tenant's routine safety guidelines, practices or custom or prudent industry practices, require any form of protective clothing or equipment other than safety glasses In any such case, Tenant shall contract with parties who are acceptable to Landlord, in Landlord's reasonable discretion, for all such repairs and services, and Landlord shall, to the extent required, equitably adjust Tenant's Share of Operating Expenses in respect of such repairs or services to reflect that Landlord is not providing such repairs or services to Tenant

(p) **Counterparts** This Lease may be executed in 2 or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature process complying with the U S federal ESIGN Act of 2000) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes Electronic signatures shall be deemed original signatures for purposes of this Lease and all matters related thereto, with such electronic signatures having the same legal effect as original signatures

[Signatures on next page]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

TENANT:

FOGHORN THERAPEUTICS INC.,
a Delaware corporation

By: /s/ Adrian Gottschalk
Its: President & CEO

LANDLORD:

ARE-TECH SQUARE, LLC,
a Delaware limited liability company

By: ARE-MA REGION NO. 31, LLC
a Delaware limited partnership, its Manager

By: Alexandria Real Estate Equities, L.P.,
a Delaware limited partnership, its Managing Member

By: ARE-QRS CORP.,
a Maryland corporation
its General Partner

By: /s/ Jackie Clem
Name: Jackie Clem
Title: Senior Vice President RE Legal Affairs

EXHIBIT A TO LEASE

DESCRIPTION OF PREMISES

EXHIBIT B TO LEASE

DESCRIPTION OF PROJECT

The following parcels of land in Cambridge, Middlesex County, Massachusetts

The Registered Land shown as Lots 15,16 and 19 on Land Court Plan No 30711E, Lot 43 on Land Court Plan No 30711J and Lots 46 and 47 on Land Court Plan No 30711K, and

The Unregistered Land shown as Area No 1, Area No 2, Area No 3, Area No 4, Area No 5, Area No 6, Area No 7, Area No 8 and Area No 9 on a plan entitled "Plan of Land and Easements, Cambridge, Mass" Prepared by Raymond C Pressey, Inc, dated June 1970 and recorded with the Middlesex South Registry of Deeds in Book 11879, Page 393, Plan 852 (A of 2) of 1970

Excepting therefrom that portion taken by the Cambridge Redevelopment Authority Eminent Domain Taking dated April 12, 1982 and recorded in Book 14590, Page 221 and that portion taken by the Cambridge Redevelopment Authority Eminent Domain Taking dated January 27, 1983 and recorded in Book 14891, Page 556

Said parcels are also described as Units 100, 200, 300, 400, 500, 600 and 700 of that certain condominium known as the Technology Square Condominium, as set forth in that certain Master Deed dated November 30, 2000, executed by Technology Square LLC, and recorded with the Registry in Book 32159, at Page 490, and registered with the Land Court as Document No 1158816, under Certificate of Title No C404, as the same has been amended by that certain Amendment to Master Deed dated May 28, 2002, and recorded with the Registry as Instrument No 690 on September 6, 2002, and registered with the Land Court as Document No 1226564, and as the same has been amended by that certain Second Amendment to Master Deed dated as of November 15, 2002, and recorded with the Registry as Instrument No 1617 on September 23, 2003, and registered with the Land Court as Document No 1293465

Together with the benefit of and subject to the following

1 Terms and provisions of Reciprocal Easement Agreement dated April 18, 2000 by and between Technology Square LLC and the Charles Stark Draper Laboratory, Inc recorded in Book 31324, Page 262 and filed as Document No 1137080, as amended by First Amendment to Reciprocal Easement Agreement dated February 6, 2003 recorded in Book 38441, Page 415 and filed as Document No 1261130, and as amended by Second Amendment to Reciprocal Easement Agreement dated March 26, 2004 recorded in Book 42362, Page 126 and filed as Document No 1315537

2 Terms and provisions of Foundation, Grade Beam and Encroachment Agreement dated March 11, 1975, filed as Document No 531493, as amended by an Amendment to Foundation Grade Beam and Encroachment Agreement, dated September 1, 1976, filed as Document No 547840, affecting Lots 19 and 20, as affected by Reciprocal Easement Agreement dated April 18, 2000 recorded in Book 31324, Page 262 and filed as Document No 1137080, as amended by Amendment to Foundation, Grade Beam and Encroachment Agreement, dated September 1, 1976, filed with the Registry District as Document No 547840, affecting Lots 19 and 20, as affected by the Reciprocal Easement Agreement

All as affected by Voluntary Withdrawal from Registration filed January 16, 2008 as Document No 1462980 For title see Deed in Book 42269, Page 372 and Notice of Lease in Book 42269, Page 395

EXHIBIT C TO LEASE

WORK LETTER

EXHIBIT D TO LEASE

ACKNOWLEDGMENT OF COMMENCEMENT DATE

EXHIBIT E TO LEASE

RULES AND REGULATIONS

EXHIBIT F TO LEASE

TENANT'S PERSONAL PROPERTY

Exhibit 10.3

EXECUTION VERSION

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [**], HAS BEEN OMITTED BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO FOGHORN THERAPEUTICS INC. IF PUBLICLY DISCLOSED.

RESEARCH COLLABORATION AND EXCLUSIVE LICENSE AGREEMENT

by and between

FOGHORN THERAPEUTICS INC.

and

MERCK SHARP & DOHME CORP.

RESEARCH COLLABORATION AND EXCLUSIVE LICENSE AGREEMENT

This agreement (this **"Agreement"**) is effective as of July 2, 2020, (the **"Effective Date"**) and is entered into by and between Foghorn Therapeutics Inc., a corporation organized and existing under the laws of Delaware, having an address at 100 Binney Street, Suite 610, Cambridge, MA 02142 (**"Company"**) and Merck Sharp & Dohme Corp., a corporation organized and existing under the laws of New Jersey with its principal business office located at One Merck Drive, Whitehouse Station, NJ 08889 ("**Merck**").

RECITALS:

WHEREAS, Company has developed a proprietary integrated gene traffic control platform, which is known as the Gene Traffic Control™ Product Platform (aka GTC™ Product Platform), which enables the discovery of compounds that target disease with genetically determined dependencies in the chromatin regulatory system ("**Company Platform**");

WHEREAS, Merck is interested in working with the Company to identify, as part of the Research Program (as defined below), such compounds using the Company Platform that are directed to the Program Target (as defined below) upon the terms and conditions set forth herein;

WHEREAS, Merck desires to obtain an exclusive license under the Company Patent Rights and Company Know-How to develop and commercialize Product Candidates and Licensed Products (each as defined below), upon the terms and conditions set forth herein, and Company desires to grant such a license;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, Company and Merck hereby agree as follows:

ARTICLE 1 DEFINITIONS.

Unless specifically set forth to the contrary herein, the following terms, whether used in the singular or plural, shall have the respective meanings set forth below.

1.1 **"AAALAC"** shall mean the Association for Assessment and Accreditation of Laboratory Animal Care International.

1.2 **"Accounting Standards**" shall mean, with respect to a Party or its Affiliates or its or their Sublicensees, United States Generally Accepted Accounting Principles or International Financial Reporting Standards as issued by the International Accounting Standards Board, as applicable, in each case consistently applied.

1.3 **"Act"** shall mean, as applicable, the United States Federal Food, Drug and Cosmetic Act, 21 U.S.C. §§ 301 et seq., and/or the Public Health Service Act, 42 U.S.C. §§ 262 et seq., as amended from time to time.

1.4 **"Affiliate"** shall mean, with respect to a Party: (i) any Person of which, now or hereafter, fifty percent (50%) or more of the securities or other ownership interests representing the equity, the voting stock or general partnership interest are owned, controlled or held, directly or indirectly,

by such Party; or (ii) any Person which, now or hereafter, directly or indirectly, owns, controls or holds fifty percent (50%) (or the maximum ownership interest permitted by law) or more of the securities or other ownership interests representing the equity, the voting stock or, if applicable, the general partnership interest, of such Party; or (iii) any Person of which, now or hereafter, more than fifty percent (50%) of the securities or other ownership interests representing the equity, the voting stock or general partnership interest are owned, controlled or held, directly or indirectly, by a Person described in (i) or (ii).

1.5 **"Agreement"** shall have the meaning given such term in the preamble to this document.

1.6 **"Business Day"** shall mean any day other than a Saturday, Sunday, or a day on which commercial banks located in the country, state or city where the applicable obligations are to be performed are authorized or required by law to be closed.

1.7 "**Calendar Quarter"** shall mean the respective periods of three (3) consecutive calendar months ending on March 31, June 30, September 30 and December 31.

1.8 **"Calendar Year"** shall mean each successive period of twelve (12) months commencing on January 1 and ending on December 31.

1.9 **"Change of Control"** shall mean with respect to a Party: (1) the sale of all or substantially all of such Party's assets or business relating to this Agreement; (2) a merger, reorganization or consolidation involving such Party in which the voting securities of such Party outstanding immediately prior thereto cease to represent at least fifty percent (50%) of the combined voting power of the surviving entity or its parent entity immediately after such merger, reorganization or consolidation; or (3) a Person, or group of Persons, acting in concert acquire more than fifty percent (50%) of the voting equity securities or management control of such Party.

1.10 **"Clinical Trial"** shall mean a Phase I Clinical Trial, Phase II Clinical Trial, Phase IIb Clinical Trial, Phase III Clinical Trial, and/or Post-approval Clinical Trial.

1.11 **"Combination Product"** shall mean a Licensed Product that includes one or more pharmaceutically active ingredients other than Product Candidate, in combination with Product Candidate. All references to Licensed Product in this Agreement shall be deemed to include Combination Product.

1.12 "**Commercially Reasonable Efforts**" shall mean, with respect to the efforts to be expended by a Party with respect to any objective, such reasonable and diligent, good faith efforts to accomplish such objective as such party would normally use to accomplish a similar objective under similar circumstances. Notwithstanding the foregoing, it is understood and agreed that with respect to the research, development, commercialization and sale of a Licensed Product by either Party, such efforts shall be [**], and such efforts shall take into account efficacy and safety (including the continuing absence of any adverse condition or event relating to the safety or efficacy of a Licensed Product), approved labeling, the competitiveness of alternative products in the marketplace, the patent and other proprietary position of the product, the likelihood of regulatory approval given the Regulatory Authority involved, the anticipated profitability of the product including the amounts payable to licensors of patent or other intellectual property rights (other than the Company), alternative products, other risks associated with the development or commercialization of the product and other relevant factors. Commercially Reasonable Efforts shall be determined on a market-by-market and Indication-by-Indication basis for a particular Licensed Product, and it is anticipated that the level of effort will be different for different markets, and will change over time, reflecting among other things changes in the status of the Licensed Product and the market(s) involved.

1.13 "Committee" shall have the meaning given such term in Section 2.4.

1.14 "Company" shall have the meaning given such term in the preamble to this Agreement.

1.15 "Company Information and Inventions" shall mean all protocols, formulas, data, Inventions, know-how and trade secrets, patentable or otherwise, resulting from the Research Program developed or invented solely by employee(s) of Company and/or its Affiliates, and/or a Third Party acting on behalf of Company and/or its Affiliates, and not employed by Merck and/or its Affiliates and/or a Third Party acting on behalf of Merck, excluding Company Platform Information and Inventions.

1.16 "Company Know-How" shall mean all information and materials, including but not limited to discoveries, improvements, processes, methods, protocols, formulas, data, inventions (including without limitation Company Information and Inventions, and Company's rights in Joint Information and Inventions), know-how and trade secrets, patentable or otherwise, which (i) are Controlled by Company or its Affiliates during the term of this Agreement, (ii) are not generally known and (iii) are necessary or useful to research, develop, manufacture, market, use or sell any Product Candidate or Licensed Product in the Territory in the Field; excluding, however, any (A) Company Platform Know-How or (B) information, materials or other Know-How related to any active ingredient that (a) is included in a Licensed Product that is a Combination Product and (b) is not a Product Candidate.

1.17 "Company Patent Rights" shall mean Patent Rights that during the term of this Agreement are Controlled by Company or any of its Affiliates (including without limitation Company's rights in Joint Patent Rights), which: (i) claim or cover the Program Target, a Product Candidate and/or Licensed Product, or a method of use or process of manufacture thereof, including without limitation any improvements; or (ii) claim or cover Company Information and Inventions and, in the case of this clause (ii), are necessary or useful to research, develop, manufacture, market, use or sell any Product Candidate or Licensed Product in the Territory in the Field; excluding, however, from Company Patent Rights any such Patent Rights that (A) are Company Platform Patent Rights or (B) claim or cover any information, materials or other Know-How related to any active ingredient that (a) is included in a Licensed Product that is a Combination Product and (b) is not a Product Candidate.

1.18 "Company Platform" has the meaning set forth in the recitals of this Agreement, as described in detail in Schedule 1.18 hereof.

1.19 "Company Platform Information and Inventions" shall mean all protocols, formulas, data, Inventions, know-how and trade secrets, patentable or otherwise, developed or invented in the conduct of activities under this Agreement by employee(s) of Company and/or its Affiliates, and/or a Third Party acting on behalf of Company and/or its Affiliates to the extent solely related to the Company Platform and not specific to the Program Target, any Product Candidate and/or any Licensed Product.

1.20 "Company Platform Know-How" means all information and materials, including but not limited to discoveries, improvements, processes, methods, protocols, formulas, data, inventions, know-how and trade secrets, patentable or otherwise, that are (a) related to the Company Platform and are not specific to the Program Target, any Product Candidate and/or any Licensed Product,

(b) are Controlled by Company or its Affiliates, including Company Platform Information and Inventions, and (c) are necessary or useful to research, develop, manufacture, market, use or sell any Product Candidate or Licensed Product in the Territory in the Field.

1.21 **"Company Platform Patent Rights"** means the Patent Rights Controlled by Company or its Affiliates claiming or covering Company Platform Know-How.

1.22 "**Confidential Information**" means, with respect to each Party, all Information that is communicated in any way or form by or on behalf of such Party to the other Party or its permitted recipients, pursuant to this Agreement or that certain Mutual Confidential Disclosure Agreement between Merck Sharp & Dohme Corp. and Company dated February 11, 2019, as amended (the "**CDA**"), whether or not such Information is identified as confidential at the time of disclosure. The existence and terms of this Agreement will be considered Confidential Information of both Parties, with both Parties deemed to be the receiving Party of such Confidential Information.

1.23 **"Control"**, **"Controls"** or **"Controlled by"** shall mean with respect to any material, Information or intellectual property right, as applicable, the ability (whether by ownership or license, other than pursuant to this Agreement) of a Party to grant access to, or a license or sublicense of, such material, Information, or intellectual property right as provided for herein without violating the terms of any agreement or other arrangement with any Third Party existing at the time such Party would be required hereunder to grant the other Party such access or license or sublicense. Notwithstanding the foregoing or anything to the contrary in this Agreement, if Company undergoes a Change of Control, Company will not be deemed to Control any Patent Right, know-how or other intellectual property or other proprietary rights that are owned or otherwise Controlled by any Affiliate of Company (other than pursuant to a license from Company in existence prior to such Change of Control) that was not an Affiliate of Company prior to such Change of Control and is not a successor in interest to any Affiliate of Company that was an Affiliate of Company prior to such Change of Control (each, an "**Independent Affiliate**").

1.24 **"Extended Research Program Term"** shall have the meaning given such term in Section 2.9.1.

1.25 **"Field"** shall mean the use of Product Candidate and/or Licensed Product for any and all purposes.

1.26 **"First Commercial Sale"** shall mean, with respect to any Licensed Product in any country, the first sale for end use or consumption to a Third Party of such Licensed Product in such country after receipt of Regulatory Approval for the sale of such Licensed Product in such country. Sales prior to receipt of Regulatory Approval for such Licensed Product in such country, such as any sale or other distribution for use in a Clinical Trial or any "named patient sale" or "compassionate use sale" shall not be construed as a First Commercial Sale.

1.27 **"GLP"** or "**Good Laboratory Practice"** shall mean the applicable then-current standards for laboratory activities for pharmaceuticals or biologicals, as set forth in the Act and any regulations or guidance documents promulgated thereunder, as amended from time to time, together with any similar standards of good laboratory practice as are required by any Regulatory Authority in the Territory.

1.28 **"Hit Package"** shall mean a written description of (1) all Validated Hit Compound(s) together with accompanying data obtained through performance of activities under all Research Objectives during the Initial Research Program Term, and (2) [**].

1.29 **"IND"** shall mean an Investigational New Drug application, Clinical Study Application, Clinical Trial Exemption, or similar application or submission for approval to conduct human clinical investigations filed with or submitted to a Regulatory Authority in conformance with the requirements of such Regulatory Authority.

1.30 **"Indication"** shall mean a separate and distinct disease or medical condition in humans, or in the oncology therapeutic area, a tumor type, which a Licensed Product that is in Clinical Trials is intended to treat, prevent and/or diagnose and/or for which a Licensed Product has received Marketing Authorization. [**]

1.31 **"Information"** shall mean any and all information and data, including without limitation all Merck Know-How, all Company Know-How, and all other scientific, pre-clinical, clinical, regulatory, manufacturing, marketing, financial and commercial information or data, whether communicated in writing or orally or by any other method, which is provided by one Party to the other Party in connection with this Agreement.

1.32 **"Initial Research Program Term"** shall have the meaning given such term in Section 2.9.1.

1.33 **"Initial Target"** shall mean [**].

1.34 **"Initiates"**, **"Initiated",** or **"Initiation"** shall mean, with respect to a Clinical Trial, the administration of the first dose of Licensed Product to the first patient in such Clinical Trial.

1.35 **"Invention"** shall mean any process, method, composition of matter, article of manufacture, discovery or finding that is conceived and/or reduced to practice as a result of the Research Program by or on behalf of either Party or jointly by or on behalf of the Parties.

1.36 **"Joint Information and Inventions"** shall mean all protocols, formulas, data, Inventions, know-how and trade secrets, patentable or otherwise, resulting from the Research Program developed or invented jointly by (a) employee(s) of Merck and/or its Affiliates, and/or a Third Party acting on behalf of Merck and/or its Affiliates, and (b) employee(s) of Company and/or its Affiliates, and/or a Third Party acting on behalf of Company and/or its Affiliates, excluding any Joint Platform Information and Inventions.

1.37 **"Joint Patent Rights"** shall mean Patent Rights that claim or cover Joint Information and Inventions.

1.38 **"Joint Platform Information and Inventions"** shall mean all protocols, formulas, data, Inventions, know-how and trade secrets, patentable or otherwise, resulting from the Research Program developed or invented jointly by (a) employee(s) of Merck and/or its Affiliates, and/or a Third Party acting on behalf of Merck and/or its Affiliates, and (b) employee(s) of Company and/or its Affiliates, and/or a Third Party acting on behalf of Company and/or its Affiliates, to the extent solely related to the Company Platform and not specific to the Program Target, any Product Candidate and/or any Licensed Product.

1.39 **"Joint Platform Patent Rights"** means the Patent Rights claiming or covering Joint Platform Information and Inventions.

1.40 "**Late Research Program Term**" shall have the meaning given such term in Section 2.9.4.

1.41 **"Licensed Product(s)"** shall mean any pharmaceutical, therapeutic, diagnostic, or biological preparation in final form containing a Product Candidate (i) for sale by prescription, over the counter or any other method; or (ii) for administration to human patients in a Clinical Trial, including without limitation any Combination Product. For the avoidance of doubt, all pharmaceutical preparations containing the same Product Candidate, no matter what the presentation, formulation, method of dosing, etc., shall constitute the same Licensed Product.

1.42 **"Major European Marketing Authorization"** shall mean, with respect to a Licensed Product and an Indication, the receipt of Marketing Authorization for such Licensed Product for such Indication (a) in any [**] ([**]) of the following [**] ([**]) countries: [**], or (b) pursuant to the Centralized Authorization Procedure of the European Medicines Agency or any successor agency thereto.

1.43 **"Marketing Authorization"** shall mean, with respect to a Licensed Product and a country, the receipt of (a) all approvals from the relevant Regulatory Authority necessary to market and sell such Licensed Product in such country and (b) (i) in those countries where pricing or governmental reimbursement approvals are legally required to market and sell such Licensed Product, the receipt of all such pricing or governmental reimbursement approvals and [**].

1.44 **"Merck"** shall have the meaning given such term in the preamble to this Agreement.

1.45 "**Merck Background IP**" means the Merck Background Know-How and the Merck Background Patent Rights.

1.46 "**Merck Background Know-How**" means all Merck Know-How existing as of the commencement of the Research Program Term.

1.47 **"Merck Background Patent Rights"** means Patent Rights that claim or cover Merck Background Know-How.

1.48 **"Merck Compound Library"** shall mean, together or collectively, any compound provided by Merck for use under the Research Program. [**].

1.49 **"Merck Information and Inventions"** shall mean all protocols, formulas, data, Inventions, know-how and trade secrets, patentable or otherwise, resulting from the Research Program, developed or invented solely by employee(s) of Merck and/or its Affiliates, and/or a Third Party acting on behalf of Merck and/or its Affiliates, and not employed by Company and/or its Affiliates.

1.50 **"Merck Know-How"** shall mean all information and materials, including but not limited to discoveries, improvements, processes, methods, protocols, formulas, data, inventions (including without limitation Merck Information and Inventions and Merck's rights in Joint Information and Inventions), know-how and trade secrets, patentable or otherwise, which (i) are Controlled by Merck or its Affiliates during the term of this Agreement, (ii) are not generally known and (iii) are in Merck's opinion necessary or useful to Company to perform its obligations under the Research Program.

1.51 **"Merck Patent Rights"** shall mean Patent Rights that during the term of this Agreement are Controlled by Merck or any of its Affiliates, which: (i) claim or cover a Product Candidate and/or Licensed Product, including without limitation any improvements, or a method of use or process of manufacture thereof; or (ii) claim or cover Merck Information and Inventions.

1.52 **"NDA"** shall mean a New Drug Application, Biologics License Application, Marketing Authorization Application, filing pursuant to Section 510(k) of the Act, or similar application or submission for Marketing Authorization of a Licensed Product filed with a Regulatory Authority to obtain marketing approval for a biological, pharmaceutical or diagnostic product in that country or in that group of countries.

1.53 **"Net Sales"** shall mean, with respect to a Licensed Product, the gross invoice price of such Licensed Product sold by Merck or its Related Parties (each, a **"Selling Party"**) to the first Third Party after deducting, if not previously deducted, from the amount invoiced or received, the following, in each case to the extent actually incurred, related specifically to the Licensed Product, and not otherwise recovered by or reimbursed to Merck or its Related Parties:

1.53.1 [**]

1.53.2 [**]

1.53.3 [**]

1.53.4 [**]

1.53.5 [**]

1.53.6 [**]

1.53.7 [**]

1.53.8 [**].

Net Sales shall include the amount or fair market value of all consideration received by Merck and its Related Parties in respect of the applicable Licensed Product, whether such consideration is in cash, payment in kind, exchange or other form.

Subject to the above, Net Sales shall be calculated in accordance with the standard internal policies and procedures of Merck or its applicable Related Party, which shall be in accordance with Accounting Standards.

In the event that a Licensed Product is a Combination Product, the Net Sales for such Combination Product shall be calculated as follows:

(a) If a Selling Party separately sells in such country or other jurisdiction, (i) a product containing as its sole active ingredient the Product Candidate contained in such Combination Product (the **"Mono Product"**) and (ii) products containing as their sole active ingredients the other active ingredients in such Combination Product, the Net Sales attributable to such Combination Product shall be calculated by [**].

(b) If a Selling Party separately sells in such country or other jurisdiction the Mono Product but does not separately sell in such country or other jurisdiction products containing as their sole active ingredients the other active ingredients in such Combination Product, the Net Sales attributable to such Combination Product shall be calculated by [**].

(c) If a Selling Party does not separately sell in such country or other jurisdiction the Mono Product but does separately sell products containing as their sole active ingredients the other active ingredients contained in such Combination Product, the Net Sales attributable to such Combination Product shall be calculated by [**].

(d) If a Selling Party does not separately sell in such country or other jurisdiction both the Mono Product and the other active ingredient or ingredients in such Combination Product, the Parties shall reasonably negotiate other means of calculating Net Sales with respect to such Combination Product, based on the relative fair market value of such Mono Product and such other active ingredient or ingredients. If the Parties cannot agree on such relative value, the dispute shall be resolved pursuant to the dispute resolution provisions of this Agreement.

Notwithstanding the foregoing clauses (a)-(d), if either Party reasonably believes that the calculations set forth in the foregoing clauses (a)-(d) [**].

The deductions set forth in [**] will be applied in calculating Net Sales for a Combination Product.

1.54 "Party" shall mean Merck or Company, individually, and "**Parties**" shall mean Merck and Company, collectively.

1.55 "Patent Rights" shall mean any and all patents and patent applications in the Territory (which for the purpose of this Agreement shall be deemed to include certificates of invention and applications for certificates of invention), including divisionals, continuations, continuations-in-part, reissues, renewals, substitutions, registrations, re-examinations, revalidations, extensions, supplementary protection certificates, pediatric exclusivity periods and the like of any such patents and patent applications, and foreign equivalents of any of the foregoing.

1.56 "Person" means any individual, partnership, joint venture, limited liability company, corporation, firm, trust, association, unincorporated organization, governmental authority or agency, or any other entity not specifically listed herein.

1.57 "Phase I Clinical Trial" shall mean a human clinical trial as described in 21 C.F.R. §312.21(a), or, with respect to a jurisdiction other than the United States, a similar human clinical trial.

1.58 "Phase II Clinical Trial" shall mean a human clinical trial as described in 21 C.F.R. §312.21(b), or, with respect to a jurisdiction other than the United States, a similar human clinical trial.

1.59 "Phase IIb Clinical Trial" means a Phase II Clinical Trial of a Licensed Product, the principal purpose of which is to confirm efficacy and safety consistent with the efficacy and safety observed in a previous Clinical Trial of such Licensed Product in the target population at the intended dose or doses or range of doses on a sufficient number of subjects and for a sufficient period of time to determine the optimal manner of use of a Licensed Product (dose and dose regimen) immediately prior to the Initiation of a Phase III Clinical Trial of such Licensed Product in support thereof; provided, however, that a Phase IIa clinical trial that may otherwise satisfy the definition of Phase IIb Clinical Trial shall constitute a Phase IIb Clinical Trial of a Licensed Product solely to the extent there is no other Phase IIb Clinical Trial of such Licensed Product.

1.60 "Phase III Clinical Trial" shall mean a human clinical trial as described in 21 C.F.R. §312.21(c), or, with respect to a jurisdiction other than the United States, a similar human clinical trial.

1.61 "**Pre-Clinical Candidate**" or "**PCC**" shall mean a Product Candidate for which the authorized committee at Merck has authorized commencement of dosing of the first animal in a study under conditions meeting or intended to meet Good Laboratory Practices, where such study is intended to support the filing of an IND.

1.62 **"Product Candidate"** shall mean (a) all compounds or peptides that are identified or designed as a result of activities under the Research Program and that are (i) in the Hit Package or (ii) synthesized or purchased as a result of activities under the Research Program conducted during the Late Research Program Term; [**]; (c) all salts, polymorphs, crystals, cocrystals, prodrugs, isomers, racemates, esters, hydrates, or solvates of the compounds and peptides described in (a) and (b); and (d) all stereoisomers of or metabolites generated by or derived from any of the compounds described in any of the foregoing.

1.63 **"Program Target**" shall mean the following transcription factor: [**].

1.64 **"Regulatory Authority"** shall mean any applicable government regulatory authority involved in granting approvals for the manufacturing, marketing, reimbursement and/or pricing of a Licensed Product in the Territory, including, in the United States, the United States Food and Drug Administration and any successor governmental authority having substantially the same function.

1.65 **"Related Party"** shall mean each of Merck, its Affiliates, and their respective Sublicensees (which term does not include distributors), as applicable.

1.66 **"Research Plan"** has the meaning set forth in Section 2.1.1.

1.67 **"Research Program"** shall mean the research activities undertaken by the Parties as set forth in Article 2 and the Research Plan.

1.68 **"Research Program Term"** shall mean the Initial Research Program Term and the Late Research Program Term.

1.69 **"Substitute Target"** shall mean [**].

1.70 **"Territory"** shall mean all of the countries in the world, and their territories and possessions.

1.71 **"Third Party"** shall mean a Person other than Merck and its Affiliates, and Company and its Affiliates.

1.72 **"Trademarks"** shall mean any trademark, trade name, service mark, service name, brand, domain name, trade dress, logo, slogan, or other indicia of origin or ownership, including the goodwill and activities associated with each of the foregoing.

1.73 **"Valid Patent Claim"** shall mean a claim of an issued, unexpired and in-force patent included within the Company Patent Rights or Joint Patent Rights that claims the Product Candidate as a [**].

1.74 "**Validated Hit Compounds**" shall mean [**]. The criteria for Validated Hit Compounds, including the activity level and the number and selection of Program Target functional assays, may be modified from time to time by [**], subject to the decision making and escalation processes set forth in Section 2.4.1.

1.75 "**Violation**" shall mean that either Party, or any of its respective officers or directors has been: (a) convicted of any of the felonies identified among the exclusion authorities listed on the U.S. Department of Health and Human Services, Office of Inspector General (OIG) website, including 42 U.S.C. 1320a-7(a) (https://oig.hhs.gov/exclusions/index.asp); and/or (b) identified in the OIG List of Excluded Individuals/Entities (LEIE) database (https://oig.hhs.gov/exclusions/exclusions_list.asp) or the U.S. General Services Administration's list of Parties Excluded from Federal Programs (https://www.sam.gov/SAM/pages/public/searchRecords/advancedPIRSearch.jsf) (each of (a) and (b), singly and collectively, the "**Exclusions Lists**").

1.76 **Additional Definitions.** The following terms have the meanings set forth in the corresponding Sections of this Agreement:

Term	Section
"Achieved Milestone Event"	5.2.1(b)
"Agreement Payments"	5.7
"Alliance Manager"	2.5.1
"Biosimilar Application"	7.3.6
"CDA"	1.22
"Clinical and Regulatory Milestone Event"	5.2.1(b)
"Clinical and Regulatory Milestone Payment"	5.2.1(b)
"Code"	8.3.2(h)
"Company Acquirer"	10.2.2(a)
"Company Indemnified Parties"	9.1
"Deliberation Period"	2.2.2(b)(i)
"Development Report"	2.14
"Dispute"	10.7.1
"Distracting Product"	10.2.2(a)
"Excluded Claim"	10.7.3
"Executives"	2.4.1(b)
"Final Research Objective Notice"	2.2.2(b)
"Futility Event"	2.3.1
"Go Decision"	2.2.2(b)(i)
"Indemnified Party"	9.3
"Indemnifying Party"	9.3
"Independent Affiliate"	1.23
"Losses"	9.1
"Materials"	2.12
"Merck Indemnified Parties"	9.2
"Mono Product"	1.53
"No Go Decision"	2.2.2(a)
"Officials"	2.10.3
"Party Initiated Proceedings"	7.2.2(a)
"Payment"	2.10.3
"Proposed Target"	2.3.2
"Replaced Target"	2.3.1
"Research Milestone Payment"	5.2.1(a)
"Research Objectives"	2.2.1
[**]	[**]

[**]	[**]
[**]	[**]
"Research Objective Notice"	2.2.2(a)
"Royalty Period"	5.3.1(c)
"Selling Party"	1.53
"Skipped Milestone Event"	5.2.1(b)
"Sublicense"	3.7
"Sublicensee"	3.7
"Taxes"	5.7
"Third Party Claims"	9.1
"Third Party Initiated Proceedings"	7.2.1
"Third Party Licenses"	5.3.5

ARTICLE 2 RESEARCH PROGRAM

2.1 General.

2.1.1 Research Plan. Company and Merck shall engage in the Research Program upon the terms and conditions set forth in this Agreement. The activities to be undertaken in the course of the Research Program are set forth in Schedule 2.1.1 ("**Research Plan**"). The Research Plan may be amended from time to time upon mutual written agreement by authorized representative(s) of the Parties.

2.1.2 Performance of Research Plan. Company and Merck each shall [**] conduct the work allocated to such Party under the Research Plan, including by allocating sufficient time, effort, equipment and facilities to the Research Program and using personnel with sufficient skills and experience as are required to accomplish the Research Program in accordance with the terms of this Agreement and the Research Plan. Merck shall be entitled to utilize the services of its Affiliates and Third Parties to perform its Research Program activities. Company shall be entitled to utilize the services of its Affiliates to perform its Research Program activities without Merck's consent. Company shall be entitled to utilize the service of Third Parties to perform its Research Program activities [**], each Party shall remain at all times fully liable to the other Party for its respective responsibilities under the Research Program.

2.2 Research Program Objectives; Procedure for Go/ No Go Decisions.

2.2.1 Research Program Objectives. The Research Plan sets forth a staged series of [**] ([**]) research program objectives that the Parties intend to achieve during the Initial Research Program Term, which objectives are set forth on Schedule 2.2.1 ("**Research Objectives**"), and [**] activities to be conducted during the Late Research Program Term. [**] shall have decision-making authority as to whether a Research Objective was achieved and to proceed from one Research Objective to the next through a series of Go Decisions in accordance with Section 2.2.2(b).

2.2.2 Procedure for Go/ No Go Decisions

(a) **Prior to Completion of All Activities under a Research Objective.** [**] shall notify the Committee in writing at each point set forth in the Research Plan as requiring a

"Research Objective Notice" (each such notice, a "**Research Objective Notice**"). [**] shall include in each Research Objective Notice or as of such time make available to [**] in writing all data generated in connection with the relevant research activity under such Research Objective for the Program Target, as outlined in the Research Plan; provided that [**] shall not be required to include in a Research Objective Notice for Research Objective [**] any data or information related to: [**]. For a period of [**] ([**]) days following the Committee's receipt of a Research Objective Notice (excluding a Final Research Objective Notice (as defined below), which shall be governed by Section 2.2.2(b)) and the corresponding data (or such longer period as mutually agreed upon by the Parties), the Committee shall review and discuss such data to determine whether to move to the next activity in the Research Plan or whether the data indicate a Futility Event. During this period, [**] may elect to proceed with the next activity that is part of the Research Plan for the particular Research Objective; provided, however, that [**] shall be under no obligation to agree to proceed to the next activity in the Research Plan. If the Committee determines that the data from the Research Objective Notice indicate a Futility Event, any additional research activities that are part of the Research Plan for the particular Research Objective will be stopped (such decision, a "**No Go Decision**"), and Merck may exercise its substitution right with respect to the Program Target under Section 2.3, if available, in accordance with the terms of Section 2.3. In the event that the Program Target is substituted, the Research Program will proceed from activities under Research Objective [**] for the applicable Substitute Target. If the Committee agrees that the data from the Research Objective Notice support moving forward to the next activity in the Research Plan, the Parties shall proceed with the next activity that is part of the Research Objective. If the Committee does not agree on whether the data in a particular Research Objective Notice support moving forward to the next activity in the Research Plan, then the matter shall be escalated pursuant to Section 2.4.1(b).

(b) **Following Completion of All Activities under a Research Objective**. Upon completion of all activities set forth in the Research Plan for a particular Research Objective, [**] shall notify the Committee in writing (each such notice, a "**Final Research Objective Notice**"). [**] shall include in each Final Research Objective Notice or as of such time make available to [**] in writing all data generated in connection with all research studies under such Research Objective for the Program Target, as outlined in the Research Plan; provided that [**] shall not be required to include in the Final Research Objective Notice for Research Objective [**] any data or information related to: [**]. Upon completion of all activities set forth in the Research Plan for Research Objective [**], [**] shall also provide [**] the Hit Package.

(i) For a period of (A) [**] ([**]) days following the later of: (x) the Committee's receipt of a Final Research Objective Notice and the corresponding data, and (y) solely in connection with the Final Research Objective Notice for Research Objective [**], [**] receipt of the Hit Package, or (B) such longer period as mutually agreed upon by the Parties ("**Deliberation Period**"), the Committee shall review and discuss such data and [**] shall determine whether to initiate any activity under the next Research Objective or under the next phase of the Research Plan (such determination to proceed following a Final Research Objective Notice, a "**Go Decision**").

In each case prior to the end of the Deliberation Period, either:

(ii) [**] shall notify [**] in writing of a Go Decision, in which case, [**] shall pay [**] the corresponding Research Milestone Payment in accordance with Section 5.2.1(a) and the Research Program will proceed in accordance with the next Research Objective in the Research Plan, or will proceed to activities under the Late Research Program Term (Hit Package through Pre-Clinical Candidate nomination), following completion of Research Objective [**]; or

(iii) If [**] does not notify [**] in writing of a Go Decision and the Program Target has not achieved the Research Objective that is the subject of the Final Research Objective Notice, then [**] may exercise its substitution right with respect to the Program Target under Section 2.3, if available, in accordance with the terms of Section 2.3. In the event that the Program Target is substituted, the Research Program will proceed from activities under Research Objective [**] for the applicable Substitute Target and the corresponding Research Milestone Payment under Section 5.2.1(a) shall not be due with respect to the Replaced Target.

If (A) [**] does not notify [**] in writing of a Go Decision within the applicable Deliberation Period and (B) (x) the Program Target has achieved the Research Objective that is the subject of the Final Research Objective Notice or (y) [**] does not exercise its substitution right with respect to the Program Target under Section 2.3 within such Deliberation Period, if any such substitution right is then available, then (1) the Parties will, at [**] request, consult in good faith regarding the applicable Final Research Objective Notice, the corresponding data and any additional research that the Parties might conduct in connection with the Research Program, it being understood that [**] will have no obligation to conduct any such additional research that is outside the scope of the Research Plan for the Research Objective for which the applicable Final Research Objective Notice has been submitted without [**] prior consent, which consent shall not be unreasonably withheld, delayed, or conditioned, and (2) if [**] does not notify [**] in writing of a Go Decision within [**] ([**]) months following the end of the applicable Deliberation Period, then, unless the Parties mutually agree otherwise, the Agreement will automatically terminate at the end of such [**] ([**])-month period.

2.3 Substitute Program Target.

2.3.1 During the Initial Research Program Term, Merck shall have the right to substitute the Initial Target (or any Substitute Target) for another transcription factor (such other transcription factor, the "**Substitute Target**," and the replaced transcription factor, the "**Replaced Target**") in accordance with the terms of this Agreement and the following schedule: [**]. Each circumstance set forth in clauses (x) and (y) shall be a "**Futility Event**."

2.3.2 In the event of a Futility Event, Merck shall have the sole right and discretion to propose a transcription factor for substitution as a target pursuant to this Section 2.3.2 ("**Proposed Target**") by providing written notice of such Proposed Target to Company within [**] ([**]) days following such Futility Event, which notice shall specify this Section 2.3.2 and

identify the applicable Proposed Target [**]. Company shall have [**] ([**]) Business Days to notify Merck whether such Proposed Target is available for exclusive licensing under the foregoing [**] and to provide, subject to Company's confidentiality obligations to Third Parties, the evidence required herein if such Proposed Target is unavailable for exclusive licensing under the foregoing [**]. If Company notifies Merck that such Proposed Target is available for exclusive licensing, then (i) the Initial Target or the Substitute Target that is the subject of such substitution shall be replaced by such substitution, shall immediately cease to be a Program Target hereunder for all purposes (including Section 3.9 hereof) and shall be deemed a "Replaced Target" hereunder, and (ii) the "Proposed Target" shall be deemed a "Program Target" hereunder.

2.4 Joint Steering Committee. The Parties hereby establish a committee to facilitate the Research Program as follows (the "**Committee**"):

2.4.1 Composition; Decision Making.

(a) The Committee shall be comprised of at least two (2) senior representatives of Merck (who shall be employees of Merck or its Affiliate, as applicable) and at least two (2) senior representatives of Company (who shall be employees of Company or its Affiliate, as applicable). Each Party may change its representatives to the Committee from time to time in its sole discretion, effective upon notice to the other Party of such change. These representatives shall have appropriate authority, technical credentials, experience and knowledge, and ongoing familiarity with the Research Program. Additional representative(s) or consultant(s) may from time to time, by mutual consent of the Parties, be invited to attend Committee meetings, subject to such representative's or consultants' written agreement to comply with the requirements of Section 4.1.

(b) The goal of all decision-making of the Committee shall be to achieve consensus, and the Committee shall act by unanimous consent. The representatives from each Party will have collectively one (1) vote on behalf of such Party. In the event that the Committee cannot or does not, after reasonable, good faith efforts, reach agreement on an issue within the Committee's scope as set forth in Section 2.4.2 within [**] days after such issue was first referred to the Committee, such issue shall be escalated to [**] and the Chief Scientific Officer of the Company (collectively, the "**Executives**"). In the event that the Executives are unable to resolve a given issue within [**] days after the dispute is first referred to the Executives, then (i) Merck shall have final decision-making authority [**] and (ii) Company shall have final decision-making authority [**]. Neither Party shall have final decision-making rights with respect to any modification to the Research Plan. For clarity, matters within the scope of the Committee's responsibilities shall not be subject to arbitration or other dispute resolution mechanisms set forth in Section 10.7.

2.4.2 Scope of Committee Oversight.

(a) The Committee shall be responsible for overseeing the Research Program during the Initial Research Program Term, including to (i) review and amend the Research Program activities set forth in the Research Plan from time to time, (ii) review and coordinate the Parties' activities under the Research Program, (iii) confer regarding the status of the Research Program and the progress under the Research Program and make determinations and decisions in connection with the activities under the Research Program (including issues of priority), (iv) review relevant data under the Research

Program, including reviewing and discussing data included in a Final Research Objective Notice and [**] intention regarding making a Go Decision, (v) determine whether any compound or peptide that is identified or designed as a result of activities under the Research Program has demonstrated activity in one or more relevant Program Target functional assay(s), (vi) determine the criteria for selecting [**] Compounds, (vii) consider and advise on any technical issues that arise under the Research Program, (viii) make a No Go Decision under Section 2.2.2(a), and (ix) determine such other matters as allocated to the Committee hereunder.

(b) The Committee shall not have the power or authority to: (i) modify or amend the terms and conditions of this Agreement; (ii) waive either Party's compliance with the terms and conditions of this Agreement; (iii) determine any issue in a manner that would conflict with the express terms and conditions of this Agreement; or (iv) impose any requirement on a Party to perform any act that such Party reasonably believes (A) to be inconsistent with applicable laws, rules or regulations, or (B) would cause such Party to infringe or misappropriate any Third Party intellectual property rights.

(c) Notwithstanding anything to the contrary in this Agreement, during the Late Research Program Term, Merck shall be responsible for overseeing the [**] activities set forth in the Research Plan and the role of the Committee shall be limited to (i) reviewing relevant data under the Research Program, and (ii) considering and advising on any technical issues that arise under the Research Program. [**] and shall make its employees or subcontractors available to respond to reasonable inquiries from Merck and/or the Committee regarding Company's activities under the Research Plan.

2.4.3 Meetings. During the Initial Research Program Term, the Committee shall meet in accordance with a schedule established by mutual written agreement of the Parties, but no less frequently than once per [**], with the location for such meetings alternating between Company and Merck facilities (or such other location as may be determined by the Committee). Alternatively, during such time, the Committee may meet by means of teleconference, videoconference or other similar communications equipment. During the Late Research Program Term, the Committee shall meet in accordance with a schedule established by mutual written agreement of the Parties, but no less frequently than [**]. During the Late Research Program Term, the Committee shall meet by means of teleconference, videoconference or other similar communications equipment. The Committee shall confer regarding the status of the Research Program, review relevant data, consider and advise on any technical issues that arise, consider issues of priority, and review and advise on any budgetary and economic matters relating to the Research Program which may be referred to the Committee, each in accordance with Section 2.4.2. Each Party shall bear its own expenses related to the attendance of such meetings by its representatives.

2.4.4 Disbandment of Committee. Upon completion (or earlier termination) of the Research Program, the Committee shall have a final meeting to review the results of the Research Program, shall then be disbanded with no further action by the Committee or the Parties, and shall thereafter have no further authority with respect to the activities under this Agreement.

2.5 Alliance Managers.

2.5.1 Appointment. Each Party shall have the right to appoint an employee who shall oversee interactions between the Parties for all matters related to this Agreement (each an **"Alliance Manager"**). Such persons shall endeavor to ensure clear and responsive communication between the Parties and the effective exchange of information, and may serve as a single point of contact for any matters arising under this Agreement. The Alliance Managers shall have the right to attend all Committee meetings as non-voting participants and may bring to the attention of the Committee any matters or issues either of them reasonably believes should be discussed, and shall have such other responsibilities as the Parties may mutually agree in writing. Each Party may designate different Alliance Managers by notice in writing to the other Party.

2.5.2 Responsibilities of the Alliance Managers. The Alliance Managers, if appointed, shall have the responsibility of creating and maintaining a constructive work environment between the Parties. Without limiting the generality of the foregoing, each Alliance Manager shall:

(a) identify and bring disputes and issues that may result in disputes (including without limitation any asserted occurrence of a material breach by a Party) to the attention of the Committee in a timely manner, and function as the point of first referral in all matters of conflict resolution;

(b) provide a single point of communication for seeking consensus both internally within the Parties' respective organizations and between the Parties;

(c) plan and coordinate cooperative efforts, internal communications and external communications between the Parties with respect to this Agreement; and

(d) take responsibility for ensuring that meetings and the production of meeting agendas and minutes occur as set forth in this Agreement, and that relevant action items resulting from such meetings are appropriately carried out or otherwise addressed.

2.6 Exchange of Information. Once [**] has made a Go Decision with regard to the Program Target following the completion of all activities under the Research Plan directed toward achieving Research Objective [**], Company shall [**].

2.7 Records and Reports.

2.7.1 Records. Company shall maintain records, in sufficient detail and in good scientific manner appropriate for patent and regulatory purposes, which shall fully and properly reflect all work done and results achieved in the performance of the Research Program by Company.

2.7.2 Copies and Inspection of Records. Merck shall have the right, during normal business hours and upon reasonable notice, and no more frequently than [**], to inspect and copy all such records of Company referred to in Section 2.7.1. Such records and the information disclosed therein will be deemed Company's Confidential Information, and Merck shall maintain such records and the information disclosed therein in confidence in accordance with Section 4.1. Merck shall have the right to arrange for its employee(s) and/or consultant(s) involved in the activities hereunder to visit the offices and laboratories of Company and any of its Third Party contractors as permitted under Section 2.1.2 [**], and to discuss the Research Program work and its results in detail with the technical personnel and consultant(s) of Company. Upon request, Company shall provide copies of the records described in Section 2.7.1 to Merck.

2.7.3 **[**] Reports.** Within [**] ([**]) calendar days following the end of each [**] during the term of this Agreement, Company shall provide to Merck a written progress report in English which shall describe the work performed to date on the Research Program, evaluate such work performed in relation to the goals of the Research Program and provide such other information as may be required by the Research Program or reasonably requested by Merck relating to the progress of the goals or performance of the Research Program. All such reports shall be considered the Confidential Information of Company, provided, however, that any such reports shall be considered the Confidential Information of Merck after [**] has made a Go Decision with regard to the Program Target following the completion of all activities under the Research Plan directed toward achieving Research Objective [**], until and unless such Program Target is substituted under this Agreement or this Agreement is terminated, in which case, such information in such reports provided by Company shall again be considered the Confidential Information of Company.

2.8 Ownership of Intellectual Property; Determination of Ownership.

2.8.1 **Ownership of Intellectual Property**. Subject to the license grants and other rights herein, as between the Parties, (a) Merck shall own all rights, title, and interests in and to the Merck Information and Inventions and all intellectual property rights therein, (b) Company shall own all rights, title, and interests in and to the Company Information and Inventions and Company Platform Information and Inventions and all intellectual property rights therein, and (c) the Parties will jointly own all rights, title, and interests in and to the Joint Information and Inventions and the Joint Platform Information and Inventions and all intellectual property rights therein. Subject to the license grants in Section 3.1 and Section 3.2 and the exclusivity obligations set forth in Section 3.9, (i) each Party shall have the right to practice, grant licenses under, and transfer any Joint Information and Inventions, Joint Platform Information and Inventions, Joint Patent Rights, and Joint Platform Patent Rights (ii) neither Party shall have any obligation to account to the other for profits or to obtain any approval of the other Party to license or exploit any Joint Information and Inventions, Joint Platform Information and Inventions, Joint Patent Rights or Joint Platform Patent Rights by reason of joint ownership thereof, and (iii) each Party hereby waives any right it may have under the laws of any jurisdiction to require any such consent or accounting. For those countries where a specific license is required for a joint owner of a jointly-owned Invention to exploit such jointly-owned Invention in such country: (a) Merck hereby grants to Company a perpetual, non-exclusive, worldwide, royalty-free, fully paid-up license, which is sublicensable (through multiple tiers), under Merck's right, title and interest in and to all Joint Information and Inventions, Joint Platform Information and Inventions, Joint Patent Rights and Joint Platform Patent Rights to exploit such Inventions in accordance with the terms of this Agreement; and (b) Company hereby grants to Merck a perpetual, non-exclusive, worldwide, royalty-free, fully paid-up license, which is sublicensable (through multiple tiers), under Company's right, title and interest in and to all Joint Information and Inventions, Joint Platform Information and Inventions, Joint Patent Rights and Joint Platform Patent Rights to exploit such Inventions in accordance with the terms of this Agreement. For clarity, the foregoing joint ownership rights shall not be construed as granting, conveying or creating any license or other rights to the other Party's intellectual property, unless otherwise expressly set forth in this Agreement. For further clarity, in the event that any Joint Patent Rights claim or cover a Product Candidate, Licensed Product, or the manufacturing process therefor, or a use thereof, Company shall not grant any license under its interest in such Joint Patent Rights to any Third Party without Merck's prior written consent.

2.8.2 **Determination of Ownership**. For the purposes of determining ownership under this Agreement, the inventorship of any Invention or other intellectual property developed or invented in the conduct of activities under this Agreement shall be determined in accordance with United States patent laws (regardless of where the applicable activities occurred).

2.9 **Research Program Term**.

2.9.1 Unless this Agreement is terminated earlier pursuant to Section 8.2 or 8.3, the initial stage of the Research Program shall commence on the Effective Date and continue for a period of [**] ([**]) years, unless extended pursuant to this Section 2.9 (such [**] ([**])-year initial term, as may be extended pursuant to this Section 2.9, the "**Initial Research Program Term**"; which Initial Research Program Term, if extended in accordance with the terms of this Section 2.9, may be referred to herein as the "**Extended Research Program Term**"). During the Initial Research Program Term, the Parties shall conduct the activities specified in the Research Plan under Research Objectives [**].

2.9.2 If Merck substitutes the Initial Target for a Substitute Target at any time during the Initial Research Program Term, then, upon the first such substitution, the Initial Research Program Term shall be automatically extended for [**] ([**]) [**]. In such case, the Extended Research Program Term shall continue for a period of [**] ([**]) years from the Effective Date, unless further extended pursuant to Section 2.9.3 or 2.9.5. For the avoidance of doubt, the Initial Research Program Term may not be extended under this Section 2.9.2 more than [**] ([**]) [**], regardless of whether or not a Substitute Target was substituted for a different Substitute Target.

2.9.3 Merck may elect to extend the Initial Research Program Term, whether or not extended pursuant to Section 2.9.2, for an additional [**] ([**]) months following consultation with the Company, to the extent Merck reasonably determines that the activities set forth under Research Objectives [**] in the Research Plan will not be completed by the end of the Initial Research Program Term. To the extent the Initial Research Program Term is extended pursuant to the preceding sentence, and Merck reasonably determines that the activities set forth in the Research Plan under Research Objectives [**] will not be completed by the end of such additional period for the Program Target, then, following consultation with the Company, Merck may extend the Initial Research Program Term for an additional [**] ([**]) months.

2.9.4 The second stage of the Research Program shall commence following the end of the Initial Research Program Term, on the date that [**] provides notice to [**] in writing of a Go Decision to proceed to [**] activities under the Research Plan and shall continue until the earlier of: (1) the [**] ([**])-month anniversary of such commencement date, or (2) the date that Merck nominates a Pre-Clinical Candidate and provides written notice of such nomination to Company, unless extended in accordance with the terms of this Section 2.9.4 ("**Late Research Program Term**"). Merck may elect to extend the Late Research Program Term for an additional [**] ([**]) months to the extent Merck reasonably determines that the [**] activities

set forth in the Research Plan will not be complete by the end of the Late Research Program Term. To the extent the Late Research Program Term is extended pursuant to the foregoing clause, and Merck reasonably determines that the [**] activities set forth in the Research Plan will not be completed by the end of such additional period for the Program Target, then, Merck may extend the Late Research Program Term for an additional [**] ([**]) months. The right of Merck to extend the Late Research Program Term in accordance with this Section 2.9.4 shall exist as long as Merck is using Commercially Reasonable Efforts to develop at least one (1) Product Candidate and is progressing toward selection of a Pre-Clinical Candidate. For the avoidance of doubt, the Late Research Program Term shall end on the date that Merck provides notice to Company regarding the nomination of a Pre-Clinical Candidate, whether or not such term is extended under this Section 2.9.4.

2.9.5 To the extent the consequences of COVID-19 cause a meaningful delay to the Research Program, the Committee shall consider whether to extend the Research Program Term. Any such extension shall be mutually agreed by the Parties, in writing, such agreement not to be unreasonably withheld, conditioned or delayed by either Party.

2.10 Compliance with Law and Ethical Business Practices.

2.10.1 Each Party shall conduct the activities allocated to it under the Research Program in accordance with all applicable laws, rules and regulations including, without limitation, all current governmental regulatory requirements concerning Good Laboratory Practices. Each Party shall notify the other Party in writing of any material deviations from applicable regulatory or legal requirements that would be reasonably expected to have a material adverse effect on the Research Program or the rights of the other Party under this Agreement. Each Party hereby certifies that it has not and will not employ or otherwise use in any capacity the services of any person or entity debarred under Section 21 USC 335a in performing any services hereunder. Each Party shall notify the other Party in writing immediately if any such debarment occurs or comes to its attention, and shall promptly remove any person or entity so disbarred from performing any activities under the Research Program, or function or capacity related to the Research Program. Each Party shall have the right, in its sole discretion, to terminate this Agreement immediately upon written notice to the other Party in the event of any such debarment with respect to the other Party.

2.10.2 Company acknowledges that Merck's corporate policy requires that Merck's business must be conducted within the letter and spirit of the law. By signing this Agreement, each Party agrees to conduct the services contemplated herein in a manner which is consistent with both law and good business ethics.

2.10.3 Specifically, each Party warrants that none of its employees, agents, officers or other members of its management are officials, officers, agents, representatives of any government or international public organization. Neither Party shall make any payment, either directly or indirectly, of money or other assets, including but not limited to the compensation Company derives from this Agreement (hereinafter collectively referred as a **"Payment"**), to government or political party officials, officials of international public organizations, candidates for public office, or representatives of other businesses or persons acting on behalf of any of the foregoing (hereinafter collectively referred as **"Officials"**) where such Payment would constitute violation of any law. In addition, regardless of legality, neither Party shall make any Payment either directly or indirectly to Officials if such Payment is for the purpose of influencing decisions or actions with respect to the subject matter of this Agreement or any other aspect of such Party's business.

2.10.4 Each Party acknowledges that no employee of the other Party or its Affiliates shall have authority to give any direction, either written or oral, relating to the making of any commitment by the first Party or its agents to any Third Party in violation of terms of this or any other provisions of this Agreement.

2.10.5 Each Party certifies to the other Party that, as of the date of this Agreement, such Party has screened itself, and its officers, directors and employees against the Exclusions Lists and that it has informed the other Party whether it, or any of its officers or directors, has been in Violation. After the execution of this Agreement, each Party shall notify the other Party in writing immediately if any such Violation occurs or comes to its attention.

2.10.6 A Party's failure to abide by the provisions of this Section 2.10 shall be deemed a material breach of this Agreement. The other Party may in such case and with immediate effect terminate this Agreement at the other Party's sole discretion upon written notice to the breaching Party and without prejudice to any other remedies that may be available to the other Party.

2.10.7 Each Party shall indemnify and hold the other Party and any of its Affiliates harmless from and against any and all liabilities (including all costs and reasonable attorneys' fees associated with defending against such claims) that may arise by reason of the acts or omissions of the first Party or its agents or other Third Parties acting on the first Party's behalf which would constitute a violation of this Section 2.10.

2.11 Animal Research. If animals are used in research hereunder, each Party will comply with the Animal Welfare Act or any other applicable local, state, national and international laws and regulations relating to the care and use of laboratory animals. Each Party encourages the other Party to use the highest standards, such as those set forth in the Guide for the Care and Use of Laboratory Animals (NRC, 1996), for the humane handling, care and treatment of such research animals. Each Party hereby certifies that it has and shall maintain current and valid accreditation from AAALAC during the Term. Any animals which are used in the course of the Research Program, or products derived from those animals, such as eggs or milk, will not be used for food purposes, nor will these animals be used for commercial breeding purposes.

2.12 Materials. Either Party may, in its sole discretion, provide the other Party with certain materials solely for the purpose of enabling the receiving Party to perform its activities under the Research Program in accordance with the terms of this Agreement ("**Materials**"). To the extent a Party provides such Materials, such Materials and any derivatives, analogs, modifications or components thereof are not to be used by the other Party or its Affiliates or subcontractors in humans, nor shall any of the Materials, or any derivatives, analogs, modifications or components thereof be transferred, delivered or disclosed to any Third Party without the prior written approval of the providing Party except as provided under the Research Plan. Any unused Materials and any derivatives, analogs, modifications or components thereof shall be, at the providing Party's option, either returned to the providing Party, or destroyed in accordance with instructions by the providing Party.

2.13 Development, Manufacturing and Commercialization. Following the Research Program Term, Merck (and its Affiliates), either itself or with Third Party(ies), shall have the sole right to (and shall control all aspects of) research, develop (including pre-clinical and clinical development), manufacture, register and commercialize (including marketing, promoting, selling, distributing and determining pricing) Product Candidates and Licensed Products. All development and commercialization efforts with respect to the Product Candidates and Licensed Products shall be at the discretion of Merck, subject to the terms of this Agreement, including Section 2.14 and Section 3.8.

2.14 Development Reports. Following [**], [**] will deliver to [**], within [**] ([**]) days following [**], [**] report summarizing development activities with respect to [**] in such [**] ("**Development Report**").

ARTICLE 3 LICENSE; EXCHANGE OF INFORMATION; DEVELOPMENT AND COMMERCIALIZATION.

3.1 Research Program Licenses.

3.1.1 Subject to the terms of this Agreement, Company hereby grants to Merck a fully-paid, royalty-free, worldwide, non-exclusive license under the Company Know-How, Company Platform Know-How, Company Patent Rights, and Company Platform Patent Rights solely to perform those activities allocated to Merck under the Research Program and to act in accordance with the Research Plan.

3.1.2 Subject to the terms of this Agreement, Merck hereby grants to Company a fully-paid, royalty-free, worldwide, non-exclusive license under the Merck Background IP solely to perform those activities allocated to Company under the Research Program and to act in accordance with the Research Plan.

3.2 Exclusive License Grant.

3.2.1 Subject to the terms of this Agreement, Company hereby grants to Merck an exclusive license (even as to Company) under the Company Patent Rights and Company Platform Patent Rights, and Company's interest in Joint Patent Rights and Joint Platform Patent Rights, with the right to grant sublicenses in accordance with the terms of Section 3.7: (i) to make, have made, use, import, offer to sell and sell Product Candidates and Licensed Products in the Field in the Territory, and [**].

3.2.2 Subject to the terms of this Agreement, Company hereby grants to Merck an exclusive license (even as to Company) under the Company Know-How and Company Platform Know How, with the right to grant sublicenses in accordance with the terms of Section 3.7, for any and all uses related to the Program Target: (i) to make, have made, use, import, offer to sell and sell Product Candidates and Licensed Products in the Field in the Territory, and [**].

3.2.3 Notwithstanding the scope of the exclusive licenses granted to Merck under Section 3.2.1 and Section 3.2.2, Company shall retain during the Research Program Term all rights necessary or reasonably useful solely in connection with the performance of Company's obligations under the Research Program in accordance with this Agreement.

3.3 Non-Exclusive License Grants.

3.3.1 [**].

3.3.2 Subject to the terms of this Agreement, [**].

3.3.3 Merck hereby grants to Company a fully-paid, royalty-free, worldwide, non-exclusive license under [**].

3.3.4 If employee(s) of Merck and/or its Affiliates, and/or a Third Party acting on behalf of Merck and/or its Affiliates, conceives an Invention to the extent solely related to the Company Platform, and is not related to any Product Candidate or Licensed Product, then Merck agrees [**] such Merck Information and Inventions and any associated Merck Patent Rights, [**].

3.4 No Implied Licenses. Except as specifically set forth in this Agreement, neither Party shall acquire any license or other intellectual property interest, by implication or otherwise, in any Information disclosed to it under this Agreement or under any patents or patent applications owned or otherwise Controlled by the other Party or its Affiliates.

3.5 Merck Compound Library. Notwithstanding anything to the contrary in this Agreement, Company shall acquire no license or other intellectual property interest from Merck, by implication or otherwise, to make, have made, use, import, offer to sell or sell any compound from the Merck Compound Library or under any patents or patent applications Controlled by Merck or its Affiliates claiming or covering any compound from the Merck Compound Library.

3.6 No Grant of Inconsistent Rights by Company. Company (and its Affiliates) shall not assign, transfer, convey or otherwise grant to any Person or otherwise encumber (including through lien, charge, security interest, mortgage, encumbrance or otherwise) (i) any rights to any Company Know-How, Company Platform Know-How, Company Patent Rights, or Company Platform Patent Rights (or any rights to any intellectual property that would otherwise be included in the Company Know-How, Company Platform Know-How, Company Patent Rights, or Company Platform Patent Rights), in any manner that is inconsistent with or would interfere with the grant of the rights or licenses to Merck hereunder, or (ii) any rights to any Product Candidates or Licensed Products (provided that Company shall grant to Merck the rights to the Product Candidates and Licensed Products as set forth herein).

3.7 Sublicenses. Subject to the terms and conditions of this Agreement (including this Section 3.7), Merck shall have the right to sublicense (through multiple tiers of sublicenses) any or all of the licenses granted to Merck hereunder to one or more Third Parties (each such sublicense, a "**Sublicense**" and the recipient of any Sublicense, a "**Sublicensee**"). Merck shall be responsible for ensuring that the performance by any of its Sublicensees is in accordance with the applicable terms of this Agreement, and the grant of any such Sublicense shall not relieve Merck of its obligations under this Agreement.

3.8 Development and Commercialization. Merck shall use Commercially Reasonable Efforts, at its own expense, to (a) develop and seek Marketing Authorization for at least one (1) Licensed Product in the Field, and (b) [**]. Upon reasonable request from Merck, and at Merck's sole expense, Company shall use Commercially Reasonable Efforts to assist Merck in securing regulatory approval from Regulatory Authorities for the Licensed Products in the Field in the Territory.

3.9 Exclusivity. Subject to Section 10.2.2, during [**], neither Company nor its Affiliates shall (a) directly or indirectly conduct any activities, including research, development and commercialization, on [**] or (b) license, authorize, appoint, or otherwise enable any Third Party to directly or indirectly conduct any activities [**], in each case ((a) and (b)) other than in the performance of the activities to be performed by Company under the Research Program as set

forth in the Research Plan and in accordance with this Agreement. For clarity, the foregoing obligations under this Section 3.9 shall not apply to any internal research activity conducted by Company or its Affiliates with respect to [**] where the purpose of the research activity is to research or develop [**].

3.10 Excused Performance. The obligations of Merck with respect to any Licensed Product under Section 3.8 are expressly conditioned upon the continuing absence of any adverse condition or event related to the safety or efficacy of the Licensed Product, and the obligation of Merck to develop or market any such Licensed Product shall be delayed or suspended so long as in Merck's opinion any such condition or event exists.

3.11 Regulatory Matters. In the event that Merck determines that any regulatory filings for any Product Candidates or Licensed Products are required for any activities hereunder, including INDs, NDAs and other Marketing Authorizations (as applicable), then as between the Parties, Merck (or its Affiliate or Related Party) shall have the sole right, in its discretion, to obtain such regulatory filings (in its (or its Affiliate's or its Related Party's) name) and as between the Parties, Merck (or its Affiliate or its Related Party) shall be the owner of all such regulatory filings. As between the Parties, Merck (or its Affiliate or Related Party) shall have the sole right to communicate and otherwise interact with Regulatory Authorities with respect to the Product Candidates and/or Licensed Products. For clarity, Company shall have no right to, and shall not, make any regulatory filings related to any Product Candidates or Licensed Products or otherwise interact with any Regulatory Authorities with respect to the Product Candidates or Licensed Products.

ARTICLE 4 CONFIDENTIALITY AND PUBLICATION.

4.1 Nondisclosure Obligation. During the term of the Agreement and for [**] ([**]) years thereafter, except as otherwise expressly set forth in this Agreement, all Confidential Information disclosed by one Party to the other Party hereunder shall be maintained in confidence by the receiving Party and shall not be disclosed to any Third Party or used for any purpose except as set forth herein without the prior written consent of the disclosing Party, except to the extent that such Confidential Information:

4.1.1 is known by the receiving Party at the time of its receipt, and not through a prior disclosure by the disclosing Party, as documented by the receiving Party's business records;

4.1.2 is in the public domain by use and/or publication before its receipt from the disclosing Party, or thereafter enters the public domain through no fault of the receiving Party;

4.1.3 is subsequently disclosed to the receiving Party by a Third Party who may lawfully do so and is not under an obligation of confidentiality to the disclosing Party; or

4.1.4 is developed by the receiving Party independently of information received from the disclosing Party, as documented by the receiving Party's business records.

Any combination of features or disclosures shall not be deemed to fall within the foregoing exclusions merely because individual features are published or available to the general public or in the rightful possession of the Receiving Party unless the combination itself and principle of operation are published or available to the general public or in the rightful possession of the Receiving Party.

4.2 **Authorized Disclosure**. Notwithstanding Section 4.1, each Party may disclose the other Party's Confidential Information:

4.2.1 to governmental or other regulatory agencies in order to obtain patents or to gain or maintain approval to conduct clinical trials or to market a Licensed Product, but such disclosure may be only to the extent reasonably necessary to obtain patents or authorizations;

4.2.2 in any manner that is reasonably necessary in the receiving Party's sole discretion to comply with applicable laws, rules, regulations, or judicial or administrative process;

4.2.3 in any manner that is deemed necessary by the receiving Party, to Related Parties (in case Merck is the receiving Party), agent(s), consultant(s), and/or other Third Parties for any and all purposes such Party and its Affiliates deem necessary or advisable in the ordinary course of business in accordance with this Agreement, on the condition that such Third Parties agree to be bound by confidentiality and non-use obligations that substantially are no less stringent than those confidentiality and non-use provisions contained in this Agreement; provided, however, that the term of confidentiality for such Third Parties shall be no less than [**] ([**]) years; or

4.2.4 in any manner that is deemed necessary by counsel to the receiving Party, to such Party's attorneys, independent accountants, or financial advisors, actual or potential acquisition partners, actual or potential financing sources, or actual or potential investors and underwriters (and in each case, their respective advisors), in each case on a need to know basis, on the condition that such Third Parties agree to be bound by confidentiality and non-use obligations no less stringent than those set forth herein (which may include professional ethical obligations), provided, however, that in no event shall Company be permitted to disclose the chemical structure of any Product Candidate to such Person under this Section 4.2.4.

If a Party is required by judicial or administrative process (including a request for discovery received in an arbitration or litigation proceeding) to disclose Confidential Information that is subject to such Party's non-disclosure obligations under Section 4.1, such Party shall promptly inform the other Party of the disclosure that is being sought in order to provide the other Party an opportunity to challenge or limit the disclosure obligations. Confidential Information that is disclosed by the receiving Party by judicial or administrative process shall remain otherwise subject to the confidentiality and non-use provisions of Section 4.1, and the receiving Party disclosing Confidential Information pursuant to judicial or administrative process shall take all steps reasonably necessary, including without limitation obtaining an order of confidentiality, to ensure the continued confidential treatment of such Confidential Information.

4.3 **Company Know How**. Company agrees to keep all Company Know How specifically related to the Program Target, Product Candidates, or Licensed Products confidential subject to Section 4.1.

4.4 **Publication**. Except for disclosures permitted pursuant to Section 4.2, neither Party shall have a right to publish, present, or otherwise publicly disclose the results of the Research Program without the other Party's written consent prior to the achievement of Research Objective [**]. Following a Go Decision to initiate any activity following the completion of all activities under the Research Plan directed toward achieving Research Objective [**], Merck shall have the sole right to publish, present, or otherwise publicly disclose the results of the Research Program, until

and unless the Agreement is terminated in accordance with Section 8.2 or 8.3; provided, however, that Company shall have the sole right to publish, present, or otherwise publicly disclose the results of the Research Program to the extent solely relating to a Replaced Target. Without limiting the foregoing, if either Party, its employee(s) or consultant(s) wish to make a publication or presentation relating to the Research Program in accordance with this Section 4.4, such Party shall deliver to the other Party a copy of the proposed written publication or an outline of an oral disclosure at least [**] ([**]) days prior to submission for publication or presentation. The reviewing Party shall have the right (a) to propose modifications to the publication or presentation for patent reasons, trade secret reasons or business reasons or (b) to request a reasonable delay in publication or presentation in order to protect patentable information. If the reviewing Party requests a delay, the publishing Party shall delay submission or presentation for a period of up to [**] ([**]) days as necessary to enable patent applications protecting each Party's rights in such information to be filed in accordance with Article 7. Upon expiration of such [**] ([**]) days, the publishing Party shall be free to proceed with the publication or presentation, subject to the restrictions on publication set forth in this Section 4.4. If the reviewing Party requests modifications to the publication or presentation, the publishing Party shall edit such publication to prevent disclosure of trade secret or proprietary scientific or business information prior to submission of the publication or presentation.

4.5 Publicity/Use of Names. Promptly following the Effective Date, Company may issue the press release as mutually agreed by the Parties and attached hereto as Schedule 4.5. Either Party may make subsequent public disclosure of the contents of such press release, provided, however, that unless otherwise required by applicable law, neither Party shall make any other public announcement concerning this Agreement without the prior written consent of the other Party. No Party shall use the name or Trademarks of the other Party, its Affiliates or their respective employee(s) in any publicity, promotion, news release or disclosure relating to this Agreement or its subject matter, without the prior express written permission of the other Party, except as may be required by applicable law.

ARTICLE 5 PAYMENTS; ROYALTIES AND REPORTS

5.1 License Fee. In consideration for the licenses and other rights granted to Merck herein under the Company Patent Rights, Company Platform Patent Rights, Company Know-How, and Company Platform Know-How and Company's undertaking of the activities required under this Agreement, upon the terms and conditions contained herein, Merck shall pay to Company a one-time, non-refundable, non-creditable payment equal to fifteen million dollars ($15,000,000), payable within [**] ([**]) days after the Effective Date.

5.2 Milestone Payments. Subject to the terms and conditions of this Agreement, Merck shall pay to Company the following milestone payments, for which Merck achieves the following milestone events hereunder during the Term:

5.2.1 Research, Development and Regulatory Milestone Payments

(a) **Research Milestones.** Merck shall pay to Company the applicable non-refundable, non-creditable amount set forth below following notice in writing by [**] to [**] of a Go Decision ("**Research Milestone Payment**"). Merck shall make the appropriate Research Milestone Payment within [**] ([**]) days after such written notification, which shall be payable one (1) time, upon the first achievement of each applicable Milestone Event. For the avoidance of doubt, the total Milestone Payments to be paid to Company under this Section 5.2.1(a) shall not exceed [**][**]dollars ($[**]), irrespective of whether a Program Target was substituted or a Milestone Event was achieved more than one (1) time.

Milestone Event	Milestone Payment
[**]	$[**]
[**]	$[**]
[**]	$[**]

(b) **Clinical and Regulatory Milestones**. Merck shall pay to Company the amounts set forth below (each, a "**Clinical and Regulatory Milestone Payment**") for the first Licensed Product to achieve the corresponding milestone (each, a "**Clinical and Regulatory Milestone Event**").

	Milestone Event	Milestone Payment
1	[**]	$ [**]
2	[**]	$ [**]
3	[**]	$ [**]
4	[**]	$ [**]
5	[**]	$ [**]
6	[**]	$ [**]
7	[**]	$ [**]
8	[**]	$ [**]
9	[**]	$ [**]

Clinical and Regulatory Milestone Events (1)-(3) in the above table are intended to be successive. If any of Clinical and Regulatory Milestone Events (1)-(3) is not achieved prior to the achievement of the next successive Clinical and Regulatory Milestone Event or, in the case of Clinical and Regulatory Milestone Event (3), prior to the achievement of any of Clinical and Regulatory Milestone Events (4)-(6) (such unachieved Clinical and Regulatory Milestone Event, the "**Skipped Milestone Event**," and such subsequent Clinical and Regulatory Milestone Event, the "**Achieved Milestone Event**"), then such Skipped Milestone Event shall be deemed to have been achieved upon the achievement of the Achieved Milestone Event. The Clinical and Regulatory Milestone Payment corresponding to a Skipped Milestone Event shall be due at the same time as the Clinical and Regulatory Milestone Payment corresponding to the applicable Achieved Milestone Event.

(c) **Payment Terms for Clinical and Regulatory Milestones**. Merck shall notify Company in writing within [**] ([**]) days following the achievement of each clinical and regulatory milestone event under Section 5.2.1(b) and shall make the appropriate milestone payment within [**] ([**]) days after the achievement of such milestone. Each Clinical and Regulatory Milestone Payment shall be payable only upon the initial achievement of the corresponding Clinical and Regulatory Milestone Event and no amounts shall be due hereunder for subsequent or repeated achievements of such Clinical and Regulatory Milestone Event.

5.2.2 Commercial Milestones

(a) For each Licensed Product, Merck shall pay to Company the non-refundable, non-creditable amounts set forth below upon the first occurrence of such Licensed Product achieving each such annual worldwide Net Sales threshold set forth below. For clarity, (i) each commercial milestone is payable once per financial threshold per Licensed Product such that no more than two (2) commercial milestones shall be paid under this Section 5.2.2(a) with respect to a Licensed Product and (ii) if two (2) commercial milestones are achieved in the same Calendar Year, both milestone payments shall be owed with respect to such Calendar Year.

	Milestone Event	**Milestone Payment**
1	The achievement of aggregate total of worldwide Net Sales of one Licensed Product in any single Calendar Year of more than [**]dollars ($[**]).	$ [**]
2	The achievement of aggregate total of worldwide Net Sales of one Licensed Product in any single Calendar Year of more than [**]dollars ($[**]).	$ [**]

(b) Merck shall notify Company in writing of the achievement of each commercial milestone event and shall make the corresponding milestone payment under Section 5.2.2(a) within [**] ([**]) days after the end of the Calendar Quarter in which the milestone event was achieved. Following such payment, the subsequent repeated occurrence of the same milestone event for any Licensed Product will not trigger any additional milestone payment.

5.3 Royalties.

5.3.1 Royalties Payable by Merck. Subject to the terms and conditions of this Agreement, Merck shall pay Company royalties, calculated on a Licensed Product-by-Licensed Product and country-by-country basis, as set forth in this Section 5.3.

(a) Patent Royalties. Subject to the provisions of Section 5.3.1(b), Merck shall pay Company royalties in an amount equal to the following percentage of Net Sales of Licensed Products by Merck or its Related Parties where the sale of Licensed Product is covered by a Valid Patent Claim in the country of sale:

Net Sales	Royalty
For Net Sales in each Calendar Year up to and including [**]dollars ($[**]).	[**]%
For Net Sales in each Calendar Year for the portion of Net Sales exceeding [**]dollars ($[**]) up to and including [**]dollars ($[**]).	[**]%
For Net Sales in each Calendar Year for the portion of Net Sales exceeding [**]dollars ($[**]) up to and including [**] dollars ($[**]).	[**]%
For Net Sales in each Calendar Year for the portion of Net Sales exceeding [**] dollars ($[**]).	[**]%

(b) Know-How Royalty. Notwithstanding the provisions of Section 5.3.1(a), on a Licensed Product-by-Licensed Product and country-by-country basis, for countries where the sale of a Licensed Product by Merck or its Related Parties is not covered by a Valid Patent Claim, Merck shall pay royalties on the Net Sales of such Licensed Product in such countries at royalty rates that shall be set at [**] percent ([**]%) of the applicable royalty rates determined according to 5.3.1(a). Such royalties shall be calculated after first calculating royalties under Section 5.3.1(a).

(c) Royalty tiers pursuant to Section 5.3.1(a) and Section 5.3.1(b) shall be calculated based on worldwide Net Sales of each Licensed Product in the Territory, provided that the determination of whether the royalty shall be calculated under Section 5.3.1(a) or 5.3.1(b) shall be determined on a country-by-country basis. Royalties on each Licensed Product at the rates set forth above shall continue on a country-by-country basis until the expiration of the latest of: (i) the last-to-expire Valid Patent Claim in such country; or (ii) [**] ([**]) years from First Commercial Sale of such Licensed Product in such country (the "**Royalty Period**").

(d) All royalties are subject to the following conditions:

(i) that only one (1) royalty shall be due with respect to the same unit of Licensed Product;

(ii) that no royalties shall be due upon the sale or other transfer among Merck or its Related Parties (except any Related Party that is an end user of the applicable Licensed Product), but in such cases the royalty shall be due and calculated upon Merck's or its Related Party's Net Sales to the first independent Third Party;

(iii) no royalties shall accrue on the sale or other disposition of Licensed Product by Merck or its Related Parties for use in a Clinical Trial; and

(iv) no royalties shall accrue on the disposition of Licensed Product in reasonable quantities by Merck or its Related Parties as samples (promotion or otherwise) or as donations, in each case at or below cost (for example, to non-profit institutions or government agencies for a non-commercial purpose).

5.3.2 Change in Sales Practices. The Parties acknowledge that during the term of this Agreement, Merck's sales practices for the marketing and distribution of Licensed Product may change to the extent to which the calculation of the payment for royalties on Net Sales [**]. In such event the Parties agree to [**].

5.3.3 **Royalties for Bulk Compound.** In those cases in which Merck sells bulk Product Candidate rather than Licensed Product in packaged form to an independent Third Party, the royalty obligations of this Section 5.3 shall be applicable to the bulk Product Candidate.

5.3.4 **Compulsory Licenses.** If a compulsory license is granted to a Third Party with respect to Product Candidate or Licensed Product in any country in the Territory with a royalty rate lower than the royalty rate provided by Section 5.3.1, then the royalty amount to be paid by Merck on Net Sales in that country under Section 5.3.1 shall be reduced to the amount paid by the compulsory licensee.

5.3.5 **Third Party Licenses.** In the event that Merck obtains after the Effective Date a license under, or other rights to, Patent Rights or know-how from any Third Party(ies) that are necessary or reasonably useful in order to make, have made, use, import, offer to sell and/or sell Licensed Product(s) (or Product Candidate(s) contained in such Licensed Product(s)) (hereinafter **"Third Party Licenses**"), [**] percent ([**]%) of any and all payments (including royalties and any payments for obtaining such right or license) actually paid under such Third Party Licenses by Merck or its Related Parties in connection with the manufacture, use, sale or import, as applicable, of Licensed Product(s) (or Product Candidate(s) contained in such Licensed Product(s)) for a Calendar Quarter shall be creditable against the royalty payments due Company by Merck with respect to the sale of such Licensed Product in such Calendar Quarter. Notwithstanding the foregoing, in no event shall the royalties owed by Merck to Company for such Calendar Quarter be reduced by more than [**] percent ([**]%) pursuant to this Section 5.3.5 (provided, however, that if Merck is not able to fully recover the amounts paid by Merck or its Related Parties under any Third Party License as a result of the foregoing restriction, then Merck shall be entitled to carry forward such right of off-set to future Calendar Quarters with respect to such excess amount). At the reasonable request of Merck, Company shall provide assistance to Merck (or its Related Parties) in obtaining any such Third Party Licenses or otherwise taking action with respect to Patent Rights or know-how or other intellectual property of any Third Party(ies) that may be necessary or useful in order to make, have made, use, import, offer to sell and/or sell Licensed Product(s) (or Product Candidate(s) contained in such Licensed Product(s)). Merck shall reimburse Company for its reasonable, documented, out-of-pocket costs incurred in providing such assistance.

5.4 **Reports; Payment of Royalty.** During the term of this Agreement with respect to any Calendar Quarter in which there are Net Sales: Merck shall furnish to Company a written royalty report for such Calendar Quarter, which shall be due on the [**] day following the close of such Calendar Quarter, and which royalty report will show [**] (a) [**] and (b) [**]. Royalties shown to have accrued by each royalty report shall be due and payable on the date such royalty report is due. Merck shall keep complete and accurate records in sufficient detail to enable the royalties payable hereunder to be determined.

5.5 **Audits**.

5.5.1 Upon the written request of Company and not more than [**], Merck shall permit an independent certified public accounting firm of nationally recognized standing selected by Company and reasonably acceptable to Merck, at Company's expense, to have access during normal business hours to such of the records of Merck as may be reasonably

necessary to verify the accuracy of the royalty reports hereunder for any Calendar Year ending not more than [**] ([**]) months prior to the date of such request. The accounting firm shall disclose to Company only whether the royalty reports are correct or incorrect and the amount of any discrepancy. No other information shall be provided to Company.

5.5.2 If such accounting firm correctly identifies a discrepancy made during such period, the appropriate Party shall pay the other Party the amount of the discrepancy within [**] ([**]) days of the date Company delivers to Merck such accounting firm's written report so correctly concluding, or as otherwise agreed upon by the Parties. The fees charged by such accounting firm shall be paid by Company, unless such audit reveals an underpayment of amounts owed to Company of the greater of: (i) [**] percent ([**]%) of the amount that was owed by Merck with respect to the relevant period, or (ii) [**]dollars ($[**]), in which case, Merck will reimburse Company for the reasonable expense incurred by Company in connection with the audit.

5.5.3 Merck shall include in each Sublicense granted by it pursuant to this Agreement a provision requiring the Sublicensee to make reports to Merck, to keep and maintain records of sales made pursuant to such sublicense and to grant access to such records by Company's independent accountant to the same extent required of Merck under this Agreement.

5.5.4 Upon the expiration of [**]([**]) months following the end of any Calendar Year, the calculation of royalties payable with respect to such Calendar Year shall be binding and conclusive upon Company, and Merck and its Related Parties shall be released from any liability or accountability with respect to royalties for such Calendar Year.

5.5.5 Company shall treat all financial information subject to review under this Section 5.5 or under any sublicense agreement in accordance with the confidentiality and non-use provisions of this Agreement, and shall cause its accounting firm to enter into an acceptable confidentiality agreement with Merck and/or its Related Parties obligating it to retain all such information in confidence pursuant to such confidentiality agreement.

5.6 Payment Exchange Rate. All payments to be made by Merck to Company under this Agreement shall be made in United States dollars and may be paid by check made to the order of Company or bank wire transfer in immediately available funds to such bank account in the United States as may be designated in writing by Company from time to time. In the case of sales outside the United States, the rate of exchange to be used in computing the monthly amount of currency equivalent in United States dollars due Company shall be made at the monthly rate of exchange utilized by Merck in its worldwide accounting system.

5.7 Income Tax Withholding. Company shall be liable for all income and other taxes (including interest) ("**Taxes**") imposed upon any payments made by Merck to Company under this Article 5 ("**Agreement Payments**"). If applicable laws, rules or regulations require the withholding of Taxes , Merck shall make such withholding payments and shall subtract the amount thereof from the Agreement Payments. Merck shall submit to Company appropriate proof of payment of the withheld Taxes as well as the official receipts within a reasonable period of time. Merck shall provide Company reasonable assistance in order to allow Company to obtain the benefit of any present or future treaty against double taxation which may apply to the Agreement Payments.

5.8 Value Added Tax. It is understood and agreed between the Parties that any payments made by any Party under this Agreement are exclusive of any value added tax or similar tax imposed upon such payments. Where such tax is properly chargeable in respect of any supply of goods or

services made under this Agreement, the Party paying the consideration for that supply will pay the amount of such tax subject to receipt of a valid tax invoice issued in accordance with applicable law.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties of Each Party. Each Party represents and warrants to the other Party that as of the Effective Date:

6.1.1 such Party is duly organized and validly existing under the laws of the state or jurisdiction of its organization and has full corporate right, power and authority to enter into this Agreement and to perform its obligations hereunder, including the Research Program, and to grant the licenses granted by such Party hereunder;

6.1.2 such Party has obtained all necessary consents, approvals and authorizations of all governmental authorities and other Persons required to be obtained by it as of the Effective Date, as applicable, in connection with the execution, delivery and performance of this Agreement;

6.1.3 such Party (and its Affiliates) has not employed or otherwise used in any capacity, and will not employ or otherwise use in any capacity, the services of any Person debarred under United States law, including under Section 21 USC 335a or any foreign equivalent thereof, in performing any portion of the Research Program;

6.1.4 such Party has or ensures that it will have the resources and capabilities to do the work allocated to it under the Research Plan;

6.1.5 the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by the necessary corporate actions of such Party. This Agreement has been duly executed by such Party. This Agreement and any other documents contemplated hereby constitute valid and legally binding obligations of such Party enforceable against it in accordance with their respective terms, except to the extent that enforcement of the rights and remedies created thereby is subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws of general application affecting the rights and remedies of creditors; and

6.1.6 the execution, delivery and performance by such Party of this Agreement and any other agreements and instruments contemplated hereunder will not (i) in any respect violate any statute, regulation, judgment, order, decree or other restriction of any governmental authority to which such Party is subject, (ii) violate any provision of the corporate charter, by-laws or other organizational documents of such Party, or (iii) constitute a material violation or breach by such Party of any provision of any material contract, agreement or instrument to which such Party is a party or to which such Party may be subject although not a party.

6.2 Company Representations and Warranties. Company represents and warrants to Merck that as of the date of this Agreement:

6.2.1 it (and its Affiliates) has not prior to the Effective Date (i) assigned, transferred, conveyed or otherwise encumbered its right, title and interest in Company Patent Rights or Company Know-How, or (ii) otherwise granted any rights to any Third Parties, in each case of clauses (i) and (ii), that would conflict with the rights granted to Merck hereunder;

6.2.2 to Company's knowledge, it is the sole and exclusive owner of the Company Patent Rights, the Company Platform Patent Rights, and Company Know-How, all of which are (and shall be, in the case of Company Information and Inventions) free and clear of any liens, charges and encumbrances, and no other person, corporate or other private entity, or governmental entity or subdivision thereof, has or shall have any claim of ownership whatsoever with respect to the Company Patent Rights, Company Platform Patent Rights, and Company Know-How;

6.2.3 to Company's knowledge, the exercise of the license granted to Merck under the Company Platform Know-How and Company Know-How and the performance of activities under the Research Plan do not interfere with or infringe any intellectual property rights owned or possessed by any Third Party;

6.2.4 there are no claims, judgments or settlements against or owed by Company (or any of its Affiliates) and no pending or, to Company's knowledge, threatened claims or litigation relating to the Company Know-How;

6.2.5 Company has disclosed to Merck all reasonably relevant information regarding the Company Know-How licensed under this Agreement, including any material license agreements related to the Company Know-How;

6.2.6 there are no opinions related to the Company Know-How licensed under this Agreement;

6.2.7 neither it nor any of its Affiliates has received any written notification from a Third Party that the use of the Company Know-How or Company Platform Know-How, including use of the Company Platform, infringes or misappropriates the Patent Rights or know-how owned or controlled by such Third Party (excluding written notification from a Third Party related to infringement or misappropriation of Patent Rights and know-how to which Company has subsequently obtained a license); and Company has no knowledge that a Third Party has any basis for any such claim;

6.2.8 there are no Company Platform Patent Rights existing as of the Effective Date;

6.2.9 all research and development (including non-clinical studies and Clinical Trials, as applicable) related to the Company Platform prior to the Effective Date has been conducted in accordance with all applicable laws; and

6.2.10 there are no agreements (including any licenses), written or oral, granting any licenses or other rights to (or from) Company (or any of its Affiliates) relating to the Company Platform or the Company Know-How in connection with the Initial Target.

ARTICLE 7 PATENT PROVISIONS.

7.1 Filing, Prosecution and Maintenance of Patents.

7.1.1 [**] Patent Rights. [**] shall have the first right to file patent applications claiming [**] Information and Inventions (for clarity, excluding [**] [**] Information and Inventions). [**] shall promptly disclose to [**] in writing the conception, creation and/or discovery of

such [**] Information and Inventions to which one or more patent applications may be filed. [**] shall give [**] an opportunity to review the text of any patent application before filing, shall consult with [**] with respect thereto, and shall supply [**] with a copy of the application as filed, together with notice of its filing date and serial number. [**] has the first right to prosecute and maintain in the Territory, upon appropriate consultation with [**], the [**] Patent Rights licensed to [**] under this Agreement (for clarity, excluding [**] Platform Patent Rights). [**] shall keep [**] advised of the status of such [**] Patent Rights and shall provide advance copies of any papers related to the prosecution and maintenance of such [**] Patent Rights. [**] shall promptly give notice to [**] of the grant, lapse, revocation, surrender, invalidation or abandonment of any [**] Patent Rights licensed to [**] for which [**] is responsible for the prosecution and maintenance. [**] shall give reasonable notice to [**] of any desire to cease prosecution and/or maintenance of [**] Patent Rights on a country-by-country basis in the Territory and, in such case, shall permit [**], in its sole discretion, to continue prosecution or maintenance of such [**] Patent Rights at its own expense.

7.1.2 Joint Patent Rights. [**] shall have the first right to file, prosecute, and maintain patents and patent applications claiming Joint Information and Inventions. Each Party shall promptly disclose to the other Party in writing the conception, creation and/or discovery of such Joint Information and Inventions to which one or more patent applications may be filed. [**] shall keep [**] advised of the status of any actual and prospective patent filings and upon [**] request, shall provide advance copies of any papers related to the filing of patent applications claiming or covering such Joint Information and Inventions and the prosecution and maintenance of Joint Patent Rights. [**] shall give reasonable notice to [**] of any desire to cease prosecution and/or maintenance of such Joint Patent Rights on a country-by-country basis in the Territory and, in such case, shall permit [**], in its sole discretion, to continue prosecution or maintenance of such Joint Patent Rights at its own expense. If [**] elects to continue prosecution or maintenance of such Joint Patent Rights, [**] shall execute documents in a timely manner as may be reasonably necessary to allow [**] to continue such prosecution or maintenance.

7.1.3 Company Platform Patent Rights. Notwithstanding anything to the contrary in this Agreement, Company shall have the sole right to file, prosecute, and maintain Patent Rights claiming or covering Company Platform Know-How, at its sole discretion. Notwithstanding the foregoing, prior to filing any patent application claiming or covering Company Platform Information and Inventions, [**].

7.1.4 Joint Platform Patent Rights. Company shall have the first right to file, prosecute, and maintain patents and patent applications claiming or covering Joint Platform Information and Inventions. Each Party shall promptly disclose to the other Party in writing the conception, creation and/or discovery of such Joint Platform Information and Inventions to which one or more patent applications may be filed. [**]. Company shall give reasonable notice to Merck of any desire to cease prosecution and/or maintenance of such Joint Platform Patent Rights on a country-by-country basis in the Territory and, in such case, shall permit Merck, in its sole discretion, to continue prosecution or maintenance of such Joint Platform Patent Rights at its own expense. If Merck elects to continue prosecution or maintenance of such Joint Platform Patent Rights, Company shall execute documents in a timely manner as may be reasonably necessary to allow Merck to continue such prosecution or maintenance.

7.1.5 Patent Term Extension. The Parties shall cooperate fully with each other to provide necessary information and assistance, as the other Party may reasonably request, in obtaining patent term extension or supplemental protection certificates or their equivalents in any country in the Territory where applicable to Company Patent Rights and Joint Patent Rights (but, for clarity, not Joint Platform Patent Rights). In the event that elections with respect to obtaining such patent term extension are to be made, Merck shall have the right to make the election and Company agrees to abide by such election.

7.1.6 Other Cooperation. The Parties agree to cooperate fully and provide any information and assistance that either may reasonably request for the filing, prosecution and maintenance of Company Patent Rights, Joint Patent Rights and Joint Platform Patent Rights. The Parties further agree to take reasonable actions to maximize the protections available under the safe harbor provisions of 35 U.S.C. 102(c) for U.S. patents and patent applications.

7.1.7 Filing, Prosecution and Maintenance Expenses. With respect to all filing, prosecution and maintenance activities under this Article 7, the filing and/or prosecuting Party shall be responsible for payment of all costs and expenses related to such activities.

7.1.8 Inventor Remuneration. Each Party shall comply with all applicable country-specific inventor remuneration laws and regulations, including Article 6 of the Third Amendment of Chinese Patent Law, associated with Merck Patent Rights, Company Patent Rights, Company Platform Patent Rights, Joint Patent Rights, and Joint Platform Patent Rights, as applicable, when inventor remuneration obligations are triggered by an employee of such Party and/or its Affiliates, or a Third Party acting on behalf of such Party and/or its Affiliates.

7.2 Interference, Derivation, Opposition, Reexamination, Reissue, Supplemental Examination, *Inter Partes* Review and Post-Grant Review Proceedings.

7.2.1 Third Party Initiated Proceedings. Each Party shall, within [**] ([**]) days of learning of such event, inform the other Party of any request for, or filing or declaration of, any interference, derivation proceeding, opposition, reexamination requested by a Third Party, *inter partes* review, post-grant review or similar contested administrative proceeding involving a Third Party ("**Third Party Initiated Proceedings**") relating to [**] Patent Rights, Joint Patent Rights, or Joint Platform Patent Rights. [**] and [**] shall thereafter consult and cooperate fully to determine a course of action with respect to any such proceeding. [**] shall have the first right to control such proceedings with respect to [**] Patent Rights and Joint Patent Rights, and [**] shall have the right to review and approve any submission to be made in connection with such proceeding, which approval will not be unreasonably withheld or delayed. [**] shall have the first right to control such proceedings with respect to Joint Platform Patent Rights, and [**] shall have the right to review and approve any submission to be made in connection with such proceeding, which approval will not be unreasonably withheld or delayed.

7.2.2 Party Initiated Proceedings.

(a) [**] **Patent Rights and Joint Patent Rights**. [**] shall have the first right to initiate a reexamination, supplemental examination, reissue or similar administrative proceeding ("**Party Initiated Proceedings**") relating to [**] Patent Rights or Joint Patent Rights. Notwithstanding the foregoing, [**] shall not initiate any such proceeding without the prior written consent of [**], which consent shall not

be unreasonably withheld, conditioned or delayed. [**] shall have the right to review and approve any submission to be made in connection with such proceeding, which approval will not be unreasonably withheld, conditioned or delayed. If there is disagreement regarding whether a Party Initiated Proceeding relating to such [**] Patent Rights or Joint Patent Rights should be initiated, such disagreement shall be referred to the senior intellectual property officers of the Parties. In the event that these two executives do not, after reasonable good faith efforts, reach agreement, the resolution and/or course of conduct shall be determined by [**]. In the event that [**] chooses not to initiate a proceeding under this Section 7.2.2(a), and upon [**] written consent, which consent shall not be unreasonably withheld, conditioned or delayed, [**] shall have the right to initiate such proceedings. The initiating Party under this Section 7.2.2(a) shall have the first right to control such proceedings.

(b) **Joint Platform Patent Rights**. [**] shall have the first right to initiate a Party Initiated Proceeding relating to Joint Platform Patent Rights. Notwithstanding the foregoing, [**] shall not initiate any such proceeding without the prior written consent of [**], which consent shall not be unreasonably withheld, conditioned or delayed. [**] shall have the right to review and approve any submission to be made in connection with such proceeding, which approval will not be unreasonably withheld, conditioned or delayed. If there is disagreement regarding whether a Party Initiated Proceeding relating to Joint Platform Patent Rights, should be initiated, such disagreement shall be referred to the senior intellectual property officers of the Parties. In the event that these two executives do not, after reasonable good faith efforts, reach agreement, the resolution and/or course of conduct shall be determined by [**]. In the event that [**] chooses not to initiate a proceeding under this Section 7.2.2(b), and upon [**] written consent, which consent shall not be unreasonably withheld, conditioned or delayed, [**] shall have the right to initiate such proceedings. The initiating Party under this Section 7.2.2(b) shall have the first right to control such proceedings.

7.2.3 **[**] Platform Patent Rights**. Notwithstanding anything to the contrary in this Agreement, [**] shall have the sole right to control Third Party Initiated Proceedings and to initiate a Party Initiated Proceeding relating to [**] Platform Patent Rights and [**] shall have no right to review or approve any submissions related thereto.

7.2.4 **Cooperation.** In connection with any administrative proceeding under Section 7.2.1, [**] and [**] shall cooperate fully and provide each other with any information or assistance that either may reasonably request. The Parties shall keep each other informed of developments in any such action or proceeding, including the status of any settlement negotiations and the terms of any offer related thereto. For any proceeding not controlled by [**], [**] shall obtain prior approval from Merck of any settlement offer or settlement agreement.

7.2.5 **Expenses.** The Party controlling any administrative proceeding pursuant to Section 7.2.1 and Section 7.2.2 shall bear all expenses related thereto.

7.3 **Enforcement and Defense**.

7.3.1 The Parties shall give notice to each other of either (i) any infringement of [**] Patent Rights, Joint Patent Rights, or Joint Platform Patent Rights, or (ii) any misappropriation or misuse of [**] Know-How, that may come to its attention. [**] and [**] shall thereafter consult and cooperate fully to determine a course of action, including but not limited to the

commencement of legal action by either or both [**] and [**], to terminate any infringement of [**] Patent Rights, Joint Patent Rights, or Joint Platform Patent Rights. [**], upon notice to [**], shall have the first right to initiate and prosecute such legal action at its own expense and in the name of [**] and/or [**], or to control the defense of any declaratory judgment action relating to [**] Patent Rights or Joint Patent Rights. [**], upon notice to [**], shall have the first right to initiate and prosecute such legal action at its own expense and in the name of [**] and/or [**], or to control the defense of any declaratory judgment action relating to Joint Platform Patent Rights. Each Party shall have the right to be represented by counsel of its own choice.

7.3.2 [**] shall promptly inform [**] if it elects not to exercise its first right under Section 7.3.1 to initiate and prosecute legal action related to [**] Patent Rights or Joint Patent Rights, and [**] shall thereafter have the right to either initiate and prosecute such action or to control the defense of such declaratory judgment action in the name of [**] and, if necessary, [**]. If [**] elects to do so, the costs of any agreed-upon course of action to terminate infringement of [**] Patent Rights or Joint Patent Rights, including without limitation the costs of any legal action commenced or the defense of any declaratory judgment, shall be paid by [**]. [**] shall promptly inform [**] if it elects not to exercise its first right under Section 7.3.1 to initiate and prosecute legal action related to Joint Platform Patent Rights, and [**] shall thereafter have the right to either initiate and prosecute such action or to control the defense of such declaratory judgment action in the name of [**] and, if necessary, Company. If [**] elects to do so, the costs of any agreed-upon course of action to terminate infringement of Joint Platform Patent Rights, including without limitation the costs of any legal action commenced or the defense of any declaratory judgment, shall be paid by [**]. Each Party shall have the right to be represented by counsel of its own choice.

7.3.3 For any action to terminate any infringement of [**] Patent Rights, Joint Patent Rights, or Joint Platform Patent Rights, or any misappropriation or misuse of [**] Know-How, in the event that a Party is unable to initiate or prosecute such action solely in its own name, the other Party will join such action voluntarily and will execute and cause its Affiliates to execute all documents necessary for the Party to initiate litigation to prosecute and maintain such action under this Section 7.3 or otherwise. In connection with any action or potential action, [**] and [**] will cooperate fully and will provide each other with any information or assistance that either may reasonably request, including cooperating with regard to any pre-litigation review of the [**] Patent Rights, Joint Patent Rights, and Joint Platform Patent Rights. Each Party shall keep the other informed of developments in any action or proceeding. For any proceeding to terminate any infringement of [**] Patent Rights, Joint Patent Rights, or Joint Platform Patent Rights that is not controlled by [**] under this Section 7.3 and not related to infringement of the [**] Platform Patent Rights, [**] shall obtain prior approval from [**] of any settlement offer or settlement agreement.

7.3.4 Any recovery obtained by either or both [**] and [**] in connection with or as a result of any action contemplated by Section 7.3, whether by settlement or otherwise, shall be shared in order as follows:

(a) the Party which initiated and prosecuted the action shall recoup all of its costs and expenses incurred in connection with the action;

(b) the other Party shall then, to the extent possible, recover its costs and expenses incurred in connection with the action; and

(c) [**].

7.3.5 Each Party shall inform the other Party of any certification regarding any [**] Patent Rights or Joint Patent Rights it has received pursuant to either 21 U.S.C. §§355(b)(2)(A)(iv) or (j)(2)(A)(vii)(IV), or its successor provisions or any similar provisions in a country in the Territory other than the United States, and shall provide a copy of such certification within [**] ([**]) days of receipt. [**] has the first right to initiate and prosecute any legal action as a result of such certification; provided, however, that [**] shall inform [**] of such decision to initiate such action within [**] ([**]) days of receipt of the certification, after which time [**] shall have the right to initiate and prosecute such action. Regardless of which Party has the right to initiate and prosecute such action, both Parties shall, as soon as practicable after receiving notice of such certification, convene and consult with each other regarding the appropriate course of conduct for such action. The non-initiating Party shall have the right to be kept fully informed and participate in decisions regarding the appropriate course of conduct for such action, and the right to join and participate in such action. [**] and [**] rights and obligations with respect to the prosecution of any legal action as a result of such certification and any recovery obtained as a result of such legal action shall be as defined in Section 7.3.3 and Section 7.3.4.

7.3.6 [**] shall inform [**] of any matter of which it becomes aware concerning the submission of an application to the U.S. Food & Drug Administration under Section 351(k) of the U.S. Public Health Services Act (42 USC 262(k)), or to a similar agency under any similar provisions in a country in the Territory, seeking approval of a biosimilar or interchangeable biological product with regard to which [**] is a reference product sponsor involving [**] Patent Rights or Joint Patent Rights ("**Biosimilar Application**"). [**] shall provide [**] with the unopened Biosimilar Application within [**] ([**]) days of receipt. Notwithstanding the foregoing provisions of Sections 7.3.1-7.3.5, [**] shall have the sole right, in its discretion, to control any legal action and any activity taken to resolve a dispute with respect to any infringement of [**] Patent Rights or Joint Patent Rights with respect to any Biosimilar Application, including selection of any patents for listing under 42 U.S.C. §262(l), and [**] shall have no rights in connection therewith. For any action with respect to any infringement of [**] Patent Rights or Joint Patent Rights with respect to any Biosimilar Application, in the event that [**] is unable to initiate or prosecute such action solely in its own name, [**] will join such action voluntarily and will execute and cause its Affiliates to execute all documents necessary for [**] to initiate, prosecute, and maintain such action. In connection with any action, [**] shall cooperate with [**] and provide [**] with information and assistance that [**] may reasonably request, including as defined in Section 7.3.3.

7.3.7 **[**] [**] Patent Rights**. Notwithstanding anything to the contrary in this Agreement, [**] shall have the sole right, in its sole discretion, to initiate and prosecute legal action at its own expense to terminate (i) any infringement of [**] Patent Rights, or (ii) any misappropriation or misuse of [**] Know-How, or to control the defense of any declaratory judgment action relating to the foregoing or otherwise relating to [**] Patent Rights or [**] Know-How.

7.4 **Merck Patent Rights, Merck Know-How, and Merck Information and Inventions**. Notwithstanding anything to the contrary in this Agreement, Merck shall have the sole right and discretion to (i) file, prosecute, and maintain Merck Patent Rights in the Territory; (ii) enforce any Merck Patent Rights and protect against any misappropriation or misuse of Merck Know-How and Merck Information and Inventions in the Territory; (iii) control any Third Party Initiated

Proceedings relating to Merck Patent Rights; and (iv) initiate and control any Party Initiated Proceedings relating to Merck Patent Rights. Merck shall promptly give notice to Company of the filing of any Merck Patent Right claiming an Invention to the extent solely related to the Company Platform, and is not related to any Product Candidate or Licensed Product.

7.5 **Patent Rights Directed to Replaced Target**. Notwithstanding anything to the contrary in this Agreement, upon substitution of a Program Target, [**] shall have the sole right to file, prosecute, and maintain [**] directed to the Replaced Target. In the event that such [**] are in existence as of the effective date of such substitution, [**] shall execute documents in a timely manner as may be reasonably necessary to allow [**] to continue such prosecution or maintenance.

ARTICLE 8 TERM AND TERMINATION

8.1 **Term and Expiration.** This Agreement shall be effective as of the Effective Date and unless terminated earlier pursuant to Sections 8.2 or 8.3, this Agreement shall continue in full force and effect until one or more Licensed Products has received Marketing Authorization and, thereafter, until expiration of all royalty obligations hereunder. Upon expiration of this Agreement, Merck's licenses pursuant to Section 3.2 and 3.3 shall become fully paid-up, perpetual licenses.

8.2 **Termination Other Than for Cause**.

8.2.1 **Termination by Merck Other Than for Cause**. Notwithstanding anything contained herein to the contrary, Merck shall have the right to terminate this Agreement at any time in its sole discretion by giving [**] ([**]) days' advance written notice to Company. For the avoidance of doubt, termination by Merck under this Section 8.2.1 can be effected only through a written notice specifically referring to this Section 8.2.1.

8.2.2 **Termination in the Event of a "No Go" Decision**. Notwithstanding anything contained herein to the contrary, the Agreement shall automatically terminate in accordance with the terms set forth in Section 2.2.2(b) in the event that the conditions set forth in Section 2.2.2(b) are met.

8.2.3 **Effect of Termination under Section 8.2**.

(a) No later than [**] ([**]) days after the effective date of such termination, each Party shall return or cause to be returned to the other Party all Information in tangible form received from the other Party and all copies thereof; provided, however, that each Party may retain any Information reasonably necessary for such Party's continued practice under any license(s) which do not terminate pursuant to this section, and may keep one (1) copy of Information received from the other Party in its confidential files for record purposes, to demonstrate compliance with its obligations, or assert its rights, under this Agreement, or to comply with applicable law; and further, provided, that a Party shall not be required to erase electronic files created in the ordinary course of business during automatic system back-up procedures pursuant to its electronic record retention and destruction practices that apply to its own general electronic files and information so long as such electronic files are (i) maintained only on centralized storage servers (and not on personal computers or devices), (ii) not accessible by any of its personnel (other than its information technology specialists), and (iii) are not otherwise accessed subsequently except with the written consent of the disclosing Party or as required by law or legal process. Such retained copies of Information shall remain subject to the confidentiality and non-use obligations herein.

(b) In the event of termination under this Section 8.2:

(i) Merck shall pay any amounts then due and owing as of the termination date;

(ii) Merck shall cooperate and assist in transitioning to Company the prosecution and maintenance of [**] as of the effective date of termination, including by executing documents in a timely manner as may be reasonably necessary to allow Company to continue such prosecution and maintenance;

(iii) any unused Materials and any derivatives, analogs, modifications or components thereof shall be, at the providing Party's option, either promptly returned to the providing Party, or promptly destroyed in accordance with instructions by the providing Party;

(iv) except for the surviving provisions set forth in Section 8.4, the rights and obligations of the Parties hereunder shall terminate as of the date of such termination; provided, however, that Merck shall have a fully paid up non-exclusive license to use Company Information and Inventions and to exploit any Patent Rights claiming Company Information and Inventions for research purposes only;

(v) Merck shall not, and shall ensure that its Affiliates, Sublicensees and distributors shall not, sell, offer for sale or otherwise commercialize any Licensed Product or Product Candidate; provided, however, that Merck and its Affiliates, Sublicensees and distributors shall be entitled, during the [**] ([**]) month period immediately following the effective date of termination, to finish any work-in-progress and to sell any Licensed Product or Product Candidate remaining in inventory, in accordance with the terms of this Agreement (including Article 5 of this Agreement); and

(vi) upon termination, the Parties shall confer to determine how the Joint Patent Rights and Joint Platform Patent Rights will be addressed.

8.3 Termination for Cause.

8.3.1 Cause for Termination. This Agreement may be terminated at any time during the term of this Agreement:

(a) upon written notice by either Party if the other Party is in material breach of this Agreement by causes and reasons within its control and has not cured such breach within [**] ([**]) days after notice requesting cure of the breach; provided, however, in the event of a good faith dispute with respect to the existence of a material breach, the [**] ([**])-day cure period shall be tolled until such time as the dispute is resolved pursuant to Section 10.7;

(b) upon written notice by either Party if the other Party is in breach of the relevant terms set forth in Section 2.10.1 or Section 2.10.5; or

(c) by either Party upon the filing or institution of bankruptcy, reorganization, liquidation or receivership proceedings, or upon an assignment of a substantial portion of the assets for the benefit of creditors by the other Party; provided, however, that in the case of any involuntary bankruptcy proceeding such right to terminate shall only become effective if the Party consents to the involuntary bankruptcy or such proceeding is not dismissed within [**] ([**]) days after the filing thereof.

8.3.2 Effect of Termination for Cause on License.

(a) No later than [**] ([**]) days after the effective date of termination under this Section 8.3, each Party shall return or cause to be returned to the other Party all Information in tangible form received from the other Party and all copies thereof; provided, however, that each Party may retain any Information reasonably necessary for such Party's continued practice under any license(s) which do not terminate pursuant to this section, and may keep one (1) copy of Information received from the other Party in its confidential files for record purposes, to demonstrate compliance with its obligations, or assert its rights, under this Agreement, or to comply with applicable law; and further, provided, that a Party shall not be required to erase electronic files created in the ordinary course of business during automatic system back-up procedures pursuant to its electronic record retention and destruction practices that apply to its own general electronic files and information so long as such electronic files are (i) maintained only on centralized storage servers (and not on personal computers or devices), (ii) not accessible by any of its personnel (other than its information technology specialists), and (iii) are not otherwise accessed subsequently except with the written consent of the disclosing Party or as required by law or legal process. Such retained copies of Information shall remain subject to the confidentiality and non-use obligations herein.

(b) Any unused Materials and any derivatives, analogs, modifications or components thereof shall be, at the providing Party's option, either promptly returned to the providing Party, or promptly destroyed in accordance with instructions by the providing Party.

(c) In the event of termination under Section 8.3.1(c), the rights and obligations of the Parties hereunder shall terminate as of the date of such termination.

(d) Merck shall pay any amounts then due and owing as of the termination date.

(e) If Merck terminates this Agreement under Section 8.3.1(a) or Section 8.3.1(b) [**], (i) all Milestone Payments and Royalty Payments shall be reduced by [**] percent ([**]%) from those set forth in Section 5.2 and Section 5.3; (ii) all licenses and other rights granted by Company to Merck under this Agreement will remain in effect and become perpetual, subject to the obligation of Merck to pay Milestone Payments and Royalty Payments in accordance with clause (i); (iii) Company shall, within [**] ([**]) days after the effective date of such termination, return or cause to be returned to Merck all Licensed Products and Product Candidates; and (iv) except for the surviving provisions set forth in Section 8.4, the rights of Company and the obligations of the Parties hereunder shall terminate as of the date of such termination.

(f) If Merck terminates this Agreement under Section 8.3.1(a) or Section 8.3.1(b) [**], (i) Merck's licenses pursuant to Sections 3.1 through 3.3 shall become fully paid-up, perpetual licenses and all other rights granted to Merck by Company under this

Agreement will remain in effect; (ii) Company shall, within [**] ([**]) days after the effective date of such termination, return or cause to be returned to Merck all Licensed Products and Product Candidates; and (iii) except for the surviving provisions set forth in Section 8.4, the rights of Company and the obligations of the Parties hereunder shall terminate as of the date of such termination.

(g) If Company terminates this Agreement under Section 8.3.1(a) or Section 8.3.1(b): (i) Merck's licenses pursuant to Sections 3.1 through and 3.3 shall terminate as of such termination date, (ii) Merck shall promptly cooperate and assist in transitioning to Company the prosecution and maintenance of any Company Patent Right that Merck is prosecuting or maintaining pursuant to Section 7.1 as of the effective date of termination, including by executing documents in a timely manner as may be reasonably necessary to allow Company to continue such prosecution and maintenance, (iii) Merck shall not, and shall ensure that its Affiliates, Sublicensees and distributors shall not, sell, offer for sale or otherwise commercialize any Licensed Product or Product Candidate; provided, however, that Merck and its Affiliates, Sublicensees and distributors shall be entitled, during the [**] ([**])-month period immediately following the effective date of termination, to finish any work-in-progress and to sell any Licensed Product or Product Candidate remaining in inventory, in accordance with the terms of this Agreement (including Article 5 of this Agreement); and (iv) except for the surviving provisions set forth in Section 8.4, the rights and obligations of the Parties hereunder shall terminate as of the date of such termination.

(h) If this Agreement is terminated by Merck pursuant to Section 8.3.1(c) due to the rejection of this Agreement by or on behalf of Company under Section 365 of the United States Bankruptcy Code (the **"Code"**), all licenses and rights to licenses granted under or pursuant to this Agreement by Company to Merck are, and shall otherwise be deemed to be, for purposes of Section 365(n) of the Code, licenses of rights to "intellectual property" as defined under Section 101(35A) of the Code. The Parties agree that Merck, as a licensee of such rights under this Agreement, shall retain and may fully exercise all of its rights and elections under the Code, and that upon commencement of a bankruptcy proceeding by or against Company under the Code, Merck shall be entitled to a complete duplicate of or complete access to (as Merck deems appropriate), any such intellectual property and all embodiments of such intellectual property. Such intellectual property and all embodiments thereof shall be promptly delivered to Merck (i) upon any such commencement of a bankruptcy proceeding upon written request therefore by Merck, unless Company elects to continue to perform all of its obligations under this Agreement or (ii) if not delivered under (i) above, upon the rejection of this Agreement by or on behalf of Company upon written request therefore by Merck. The foregoing provisions of this paragraph are without prejudice to any rights Merck may have arising under the Code or other applicable law.

8.4 Effect of Expiration or Termination; Survival. Expiration or termination of this Agreement shall not relieve the Parties of any obligation accruing prior to such expiration or termination. Any expiration or termination of this Agreement shall be without prejudice to the rights of either Party against the other accrued or accruing under this Agreement prior to expiration or termination, including without limitation the obligation to pay royalties for Licensed Product(s) or Product Candidate sold prior to such expiration or termination. The provisions of Article 4 shall survive the expiration or termination of this Agreement and shall continue in effect for [**]([**]) years thereafter. In addition, the provisions of Article 1, Section 2.8, Article 6, Article

7, Section 3.3.4, Section 3.4, Section 3.5, Section 3.6, Section 8.1, Section 8.2.3, Section 8.3.2, Section 8.4, Article 9 and Article 10, and Section 2.8 shall survive any expiration or termination of this Agreement.

ARTICLE 9 INDEMNIFICATION

9.1 **Indemnification by Merck**. Merck will defend, and indemnify and hold harmless, Company and its Affiliates and its and their respective directors, officers, employees, agents, representatives and assigns (collectively, the "**Company Indemnified Parties**"), from and against any and all liabilities, damages, losses, costs and expenses, including reasonable attorneys' fees and expenses (collectively, "**Losses**"), to the extent arising out of or resulting from any Third Party suits, claims, actions, proceedings or demands ("**Third Party Claims**") to the extent based upon:

9.1.1 any breach of any representation, warranty or covenant [**];

9.1.2 [**] by Merck or its Affiliates, subcontractors or Sublicensees (but expressly excluding any Third Party Claims based on [**]); or

9.1.3 the gross negligence or willful misconduct of Merck or any of the Merck Indemnified Parties in [**];

provided that, in the case of each of Sections 9.1.1 through 9.1.3 above, Merck will not be obligated to so defend, and indemnify and hold harmless, the Company Indemnified Parties for any Third Party Claims to the extent that Company has an obligation to indemnify the Merck Indemnified Parties under Section 9.2.

9.2 **Indemnification by Company**. Company will defend, and indemnify and hold harmless, Merck and its Affiliates and Sublicensees and its and their respective directors, officers, employees, agents, representatives and assigns (collectively, the "**Merck Indemnified Parties**"), from and against any and all Losses, to the extent arising out of or resulting from any Third Party Claims to the extent based upon:

9.2.1 any breach of any representation, warranty or covenant [**];

9.2.2 Merck's or Merck's Affiliate's or Sublicensees' use or employment [**]; or

9.2.3 the gross negligence or willful misconduct of Company or any of the Company Indemnified Parties [**];

provided that, in the case of each of Sections 9.2.1 through 9.2.3 above, Company will not be obligated to so defend, and indemnify and hold harmless, the Merck Indemnified Parties for any Third Party Claims to the extent that Merck has an obligation to indemnify the Company Indemnified Parties under Section 9.1.

9.3 **Procedure**. A Person entitled to indemnification under this Article 9 (an "**Indemnified Party**") will give prompt written notification to the Person from whom indemnification is sought (the "**Indemnifying Party**") of the commencement of any Third Party Claim for which indemnification may be sought as soon as reasonably practicable, upon the assertion of any such Third Party Claim (it being understood and agreed, however, that any delay or failure by an Indemnified Party to give notice of a Third Party Claim as provided in this Section 9.3 will not relieve the Indemnifying Party of its indemnification obligation under this Agreement except and

only to the extent that such delay or failure materially prejudices the Indemnifying Party's ability to defend against the relevant claims). Within [**] ([**]) Business Days after delivery of such notification, the Indemnifying Party may, upon written notice thereof to the Indemnified Party, assume control of the defense of such Third Party Claim with counsel reasonably satisfactory to the Indemnified Party. If the Indemnifying Party does not assume control of such defense, the Indemnified Party will control such defense and, without limiting the Indemnifying Party's indemnification obligations, the Indemnifying Party will reimburse the Indemnified Party for all costs and expenses, including attorney fees, incurred by the Indemnified Party in defending itself within [**] ([**]) days after receipt of any invoice therefor from the Indemnified Party. The Party not controlling such defense may participate therein at its own expense. The Party controlling such defense will keep the other Party advised of the status of such Third Party Claim and the defense thereof and will consider recommendations made by the other Party with respect thereto. The Indemnified Party will not agree to any settlement of such Third Party Claim without the prior written consent of the Indemnifying Party, which shall not be unreasonably withheld, delayed or conditioned. The Indemnifying Party shall not, without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld, conditioned, or delayed, agree to any settlement of such Third Party Claim or consent to any judgment in respect thereof that [**].

ARTICLE 10 MISCELLANEOUS

10.1 Force Majeure. Neither Party shall be held liable to the other Party nor be deemed to have defaulted under or breached this Agreement for failure or delay in performing any obligation under this Agreement to the extent such failure or delay is caused by or results from causes beyond the reasonable control of the affected Party, potentially including, but not limited to, embargoes, war, acts of war (whether war be declared or not), acts of terrorism, insurrections, riots, pandemics or epidemics, civil commotions, strikes, lockouts or other labor disturbances, fire, floods, or other acts of God, or acts, omissions or delays in acting by any governmental authority or the other Party. The affected Party shall notify the other Party of such force majeure circumstances as soon as reasonably practical, and shall promptly undertake all reasonable efforts necessary to cure such force majeure circumstances.

10.2 Assignment; Change of Control.

10.2.1 Assignment. Except as provided in this Section 10.2.1, this Agreement may not be assigned or otherwise transferred, nor may any right or obligation hereunder be assigned or transferred, by either Party without the consent of the other Party; provided, however, that either Party may, without such consent, assign this Agreement, in whole or in part, and its rights and obligations hereunder to an Affiliate or in connection with the transfer or sale of all or substantially all of its assets related to the subject matter of this Agreement, or in the event of its merger or consolidation or change in control or similar transaction. Any attempted assignment not in accordance with this Section 10.2.1 shall be void. Any permitted assignee shall assume all assigned obligations of its assignor under this Agreement.

10.2.2 Change of Control of Company.

(a) Notwithstanding the provisions of Section 3.9, if Company undergoes a Change of Control during the term of this Agreement and, as of immediately prior to or following the closing of such Change of Control, any Person that becomes an Independent Affiliate of Company upon such Change of Control or any of such Person's Affiliates

existing immediately prior to such Change of Control or following such Change of Control other than the Company or Affiliates of Company existing prior to such Change of Control (collectively, the "**Company Acquirer**") is researching, developing, manufacturing or commercializing any product, the research, development, manufacture or commercialization of which product in the Territory would, but for the provisions of this Section 10.2.2 constitute a breach of Section 3.9 (such product, a "**Distracting Product**"), then Company will not be in breach of Section 3.9 as a result of such activities with respect to any such Distracting Product (provided that, with respect to Distracting Products that arise after such Change of Control, the Company Acquirer does not access or use any intellectual property Controlled by Company in the conduct of activities related to such Distracting Product), and Company or the Company Acquirer, as applicable, will, (i) adopt reasonable procedures to segregate all research, development or commercialization activities relating to the Distracting Product from research, development and commercialization with respect to compounds or products (including Product Candidates and Licensed Products) under this Agreement, and conduct any activities under the Research Program separately from all activities relating to the Distracting Product, including through the maintenance of separate lab notebooks and records; and (ii) establish reasonable firewall protections and safeguards designed to ensure the activities of its personnel under the Research Program are segregated from all activities relating to the Distracting Product, including reasonable efforts to ensure that (x) none of its personnel involved in performing development or commercialization activities with respect to the Distracting Product have access to non-public plans or information relating to the development or commercialization of Product Candidates or Licensed Products under this Agreement and (y) none of its personnel involved in performing development activities with respect to the Product Candidates or Licensed Products under this Agreement have access to non-public plans or information relating to the development or commercialization of the Distracting Product (except that management personnel may [**]).

(b) Upon a Change of Control of Company, Company shall adopt reasonable procedures to be agreed upon in writing with Merck to prevent the disclosure of all information of Merck and its Affiliates and other information with respect to development and commercialization of Product Candidates and Licensed Products. Upon such Change of Control, Merck shall have no further obligation to provide Development Reports pursuant to Section 2.14, and Merck's obligation to provide royalty reports pursuant to Section 5.4 shall be limited to reporting Merck's total worldwide royalty obligations.

10.3 Use of Affiliates. Each Party shall have the right to exercise its rights and perform its obligations under this Agreement either itself or through any of its Affiliates, provided that each Party shall be responsible for the exercise of its rights and the performance of its obligations under this Agreement.

10.4 Severability. If any one or more of the provisions contained in this Agreement is held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby, unless the absence of the invalidated provision(s) adversely affects the substantive rights of the Parties. The Parties shall in such an instance use reasonable 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.

10.5 Notices. All notices which are required or permitted hereunder shall be in writing and sufficient if delivered personally, sent by e-mail (and promptly confirmed by personal delivery, registered or certified mail or overnight courier), sent by nationally-recognized overnight courier or sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

if to Company, to:	Foghorn Therapeutics Inc. 100 Binney Street, Suite 610, Cambridge, MA 02142 Attention: Head of Business Development
	with a copy to:
	Foghorn Therapeutics Inc. 100 Binney Street, Suite 610, Cambridge, MA 02142 Attention: Head of Legal E-mail: [**]
and:	Ropes & Gray LLP Prudential Tower 800 Boylston Street, Boston, MA 02199 Attention: Marc Rubenstein E-mail: marc.rubenstein@ropesgray.com
if to Merck, to:	Merck Sharp & Dohme Corp. One Merck Drive Whitehouse Station, NJ 08889-0100 Attention: Office of Secretary E-mail: [**]
and	Merck Sharp & Dohme Corp. 2000 Galloping Hill Road PO Box 539 Mailstop K-1-4161 Kenilworth, NJ 07033-1310 Attention: Senior Vice President, Business Development

or to such other address(es) as the Party to whom notice is to be given may have furnished to the other Party in writing in accordance herewith. Any such notice shall be deemed to have been given: (a) when delivered if personally delivered 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. The Parties hereby agree that, to the extent permitted by law, any notice provided in accordance with this Section shall constitute due service of process with respect to any legal proceeding between the Parties arising hereunder and that compliance with the Hague Convention for the Service of Process, if otherwise applicable, shall not be required.

10.6 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without reference to any rules of conflict of laws or renvoi.

10.7 Dispute Resolution.

10.7.1 The Parties shall negotiate and use reasonable efforts to settle any dispute, controversy or claim arising from or related to this Agreement or the breach thereof (a **"Dispute"**). Any Party shall give the other Party written notice of any Dispute not resolved in the normal course of business. Within [**] ([**]) days from the date of delivery of such notice, the receiving Party shall submit to the other Party a written response. The notice and response shall include (A) a statement of that Party's position and a summary of arguments supporting that position, and (B) the name and title of the executive who will represent that Party and of any other person who will accompany the executive. Within [**] ([**]) days from the date of delivery of the initial notice, the executives of both Parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to attempt to resolve the Dispute. These executives shall have the authority to settle the Dispute and shall be at a higher level of management than the persons with direct responsibility for administration of this Agreement. All negotiations pursuant to this paragraph are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.

10.7.2 If the Parties do not fully settle following the procedure in Section 10.7.1, and a Party wishes to pursue the matter, each dispute, controversy or claim arising from or related to this Agreement or the breach thereof that is not an Excluded Claim shall be brought in the federal court for the Southern District of New York, if federal jurisdiction is available, or, alternatively, in the state courts in Manhattan, New York. Each of the Parties hereby submits to the exclusive jurisdiction of such courts for the purpose of any such litigation; provided, that a final judgment in any such litigation shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. **Each party irrevocably and unconditionally agrees not to assert (a) any objection which it may ever have to the laying of venue of any such litigation in such courts, (b) any claim that any such litigation brought in any such court has been brought in an inconvenient forum, and (c) any claim that such court does not have jurisdiction with respect to such litigation. EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT TO A TRIAL BY JURY AND AGREES THAT ANY OF THEM MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES IRREVOCABLY TO WAIVE ITS RIGHT TO TRIAL BY JURY IN ANY LITIGATION.**

10.7.3 As used in this Section, the term **"Excluded Claim"** shall mean a dispute, controversy or claim that concerns (a) a decision by the Committee or Merck within the proper scope of the Committee's authority pursuant to Section 2.4 (but, for clarity, not a dispute, controversy or claim that concerns whether a decision by the Committee is within the proper scope of the Committee's authority pursuant to Section 2.4), which shall be arbitrable or justiciable in any forum; (b) the validity or infringement of a patent, Trademark or copyright; or (c) any antitrust, anti-monopoly or competition law or regulation, whether or not statutory. Any action concerning Excluded Claims identified in clauses (b) and (c) of this Paragraph may be brought in any court having jurisdiction.

10.7.4 Notwithstanding the foregoing in this Section 10.7, nothing contained in this Agreement will in any way limit or preclude a Party from, at any time, [**] if necessary to protect the interests of such Party. Each Party agrees that its [**], and that such other Party will be entitled to obtain timely injunctive relief with respect to such breach, [**], as well as any further relief that may be granted by a court of competent jurisdiction.

10.8 Limitation of Liability. Notwithstanding anything to the contrary contained herein, neither Party shall be liable to the other Party under any theory for any special, incidental, indirect, consequential or other similar damages, or any punitive damages, whether arising directly or indirectly out of the transactions contemplated by this Agreement and, to be clear, neither party shall be entitled to recover for any lost profit or lost sale damages of any kind, whether those claimed damages are direct or indirect.

10.9 Entire Agreement; Amendments. This Agreement, together with the Schedules and Exhibits hereto, contains the entire understanding of the Parties with respect to the subject matter hereof. Any other express or implied agreements and understandings, negotiations, writings and commitments, either oral or written, with respect to the subject matter hereof, including the CDA, are superseded by the terms of this Agreement. The Schedules and Exhibits to this Agreement are incorporated herein by reference and shall be deemed a part of this Agreement. This Agreement may be amended, or any term hereof modified, only by a written instrument duly executed by authorized representative(s) of both Parties hereto.

10.10 Headings. The captions to the several Articles, Sections and subsections hereof are not a part of this Agreement, but are merely for convenience to assist in locating and reading the several Articles and Sections hereof.

10.11 Independent Contractors. It is expressly agreed that Company and Merck shall be independent contractors and that the relationship between the two Parties shall not constitute a partnership, joint venture or agency. Neither Company nor Merck shall have the authority to make any statements, representations or commitments of any kind, or to take any action, which shall be binding on the other Party, without the prior written consent of the other Party.

10.12 Waiver. The waiver by either Party hereto of any right hereunder, or of any failure of the other Party to perform, or of any breach by the other Party, shall not be deemed a waiver of any other right hereunder or of any other breach by or failure of such other Party whether of a similar nature or otherwise.

10.13 Waiver of Rule of Construction. Each Party has had the opportunity to consult with counsel in connection with the review, drafting and negotiation of this Agreement. Accordingly, the rule of construction that any ambiguity in this Agreement shall be construed against the drafting Party shall not apply.

10.14 Certain Conventions. Any reference in this Agreement to an Article, Section, subsection, paragraph, clause, Schedule or Exhibit shall be deemed to be a reference to an Article, Section, subsection, paragraph, clause, Schedule or Exhibit, of or to, as the case may be, this Agreement, unless otherwise indicated. Whenever this Agreement refers to a number of days, unless otherwise specified, such number refers to calendar days. Unless the context of this Agreement otherwise requires, (a) words of any gender include each other gender, (b) words such as “herein”, “hereof”, and “hereunder” refer to this Agreement as a whole and not merely to the particular provision in which such words appear, (c) words using the singular shall include the plural, and vice versa, (d) any definition of or reference to any agreement, instrument or other document refers to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or therein), (e) the words “include,” “includes,” and “including” shall be deemed to be followed by the phrase “but not limited to,” “without limitation” or words of similar import, (f) the word “or” is used in the inclusive sense (and/or), (g) references to a particular Person include such Person’s successors and assigns to the extent

not prohibited by this Agreement, (h) a capitalized term not defined herein but reflecting a different part of speech than a capitalized term that is defined herein shall be interpreted in a correlative manner, and (i) all references to "will" are interchangeable with the word "shall" and shall be understood to be imperative or mandatory in nature.

10.15 Business Day Requirements. In the event that any notice or other action or omission is required to be taken by a Party under this Agreement on a day that is not a Business Day, then such notice or other action or omission shall be deemed to be required to be taken on the next occurring Business Day.

10.16 Counterparts. This Agreement may be signed in any number of counterparts (including by facsimile or electronic transmission), each of which shall be deemed an original, but all of which shall constitute one and the same instrument. After facsimile or electronic transmission, the Parties agree to execute and exchange documents with original signatures.

[**SIGNATURE PAGE IMMEDIATELY FOLLOWS**]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

MERCK SHARP & DOHME CORP.

BY : /s/ Benjamin Thorner
NAME: Benjamin Thorner

TITLE: SVP & Head of BD&L, MRL

FOGHORN THERAPEUTICS INC.

BY: /s/ Adrian Gottschalk
NAME: Adrian Gottschalk

TITLE: President & CEO

SCHEDULE 1.18

COMPANY PLATFORM

[**]

SCHEDULE 2.1.1

RESEARCH PLAN

[**]

SCHEDULE 2.1.2

PRE-APPROVED FOGHORN CONTRACTORS

[**]

SCHEDULE 2.2.1

RESEARCH OBJECTIVES

[**]

SCHEDULE 4.5

PRESS RELEASE

Foghorn® Therapeutics Announces Collaboration with Merck to Discover and Develop Novel Oncology Therapeutics Against Transcription Factor Target

Cambridge, MA.— [DATE TBD], 2020— Foghorn® Therapeutics Inc., a company advancing an unprecedented class of therapeutics targeting the chromatin regulatory system in oncology, announced that it has entered into a strategic collaboration with Merck, known as MSD outside the United States and Canada. The collaboration will apply Foghorn's proprietary Gene Traffic Control™ product platform to discover and develop novel therapeutics against a transcription factor target believed to be relevant to a broad range of cancer patients.

The target is one of Foghorn's growing number of programs emerging from the company's product-platform focused on chromatin dysregulation. The chromatin system regulates which genes a cell expresses and when it expresses them. Dysregulation of the chromatin system is implicated in up to half of all cancers.

Under the collaboration agreement, Foghorn will grant Merck exclusive global rights to develop and commercialize drugs that target dysregulation of a single transcription factor. Under the terms of the agreement, Foghorn will receive an upfront payment and research milestones and will be eligible to receive development, regulatory and commercial milestones potentially totaling up to $425 million as well as royalties on sales of any approved product from the collaboration.

"We're excited to partner with Merck given their world-renowned capabilities in cancer research and development," said Adrian Gottschalk, president and chief executive officer of Foghorn. "Our ability to systematically drug transcription factors using our proprietary product-platform opens vast potential to discover and develop novel cancer treatments."

There is broad evidence for the role of dysregulated transcription factors in multiple cancer types, but these have been difficult targets to drug" said Dr Nick Haining, vice president, Discovery Oncology & Immunology, Merck Research Laboratories. "We look forward to working with Foghorn and applying their platform to identify novel candidates to drug transcription factors in cancer."

About the Chromatin Regulatory System

The chromatin regulatory system regulates gene expression by directing the movement of molecules that turn genes on and off. Disease dependencies associated with the chromatin regulatory system are estimated to impact over 2.5 million cancer patients across the United States, Europe and Japan. This system is further implicated in neurological, autoimmune, and other serious diseases.

About Foghorn Therapeutics

Foghorn® Therapeutics is discovering and developing a novel class of precision medicine therapeutics targeting the chromatin regulatory system in oncology. Through its scalable Gene Traffic Control™ product-platform, Foghorn is systematically interrogating and drugging the chromatin regulatory system. The Company, currently in pre-clinical stage, is advancing over 10 small molecule and protein degrader programs across a wide range of cancers. The company expects to file an IND for its first program later this year.

Foghorn, a Flagship Pioneering® company, was founded in 2016 by Cigall Kadoch, Ph.D., Gerald Crabtree, M.D., and Doug Cole, M.D., of Flagship Pioneering. Learn more about Foghorn at www.foghorntx.com.

Media Contacts

Fanny Cavalié, Foghorn Therapeutics
+1 (617) 238-4954
fcavalie@foghorntx.com

Greg Kelley, Ogilvy
+1 (617) 761-6724
gregory.kelley@ogilvy.com

Exhibit 10.4

As Amended as of August 19, 2020

FOGHORN THERAPEUTICS INC.

2016 STOCK INCENTIVE PLAN

1. Purpose

The purpose of this 2016 Stock Incentive Plan (the "**Plan**") of Foghorn Therapeutics Inc., a Delaware corporation (the "**Company**"), is to advance the interests of the Company's stockholders by enhancing the Company's ability to attract, retain and motivate persons who are expected to make important contributions to the Company and by providing such persons with equity ownership opportunities and performance-based incentives that are intended to better align the interests of such persons with those of the Company's stockholders. Except where the context otherwise requires, the term "**Company**" shall include any of the Company's present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Internal Revenue Code of 1986, as amended, and any regulations thereunder (the "**Code**") and any other business venture (including, without limitation, joint venture or limited liability company) in which the Company has a controlling interest, as determined by the Board of Directors of the Company (the "**Board**"); *provided*, *however*, that such other business ventures shall be limited to entities that, where required by Section 409A of the Code, are eligible issuers of service recipient stock (as defined in Treas. Reg. Section 1.409A-1(b)(5)(iii)(E), or applicable successor regulation).

2. Eligibility

All of the Company's employees, officers and directors, as well as consultants and advisors to the Company (as such terms consultants and advisors are defined and interpreted for purposes of Rule 701 under the Securities Act of 1933, as amended (the "**Securities Act**") (or any successor rule)) are eligible to be granted Awards under the Plan. Each person who is granted an Award under the Plan is deemed a "**Participant**." "**Award**" means Options (as defined in Section 5), SARs (as defined in Section 6), Restricted Stock (as defined in Section 7), Restricted Stock Units (as defined in Section 7) and Other Stock-Based Awards (as defined in Section 8).

3. Administration and Delegation

(a) Administration by the Board. The Plan will be administered by the Board. The Board shall have authority to grant Awards and to adopt, amend and repeal such administrative rules, guidelines and practices relating to the Plan as it shall deem advisable. The Board may construe and interpret the terms of the Plan and any Award agreements entered into under the Plan. The Board may correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem expedient to carry the Plan into effect and it shall be the sole and final judge of such expediency. All decisions by the Board shall be made in the Board's sole discretion and shall be final and binding on all persons having or claiming any interest in the Plan or in any Award.

(b) Appointment of Committees. To the extent permitted by applicable law, the Board may delegate any or all of its powers under the Plan to one or more committees or subcommittees of the Board (each, a "**Committee**"). All references in the Plan to the "**Board**" shall mean the Board or a Committee of the Board to the extent that the Board's powers or authority under the Plan have been delegated to such Committee.

4. Stock Available for Awards

(a) Number of Shares. Subject to adjustment under Section 9, Awards may be made under the Plan for up to 12,050,000 shares of common stock, $0.0001 par value per share, of the Company (the "**Common Stock**"), any or all of which Awards may be in the form of Incentive Stock Options (as defined in Section 5(b)). If any Award expires or is terminated, surrendered or canceled without having been fully exercised, is forfeited in whole or in part (including as the result of shares of Common Stock subject to such Award being repurchased by the Company at the original issuance price pursuant to a contractual repurchase right), or results in any Common Stock not being issued, the unused Common Stock covered by such Award shall again be available for the grant of Awards under the Plan. Further, shares of Common Stock tendered to the Company by a Participant to exercise an Award or to satisfy tax withholding obligations arising with respect to an Award shall be added to the number of shares of Common Stock available for the grant of Awards under the Plan. However, in the case of Incentive Stock Options, the two immediately preceding sentences shall be subject to any limitations under the Code. Shares issued under the Plan may consist in whole or in part of authorized but unissued shares or treasury shares.

(b) Substitute Awards. In connection with a merger or consolidation of an entity with the Company or the acquisition by the Company of property or stock of an entity, the Board may grant Awards in substitution for any options or other stock or stock-based awards granted by such entity or an affiliate thereof. Substitute Awards may be granted on such terms as the Board deems appropriate in the circumstances, notwithstanding any limitations on Awards contained in the Plan. Substitute Awards shall not count against the overall share limit set forth in Section 4(a), except as may be required by reason of Section 422 and related provisions of the Code.

5. Stock Options

(a) General. The Board may grant options to purchase Common Stock (each, an "**Option**") and determine the number of shares of Common Stock to be covered by each Option, the exercise price of each Option and the conditions and limitations applicable to the exercise of each Option, including conditions relating to applicable federal or state securities laws, as it considers necessary or advisable.

(b) Incentive Stock Options. An Option that the Board intends to be an "incentive stock option" as defined in Section 422 of the Code (an "**Incentive Stock Option**") shall only be granted to employees of Foghorn Therapeutics Inc., any of Foghorn Therapeutics Inc.'s present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Code, and any other entities the employees of which are eligible to receive Incentive Stock Options under the Code, and shall be subject to and shall be construed consistently with the requirements of Section 422 of the Code. An Option that is not intended to be an Incentive Stock Option shall be designated a "**Nonstatutory Stock Option**." The Company shall have no liability to a Participant, or any other party, if an Option (or any part thereof) that is intended to be an Incentive Stock Option is not an Incentive Stock Option or if the Company converts an Incentive Stock Option to a Nonstatutory Stock Option.

(c) Exercise Price. The Board shall establish the exercise price of each Option and specify the exercise price in the applicable Option agreement. The exercise price shall be not less than 100% of the fair market value per share of Common Stock, as determined by (or in a manner approved by) the Board ("**Fair Market Value**"), on the date the Option is granted. "**Fair Market Value**" of a share of Common Stock for purposes of the Plan will be determined as follows:

(1) if the Common Stock is not publicly traded, the Board will determine the Fair Market Value for purposes of the Plan using any measure of value it determines to be appropriate (including, as it considers appropriate, relying on appraisals) in a manner consistent with the valuation principles under Code Section 409A, except as the Board may expressly determine otherwise;

(2) if the Common Stock trades on a national securities exchange, the closing sale price (for the primary trading session) on the date of grant; or

(3) if the Common Stock does not trade on any such exchange, the average of the closing bid and asked prices as reported by an authorized OTCBB market data vendor as listed on the OTCBB website (otcbb.com) on the date of grant.

For any date that is not a trading day, the Fair Market Value of a share of Common Stock for such date will be determined by using the closing sale price or average of the bid and asked prices, as appropriate, for the immediately preceding trading day and with the timing in the formulas above adjusted accordingly. The Board can substitute a particular time of day or other measure of "closing sale price" or "bid and asked prices" if appropriate because of exchange or market procedures or can, in its sole discretion, use weighted averages either on a daily basis or such longer period as complies with Code Section 409A.

The Board has sole discretion to determine the Fair Market Value for purposes of the Plan, and all Awards are conditioned on the participants' agreement that the Administrator's determination is conclusive and binding even though others might make a different determination.

(d) Duration of Options. Each Option shall be exercisable at such times and subject to such terms and conditions as the Board may specify in the applicable option agreement; *provided, however*, that no Option will be granted with a term in excess of ten (10) years.

(e) Exercise of Options. Options may be exercised by delivery to the Company of a notice of exercise in a form of notice (which may be electronic) approved by the Company, together with payment in full (in a manner specified in Section 5(f)) of the exercise price for the number of shares for which the Option is exercised. Shares of Common Stock subject to the Option will be delivered by the Company as soon as practicable following exercise.

(f) Payment upon Exercise. Common Stock purchased upon the exercise of an Option granted under the Plan shall be paid for as follows:

(1) in cash or by check, payable to the order of the Company;

(2) when the Common Stock is registered under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), except as may otherwise be provided in the applicable

Option agreement or approved by the Board, in its sole discretion, by (i) delivery of an irrevocable and unconditional undertaking by a creditworthy broker to deliver promptly to the Company sufficient funds to pay the exercise price and any required tax withholding or (ii) delivery by the Participant to the Company of a copy of irrevocable and unconditional instructions to a creditworthy broker to deliver promptly to the Company cash or a check sufficient to pay the exercise price and any required tax withholding;

(3) when the Common Stock is registered under the Exchange Act and to the extent provided for in the applicable Option agreement or approved by the Board, in its sole discretion, by delivery (either by actual delivery or attestation) of shares of Common Stock owned by the Participant valued at their Fair Market Value, *provided* (i) such method of payment is then permitted under applicable law, (ii) such Common Stock, if acquired directly from the Company, was owned by the Participant for such minimum period of time, if any, as may be established by the Board in its discretion and (iii) such Common Stock is not subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements;

(4) to the extent provided for in the applicable Nonstatutory Stock Option agreement or approved by the Board in its sole discretion, by delivery of a notice of "net exercise" to the Company, as a result of which the Participant would pay the exercise price for the portion of the Option being exercised by cancelling a portion of the Option for such number of shares as is equal to the exercise price divided by the excess of the Fair Market Value on the date of exercise over the Option exercise price per share.

(5) to the extent permitted by applicable law and provided for in the applicable Option agreement or approved by the Board, in its sole discretion, by (i) delivery of a promissory note of the Participant to the Company on terms determined by the Board, or (ii) payment of such other lawful consideration as the Board may determine; or

(6) by any combination of the above permitted forms of payment.

6. Stock Appreciation Rights

(a) General. The Board may grant Awards consisting of stock appreciation rights ("**SARs**") entitling the holder, upon exercise, to receive an amount of Common Stock or cash or a combination thereof (such form to be determined by the Board) determined by reference to appreciation, from and after the date of grant, in the Fair Market Value of a share of Common Stock over the measurement price established pursuant to Section 6(b). The date as of which such appreciation is determined shall be the exercise date.

(b) Measurement Price. The Board shall establish the measurement price of each SAR and specify it in the applicable SAR agreement. The measurement price shall not be less than 100% of the Fair Market Value on the date the SAR is granted.

(c) Duration of SARs. Each SAR shall be exercisable at such times and subject to such terms and conditions as the Board may specify in the applicable SAR agreement; *provided*, *however*, that no SAR will be granted with a term in excess of ten (10) years.

(d) Exercise of SARs. SARs may be exercised by delivery to the Company of a notice of exercise in a form (which may be electronic) approved by the Company, together with any other documents required by the Board.

7. Restricted Stock; Restricted Stock Units

(a) General. The Board may grant Awards entitling recipients to acquire shares of Common Stock ("**Restricted Stock**"), subject to the right of the Company to repurchase all or part of such shares at their issue price or other stated or formula price (or to require forfeiture of such shares if issued at no cost) from the recipient in the event that conditions specified by the Board in the applicable Award are not satisfied prior to the end of the applicable restriction period or periods established by the Board for such Award. The Board may also grant Awards entitling the recipient to receive shares of Common Stock or cash to be delivered at the time such Award vests ("**Restricted Stock Units**") (Restricted Stock and Restricted Stock Units are each referred to herein as a "**Restricted Stock Award**").

(b) Terms and Conditions for All Restricted Stock Awards. The Board shall determine the terms and conditions of a Restricted Stock Award, including the conditions for vesting and repurchase (or forfeiture) and the issue price, if any.

(c) Additional Provisions Relating to Restricted Stock.

(1) Dividends. Unless otherwise provided in the applicable Award agreement, any dividends (whether paid in cash, stock or property) declared and paid by the Company with respect to shares of Restricted Stock ("**Accrued Dividends**") shall be paid to the Participant only if and when such shares become free from the restrictions on transferability and forfeitability that apply to such shares. Each payment of Accrued Dividends will be made no later than the end of the calendar year in which the dividends are paid to stockholders of that class of stock or, if later, the 15th day of the third month following the lapsing of the restrictions on transferability and the forfeitability provisions applicable to the underlying shares of Restricted Stock.

(2) Stock Certificates. The Company may require that any stock certificates issued in respect of shares of Restricted Stock, as well as dividends or distributions paid on such Restricted Stock, shall be deposited in escrow by the Participant, together with a stock power endorsed in blank, with the Company (or its designee). At the expiration of the applicable restriction periods, the Company (or such designee) shall deliver the certificates no longer subject to such restrictions to the Participant or if the Participant has died, to Participant's Designated Beneficiary. "**Designated Beneficiary**" means (i) the beneficiary designated, in a manner determined by the Board, by a Participant to receive amounts due or exercise rights of the Participant in the event of the Participant's death or (ii) in the absence of an effective designation by a Participant, "**Designated Beneficiary**" the Participant's estate.

(d) Additional Provisions Relating to Restricted Stock Units.

(1) Settlement. Upon the vesting of and/or lapsing of any other restrictions (i.e., settlement) with respect to each Restricted Stock Unit, the Participant shall be entitled to receive from the Company one share of Common Stock or (if so provided in the applicable Award agreement) an amount of cash equal to the Fair Market Value of one share of Common Stock. The

Board may, in its discretion, provide that settlement of Restricted Stock Units shall be deferred, on a mandatory basis or at the election of the Participant in a manner that complies with Section 409A of the Code.

(2) Voting Rights. A Participant shall have no voting rights with respect to any Restricted Stock Units.

(3) Dividend Equivalents. The Award agreement for Restricted Stock Units may provide Participants with the right to receive an amount equal to any dividends or other distributions declared and paid on an equal number of outstanding shares of Common Stock ("**Dividend Equivalents**"). Dividend Equivalents may be paid currently or credited to an account for the Participants, may be settled in cash and/or shares of Common Stock and may be subject to the same restrictions on transfer and forfeitability as the Restricted Stock Units with respect to which paid, in each case to the extent provided in the applicable Award agreement.

8. Other Stock-Based Awards

(a) General. Other Awards of shares of Common Stock, and other Awards that are valued in whole or in part by reference to, or are otherwise based on, shares of Common Stock or other property, may be granted hereunder to Participants ("**Other Stock-Based-Awards**"). Such Other Stock-Based Awards shall also be available as a form of payment in the settlement of other Awards granted under the Plan or as payment in lieu of compensation to which a Participant is otherwise entitled. Other Stock-Based Awards may be paid in shares of Common Stock or cash, as the Board shall determine.

(b) Terms and Conditions. Subject to the provisions of the Plan, the Board shall determine the terms and conditions of each Other Stock-Based Award, including any purchase price applicable thereto.

9. Adjustments for Changes in Common Stock and Certain Other Events

(a) Changes in Capitalization. In the event of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off or other similar change in capitalization or event, or any dividend or distribution to holders of Common Stock other than an ordinary cash dividend, (i) the number and class of securities available under the Plan, (ii) the number and class of securities and exercise price per share of each outstanding Option, (iii) the share and per-share provisions and the measurement price of each outstanding SAR, (iv) the number of shares subject to and the repurchase price per share subject to each outstanding Restricted Stock Award and (v) the share and per-share-related provisions and the purchase price, if any, of each outstanding Other Stock-Based Award, shall be equitably adjusted by the Company (or substituted Awards may be made, if applicable) in the manner determined by the Board. Without limiting the generality of the foregoing, in the event the Company effects a split of the Common Stock by means of a stock dividend and the exercise price of and the number of shares subject to an outstanding Option are adjusted as of the date of the distribution of the dividend (rather than as of the record date for such dividend), then an optionee who exercises an Option between the record date and the distribution date for such stock dividend shall be entitled to receive, on the distribution date, the stock dividend with respect to the shares of Common Stock acquired upon such Option exercise, notwithstanding the fact that such shares were not outstanding as of the close of business on the record date for such stock dividend.

(b) Reorganization Events.

(1) Definition. A "**Reorganization Event**" shall mean: (a) any merger or consolidation of the Company with or into another entity as a result of which all of the Common Stock of the Company is converted into or exchanged for the right to receive cash, securities or other property or is cancelled, (b) any transfer or disposition of all of the Common Stock of the Company for cash, securities or other property pursuant to a share exchange or other transaction or (c) any liquidation or dissolution of the Company.

(2) Consequences of a Reorganization Event on Awards Other than Restricted Stock.

(i) In connection with a Reorganization Event, the Board may take any one or more of the following actions as to all or any (or any portion of) outstanding Awards other than Restricted Stock on such terms as the Board determines (except to the extent specifically provided otherwise in an applicable Award agreement or another agreement between the Company and the Participant): (i) provide that such Awards shall be assumed, or substantially equivalent Awards shall be substituted, by the acquiring or succeeding corporation (or an affiliate thereof), (ii) upon written notice to a Participant, provide that all of the Participant's unexercised Awards will terminate immediately prior to the consummation of such Reorganization Event unless exercised by the Participant (to the extent then exercisable) within a specified period following the date of such notice, (iii) provide that outstanding Awards shall become exercisable, realizable, or deliverable, or restrictions applicable to an Award shall lapse, in whole or in part prior to or upon such Reorganization Event, (iv) in the event of a Reorganization Event under the terms of which holders of Common Stock will receive upon consummation thereof a cash payment for each share surrendered in the Reorganization Event (the "**Acquisition Price**"), make or provide for a cash payment to Participants with respect to each Award held by a Participant equal to (A) the number of shares of Common Stock subject to the vested portion of the Award (after giving effect to any acceleration of vesting that occurs upon or immediately prior to such Reorganization Event) multiplied by (B) the excess, if any, of (I) the Acquisition Price over (II) the exercise, measurement or purchase price of such Award and any applicable tax withholdings, in exchange for the termination of such Award, (v) provide that, in connection with a liquidation or dissolution of the Company, Awards shall convert into the right to receive liquidation proceeds (if applicable, net of the exercise, measurement or purchase price thereof and any applicable tax withholdings) and (vi) any combination of the foregoing. In taking any of the actions permitted under this Section 9(b)(2), the Board shall not be obligated by the Plan to treat all Awards, all Awards held by a Participant, or all Awards of the same type, identically.

(ii) Notwithstanding the terms of Section 9(b)(2)(i), in the case of outstanding Restricted Stock Units that are subject to Section 409A of the Code: (i) if the applicable Restricted Stock Unit agreement provides that the Restricted Stock Units shall be settled upon a "change in control event" within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(i), and the Reorganization Event constitutes such a "change in control event", then no assumption or substitution shall be permitted pursuant to Section 9(b)(2)(i)(i) and the Restricted

Stock Units shall instead be settled in accordance with the terms of the applicable Restricted Stock Unit agreement; and (ii) the Board may only undertake the actions set forth in clauses (iii), (iv) or (v) of Section 9(b)(2)(i) if the Reorganization Event constitutes a "change in control event" as defined under Treasury Regulation Section 1.409A-3(i)(5)(i) and such action is permitted or required by Section 409A of the Code; if the Reorganization Event is not a "change in control event" as so defined or such action is not permitted or required by Section 409A of the Code, and the acquiring or succeeding corporation does not assume or substitute the Restricted Stock Units pursuant to clause (i) of Section 9(b)(2)(i), then the unvested Restricted Stock Units shall terminate immediately prior to the consummation of the Reorganization Event without any payment in exchange therefor.

(iii) For purposes of Section 9(b)(2)(i)(i), an Award (other than Restricted Stock) shall be considered assumed if, following consummation of the Reorganization Event, such Award confers the right to purchase or receive pursuant to the terms of such Award, for each share of Common Stock subject to the Award immediately prior to the consummation of the Reorganization Event, the consideration (whether cash, securities or other property) received as a result of the Reorganization Event by holders of Common Stock for each share of Common Stock held immediately prior to the consummation of the Reorganization Event (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Common Stock); *provided, however*, that if the consideration received as a result of the Reorganization Event is not solely common stock of the acquiring or succeeding corporation (or an affiliate thereof), the Company may, with the consent of the acquiring or succeeding corporation, provide for the consideration to be received upon the exercise or settlement of the Award to consist solely of such number of shares of common stock of the acquiring or succeeding corporation (or an affiliate thereof) that the Board determined to be equivalent in value (as of the date of such determination or another date specified by the Board) to the per share consideration received by holders of outstanding shares of Common Stock as a result of the Reorganization Event.

(3) Consequences of a Reorganization Event on Restricted Stock. Upon the occurrence of a Reorganization Event other than a liquidation or dissolution of the Company, the repurchase and other rights of the Company with respect to outstanding Restricted Stock shall inure to the benefit of the Company's successor and shall, unless the Board determines otherwise, apply to the cash, securities or other property which the Common Stock was converted into or exchanged for pursuant to such Reorganization Event in the same manner and to the same extent as they applied to such Restricted Stock; *provided*, *however*, that the Board may provide for termination or deemed satisfaction of such repurchase or other rights under the instrument evidencing any Restricted Stock or any other agreement between a Participant and the Company, either initially or by amendment. Upon the occurrence of a Reorganization Event involving the liquidation or dissolution of the Company, except to the extent specifically provided to the contrary in the instrument evidencing any Restricted Stock or any other agreement between a Participant and the Company, all restrictions and conditions on all Restricted Stock then outstanding shall automatically be deemed terminated or satisfied.

10. General Provisions Applicable to Awards.

(a) Transferability of Awards. Awards (or any interest in an Award, including, prior to exercise, any interest in shares of Common Stock issuable upon exercise of an Option or SAR) shall not be sold, assigned, transferred (including by establishing any short position, put equivalent position (as defined in Rule 16a-1 issued under the Exchange Act) or call equivalent position (as defined in Rule 16a-1 issued under the Exchange Act)), pledged, hypothecated or otherwise encumbered by the person to whom they are granted, either voluntarily or by operation of law, and, during the life of the Participant, shall be exercisable only by the Participant; except that Awards, other than Awards subject to Section 409A of the Code, may be transferred to family members (as defined in Rule 701(c)(3) under the Securities Act) through gifts or (other than Incentive Stock Options) domestic relations orders or to an executor or guardian upon the death or disability of the Participant. The Company shall not be required to recognize any such permitted transfer until such time as such permitted transferee shall deliver to the Company a written instrument, as a condition to such transfer, in form and substance satisfactory to the Company confirming that such transferee shall be bound by all of the terms and conditions of the Award. References to a Participant, to the extent relevant in the context, shall include references to authorized transferees. For the avoidance of doubt, nothing contained in this Section 10(a) shall be deemed to restrict a transfer to the Company.

(b) Documentation. Each Award shall be evidenced in such form (written, electronic or otherwise) as the Board shall determine. Each Award may contain terms and conditions in addition to those set forth in the Plan.

(c) Board Discretion. Except as otherwise provided by the Plan, each Award may be made alone or in addition or in relation to any other Award. The terms of each Award need not be identical, and the Board need not treat Participants uniformly.

(d) Termination of Status. The Board shall determine the effect on an Award of the disability, death, termination or other cessation of employment, authorized leave of absence or other change in the employment or other status of a Participant and the extent to which, and the period during which, the Participant, or the Participant's legal representative, conservator, guardian or Designated Beneficiary, may exercise rights under the Award.

(e) Withholding. The Participant must satisfy all applicable federal, state, and local or other income and employment tax withholding obligations before the Company will deliver stock certificates or otherwise recognize ownership of Common Stock under an Award. The Company may decide to satisfy the withholding obligations through additional withholding on salary or wages. If the Company elects not to or cannot withhold from other compensation, the Participant must pay the Company the full amount, if any, required for withholding or have a broker tender to the Company cash equal to the withholding obligations. Payment of withholding obligations is due before the Company will issue any shares on exercise, vesting or release from forfeiture of an Award or at the same time as payment of the exercise or purchase price unless the Company determines otherwise. If provided for in an Award or approved by the Board in its sole discretion, a Participant may satisfy such tax obligations in whole or in part by delivery (either by actual delivery or attestation) of shares of Common Stock, including shares retained from the Award creating the tax obligation, valued at their Fair Market Value; *provided, however*, except as

otherwise provided by the Board, that the total tax withholding where stock is being used to satisfy such tax obligations cannot exceed the Company's minimum statutory withholding obligations (based on minimum statutory withholding rates for federal and state tax purposes, including payroll taxes, that are applicable to such supplemental taxable income). Shares used to satisfy tax withholding requirements cannot be subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements.

(f) Amendment of Award.

(1) The Board may amend, modify or terminate any outstanding Award, including but not limited to, substituting therefor another Award of the same or a different type, changing the date of exercise or realization, and converting an Incentive Stock Option to a Nonstatutory Stock Option. The Participant's consent to such action shall be required unless (i) the Board determines that the action, taking into account any related action, does not materially and adversely affect the Participant's rights under the Plan or (ii) the change is permitted under Section 9.

(2) The Board may, without stockholder approval, amend any outstanding Award granted under the Plan to provide an exercise price per share that is lower than the then-current exercise price per share of such outstanding Award. The Board may also, without stockholder approval, cancel any outstanding award (whether or not granted under the Plan) and grant in substitution therefor new Awards under the Plan covering the same or a different number of shares of Common Stock and having an exercise price per share lower than the then-current exercise price per share of the cancelled award.

(g) Conditions on Delivery of Stock. The Company will not be obligated to deliver any shares of Common Stock pursuant to the Plan or to remove restrictions from shares previously issued or delivered under the Plan until (i) all conditions of the Award have been met or removed to the satisfaction of the Company, (ii) in the opinion of the Company's counsel, all other legal matters in connection with the issuance and delivery of such shares have been satisfied, including any applicable securities laws and regulations and any applicable stock exchange or stock market rules and regulations, and (iii) the Participant has executed and delivered to the Company such representations or agreements as the Company may consider appropriate to satisfy the requirements of any applicable laws, rules or regulations.

(h) Acceleration. The Board may at any time provide that any Award shall become immediately exercisable in whole or in part, free of some or all restrictions or conditions, or otherwise realizable in whole or in part, as the case may be.

11. Miscellaneous.

(a) No Right to Employment or Other Status. No person shall have any claim or right to be granted an Award by virtue of the adoption of the Plan, and the grant of an Award shall not be construed as giving a Participant the right to continued employment or any other relationship with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with a Participant free from any liability or claim under the Plan, except as expressly provided in the applicable Award.

(b) No Rights as Stockholder. Subject to the provisions of the applicable Award, no Participant or Designated Beneficiary shall have any rights as a stockholder with respect to any shares of Common Stock to be distributed with respect to an Award until becoming the record holder of such shares.

(c) Effective Date and Term of Plan. The Plan shall become effective on the date on which it is adopted by the Board. No Awards shall be granted under the Plan after the expiration of ten (10) years from the earlier of (i) the date on which the Plan was adopted by the Board or (ii) the date the Plan was approved by the Company's stockholders, but Awards previously granted may extend beyond that date.

(d) Amendment of Plan. The Board may amend, suspend or terminate the Plan or any portion thereof at any time; *provided* that if at any time the approval of the Company's stockholders is required as to any modification or amendment under Section 422 of the Code or any successor provision with respect to Incentive Stock Options, the Board may not effect such modification or amendment without such approval. Unless otherwise specified in the amendment, any amendment to the Plan adopted in accordance with this Section 11(d) shall apply to, and be binding on the holders of, all Awards outstanding under the Plan at the time the amendment is adopted, provided the Board determines that such amendment, taking into account any related action, does not materially and adversely affect the rights of Participants under the Plan.

(e) Authorization of Sub-Plans (including Grants to non-U.S. Employees). The Board may from time to time establish one or more sub-plans under the Plan for purposes of satisfying applicable securities, tax or other laws of various jurisdictions. The Board shall establish such sub-plans by adopting supplements to the Plan containing (i) such limitations on the Board's discretion under the Plan as the Board deems necessary or desirable or (ii) such additional terms and conditions not otherwise inconsistent with the Plan as the Board shall deem necessary or desirable. All supplements adopted by the Board shall be deemed to be part of the Plan, but each supplement shall apply only to Participants within the affected jurisdiction and the Company shall not be required to provide copies of any supplement to Participants in any jurisdiction which is not the subject of such supplement.

(f) Compliance with Section 409A of the Code. Except as provided in individual Award agreements initially or by amendment, if and to the extent (i) any portion of any payment, compensation or other benefit provided to a Participant pursuant to the Plan in connection with Participant's employment termination constitutes "nonqualified deferred compensation" within the meaning of Section 409A of the Code and (ii) the Participant is a specified employee as defined in Section 409A(a)(2)(B)(i) of the Code, in each case as determined by the Company in accordance with its procedures, by which determinations the Participant (through accepting the Award) agrees that the Participant is bound, such portion of the payment, compensation or other benefit shall not be paid before the day that is six months plus one day after the date of "separation from service" (as determined under Section 409A of the Code) (the "**New Payment Date**"), except as Section 409A of the Code may then permit. The aggregate of any payments that otherwise would have been paid to the Participant during the period between the date of separation from service and the New Payment Date shall be paid to the Participant in a lump sum on such New Payment Date, and any remaining payments will be paid on their original schedule.

The Company makes no representations or warranty and shall have no liability to the Participant or any other person if any provisions of or payments, compensation or other benefits under the Plan are determined to constitute nonqualified deferred compensation subject to Section 409A of the Code but do not to satisfy the conditions of that section.

(g) Limitations on Liability. Notwithstanding any other provisions of the Plan, no individual acting as a director, officer, other employee, or agent of the Company will be liable to any Participant, former Participant, spouse, beneficiary, or any other person for any claim, loss, liability, or expense incurred in connection with the Plan, nor will such individual be personally liable with respect to the Plan because of any contract or other instrument such individual executes in such individual's capacity as a director, officer, other employee, or agent of the Company. The Company will indemnify and hold harmless each director, officer, other employee, or agent of the Company to whom any duty or power relating to the administration or interpretation of the Plan has been or will be delegated, against any cost or expense (including attorneys' fees) or liability (including any sum paid in settlement of a claim with the Board's approval) arising out of any act or omission to act concerning the Plan unless arising out of such person's own fraud or bad faith.

(h) Governing Law. The provisions of the Plan and all Awards made hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware, excluding choice-of-law principles of the law of such state that would require the application of the laws of a jurisdiction other than the State of Delaware.

* * * *

FOGHORN THERAPEUTICS INC.
2016 STOCK INCENTIVE PLAN

CALIFORNIA SUPPLEMENT

Pursuant to Section 11(e) of the Plan, the Board has adopted this supplement for purposes of satisfying the requirements of Section 25102(o) of the California Law:

Any Awards granted under the Plan to a Participant who is a resident of the State of California on the date of grant (a "**California Participant**") shall be subject to the following additional limitations, terms and conditions:

1. Additional Limitations on Options.

(a) Maximum Duration of Options. No Options granted to California Participants shall have a term in excess of ten (10) years measured from the Option grant date.

(b) Minimum Exercise Period Following Termination. Unless a California Participant's employment is terminated for cause (as defined by applicable law, the terms of the Plan or option grant or a contract of employment), in the event of termination of employment of such Participant, such Participant shall have the right to exercise an Option, to the extent that such Participant is entitled to exercise such Option on the date employment terminated, until the earlier of: (i) at least six (6) months from the date of termination, if termination was caused by such Participant's death or disability, (ii) at least thirty (30) days from the date of termination, if termination was caused other than by such Participant's death or disability and (iii) the Option expiration date.

2. Additional Limitations for Other Stock-Based Awards. The terms of all Awards granted to a California Participant under Section 8 of the Plan shall comply, to the extent applicable, with Sections 260.140.42, 260.140.45 and 260.140.46 of the California Code of Regulations.

3. Additional Limitations on Timing of Awards. No Award granted to a California Participant shall become exercisable, vested or realizable, as applicable to such Award, unless the Plan has been approved by the holders of a majority of the Company's outstanding voting securities by the later of (i) within twelve (12) months before or after the date the Plan was adopted by the Board, or (ii) prior to or within twelve (12) months of the granting of any Award to a California Participant.

4. Additional Restriction Regarding Recapitalizations, Stock Splits, Etc. For purposes of Section 9 of the Plan, in the event of a stock split, reverse stock split, stock dividend, recapitalization, combination, reclassification or other distribution of the Company's securities underlying the Award without the receipt of consideration by the Company, the number of securities purchasable, and in the case of Options, the exercise price of such Options, must be proportionately adjusted.

5. Additional Limitations on Transferability of Awards. Notwithstanding the provisions of Section 10(a) of the Plan, an Award granted to a California Participant may not be transferred to an executor or guardian upon the disability of the Participant.

* * * *

STOCK RESTRICTION AGREEMENT

This **STOCK RESTRICTION AGREEMENT** (this "Agreement") is dated as of [***Date***] (the "Effective Date"), between Foghorn Therapeutics Inc., a Delaware corporation (the "Company"), and [***Name***] ("Holder") relating to shares of the Company's common stock, par value $0.0001 per share ("Common Stock"). The Company and Holder are each referred to individually as a "Party" and together as the "Parties."

WHEREAS, the Company and Holder have entered into that certain Nonstatutory Stock Option Agreement, dated as of the Effective Date, (as it may be amended from time to time, the "Stock Option Agreement"), pursuant to which Holder is granted an option to purchase [***Number***] shares of Common Stock (the "Shares") in accordance with the terms set forth therein; and

WHEREAS, the Company and Holder desire to enter into this Agreement pursuant to which the Shares, upon exercise, shall become subject to certain terms and conditions, as more fully described herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Holder hereby agree as follows:

ARTICLE I
RESTRICTED SHARES

Upon execution of this Agreement, the Company and Holder agree that the Shares shall initially be deemed "Restricted Shares" and shall initially be subject to all of the restrictions set forth herein.

ARTICLE II
DEFINITIONS; INTERPRETATION

Section 2.1. Definitions. For purposes of this Agreement, the following terms are defined as set forth below:

(a) "Agreement" has the meaning set forth in the preamble.

(b) "Board" means the Company's board of directors

(c) "Common Stock" has the meaning set forth in the preamble.

(d) "Effective Date" has the meaning set forth in the preamble.

(e) "Escrow Agent" has the meaning set forth in Section 5.6.

(f) "Grant Date" has the meaning set forth in the Stock Option Agreement.

(g) "Party" has the meaning set forth in the preamble.

(h) "Repurchase Price" means $0.0001 per share.

(i) "Repurchase Event" has the meaning set forth in Section 5.2.

(j) "Repurchase Period" has the meaning set forth in Section 5.2.

(k) "Repurchase Right" has the meaning set forth in Section 5.1.

(l) "Restricted Shares" means Shares that are not vested and are subject to the Repurchase Right (as defined in Section 5.1).

(m) "Shares" has the meaning set forth in the recitals hereto.

(n) "Stock Option Agreement" has the meaning set forth in the recitals.

(o) "Unrestricted Shares" means Shares that are vested and are not subject to the Repurchase Right.

Section 2.2. Interpretation. Except where the context expressly requires otherwise:

(a) the words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation;" and

(b) the words "herein" "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof.

ARTICLE III
LAPSE OF RESTRICTIONS

Section 3.1. Vesting Schedule. Except as otherwise provided in the Stock Option Agreement, twenty-five percent (25%) of the Restricted Shares will vest and become Unrestricted Shares on the Grant Date and the remaining Restricted Shares will vest and become Unrestricted Shares as to six and one quarter percent (6.25%) of the total initial number of Restricted Shares on the first day of each calendar quarter following the Grant Date for the subsequent twelve (12) calendar quarters in each case (rounded down to the nearest whole share, except as to the last vesting period, with respect to which all remaining shares subject thereto will vest and become Unrestricted Shares), as long as Holder is a director of the Company on each such vesting date. No further action on behalf of the Company or Holder or any other person or entity shall be required for Restricted Shares to become Unrestricted Shares under this Section 3.1 or the following Section 3.2.

Section 3.2. Reorganization Event. Notwithstanding anything contained herein to the contrary, in the event of a Reorganization Event (as defined in the Company's 2016 Stock Incentive Plan), any and all Restricted Shares will automatically vest and become Unrestricted Shares immediately prior to such Reorganization Event, if Holder is a director of the Company immediately prior to such Reorganization Event.

ARTICLE IV
RESTRICTION ON TRANSFER

Section 4.1. Restricted Shares. Holder may not directly or indirectly transfer, sell, assign, pledge, hypothecate or otherwise dispose of any of the Restricted Shares, nor any interest therein, without the prior written consent of the Board or as otherwise provided in this Agreement. The Company shall not be required to (a) transfer any Restricted Shares on its books that shall have been sold, assigned or otherwise transferred in violation of this Section 4.1 or (b) treat as the owner of such Restricted Shares, or accord the right to vote as such owner or to pay dividends to, any person or entity to which any such Restricted Shares shall have been so sold, assigned or otherwise transferred, in violation of this Section 4.1.

Section 4.2. Transferees. Notwithstanding anything contained in Section 4.1 to the contrary, Holder may transfer (i) any or all of his Restricted Shares to his spouse, parents, siblings, or children or grandchildren, or to a trust established for the benefit of his spouse, parents, siblings, children or grandchildren, or Holder or (ii) any or all of the Restricted Shares under his will or by the laws of intestacy, in each case of clauses (i) and (ii), provided that, such Restricted Shares shall remain subject to this Agreement and such permitted transferee shall, as a condition to such transfer, deliver to the Company a written instrument confirming that such transferee shall be bound by all of the terms and conditions of this Agreement. Notwithstanding the foregoing, the Restricted Shares shall continue to be the Restricted Shares in the hands of any holder other than Holder, and except as otherwise expressly provided herein, each such other holder of Restricted Shares will succeed to all rights and obligations attributable to Holder as a holder of Restricted Shares hereunder.

ARTICLE V
REPURCHASE RIGHT

Section 5.1. Scope of Repurchase Right. In the event that Holder ceases to be a director of the Company, the Restricted Shares shall be subject to a right (but not an obligation) of repurchase by the Company, at a price and on the other terms and conditions set forth below (the "Repurchase Right"). Exercise by the Company of the Repurchase Right shall require approval by a majority of the Board.

Section 5.2. Condition Precedent to Exercise. The Repurchase Right shall be exercisable by the Company with respect to the Restricted Shares during the ninety (90)-day period (the "Repurchase Period") immediately following the date that Holder ceases to be a director of the Company (the "Repurchase Event").

Section 5.3. Repurchase Cost. The purchase price for the Restricted Shares to be paid by the Company pursuant to the Repurchase Right shall be an amount equal to the Repurchase Price.

Section 5.4. Exercise of Repurchase Right. The Repurchase Right shall be exercisable by the Company only by written notice delivered to Holder prior to the expiration of the

Repurchase Period. Each such notice shall set forth the date, time and place for the repurchase of the Restricted Shares, the number of Restricted Shares to be repurchased and the purchase price therefor. Such date shall not be more than thirty (30) days after the date of the notice. Prior to the close of business on such date, Holder shall deliver to the Company certificate(s) representing the Restricted Shares to be repurchased and properly endorsed for transfer to the Company. The Company shall promptly, but in no event later than the next business day, following the receipt of such certificate(s), pay to Holder the purchase price determined according to Section 5.3. Such payment shall be made in one installment in immediately available funds. The right of repurchase shall terminate with respect to any Restricted Shares for which it has not been timely exercised pursuant to this Section 5.4.

Section 5.5. Substituted Securities. In the event of a stock split, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities without receipt of consideration, any substituted securities which are by reason of such transaction distributed with respect to any Restricted Shares, or into which such Restricted Shares thereby become convertible, shall immediately be subject to Repurchase Right Appropriate adjustments to reflect the distribution of such securities or property shall be made to the number and/or class of the Restricted Shares. After each such transaction, appropriate adjustments shall also be made to the price per share to be paid upon the exercise of Repurchase Right in order to reflect any change in the Company's outstanding securities effected without receipt of consideration therefor; provided, however, that the aggregate purchase price payable for the Restricted Shares shall remain the same.

Section 5.6. Escrow. Upon the issuance of the certificates for Restricted Shares, such certificates shall be held in escrow by the Company as the escrow agent (the "Escrow Agent") until the Repurchase Period expires or the Restricted Shares are repurchased by the Company, in each case in accordance with this ARTICLE V. Upon the issuance of the certificates for any substituted securities described in Section 5.5, Holder shall immediately deliver such certificates to the Company to be held in escrow. All regular cash dividends on Shares shall be paid directly to Holder and shall not be held in escrow. Promptly following receipt by the Escrow Agent of a written request from Holder, the Company shall release from escrow and deliver to Holder a certificate for the whole number of Unrestricted Shares, if any. In the event of a repurchase by the Company of Restricted Shares subject to the Repurchase Right, the Escrow Agent shall release from escrow and cancel a certificate for the number of Restricted Shares so repurchased.

Section 5.7. Termination of Rights as Stockholder. Notwithstanding anything to the contrary herein, the Parties agree that, if the Company makes available, at the time and place and in the amount and form described in Section 5.4, the consideration for the Restricted Shares to be repurchased in accordance with such notice and in compliance with this Agreement, then, immediately after such time, Holder shall no longer have any rights as a holder of such Restricted Shares (other than the right to receive payment of such consideration in accordance with such notice). Such Restricted Shares shall be deemed to have been repurchased in accordance with the applicable provisions hereof, whether or not the certificate(s) therefor have been delivered as required by such notice.

Section 5.8. Legend. All certificates representing the Restricted Shares shall have endorsed thereon a legend substantially as follows:

"THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS SET FORTH IN A STOCK RESTRICTION AGREEMENT DATED AS OF APRIL 5, 2017 WITH THE COMPANY, A COPY OF WHICH AGREEMENT IS AVAILABLE FOR INSPECTION AT THE OFFICES OF THE COMPANY OR WILL BE MADE AVAILABLE UPON REQUEST."

ARTICLE VI
SECTION 83(B) ELECTION

Holder understands that Section 83 of the Internal Revenue Code of 1986, as amended, may tax as compensation income the difference between the amount paid for the Shares and the fair market value of the Shares as of the date any restrictions on Shares lapse in the absence of an 83(b) election. A form of 83(b) election is attached as Exhibit A.

ARTICLE VII
MISCELLANEOUS

Section 7.1. Notices. Any notices, consents, or other communication required to be sent or given hereunder by any of the Parties shall in every case be in writing and shall be deemed properly served if (a) delivered in hand personally, (b) sent by registered or certified mail, in all such cases with first class postage prepaid and return receipt requested, (c) delivered by a recognized overnight courier service, freight prepaid or (d) sent by facsimile transmission, transmission confirmed (along with a copy sent by first-class mail), to the Parties at the addresses as set forth below or at such other addresses or to the attention of such other person as may be furnished by prior written notice of the receiving Party to the sending Party:

if to the Company:	Foghorn Therapeutics Inc. 161 First Street Cambridge, MA 02142 Attention: President
with a copy to:	Ropes & Gray LLP Prudential Tower 800 Boylston Street Boston, MA 02110 Fax: Attention:
if to Holder:	[*Holder*] [*Address*] [*Address*]

Date of service of such notice shall be (i) the date such notice is personally delivered by hand, (ii) five (5) days after the date of mailing if sent by certified or registered mail, (iii) one (1) day after date of delivery to the overnight courier if sent by overnight courier or (iv) the next succeeding business day after transmission by facsimile, transmission confirmed.

Section 7.2. Third-Party Beneficiaries. Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person or entity, other than the Parties and their respective permitted successors and assigns, any rights or remedies under or by reason of this Agreement.

Section 7.3. Consent of Spouse. If Holder is married as of the Effective Date, Holder's spouse shall execute a Consent of Spouse in the form of Exhibit B hereto, effective as of the Effective Date. Such consent shall not be deemed to confer or convey to the spouse any rights in the Restricted Shares that do not otherwise exist by operation of law or the express written agreement of the Parties. If Holder marries or remarries subsequent to the Effective Date, Holder shall, not later than sixty (60) days thereafter, obtain his new spouse's acknowledgment of and consent to the existence and binding effect of all restrictions contained in this Agreement by such spouse's executing and delivering a Consent of Spouse in the form of Exhibit B.

Section 7.4. Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality, or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed, and enforced in such jurisdiction as if such invalid, illegal, or unenforceable provision had never been contained herein.

Section 7.5. Complete Agreement. This Agreement embodies the complete agreement and understanding between the Parties and supersedes and preempts any prior understandings, agreements, or representations by or between the Parties, written or oral, which may have related to the subject matter hereof in any way.

Section 7.6. Counterparts. This Agreement may be executed on separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

Section 7.7. Successors and Assigns. This Agreement may not be assigned by either Party without the prior written consent of the other Party. This Agreement is intended to bind and inure to the benefit of and be enforceable by Holder and the Company and their respective successors and assigns (including subsequent holders of Common Stock).

Section 7.8. No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the Parties to express their mutual intent, and no rule of strict construction will be applied against any Party.

Section 7.9. Remedies. Each of the Parties will be entitled to enforce its rights under this Agreement specifically, to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights existing in its favor. Holder and the Company agree and acknowledge that money damages will not be an adequate remedy for any breach by Holder of the provisions of this Agreement and that the Company shall be entitled to specific performance and injunctive relief in order to enforce or prevent any violation of any provision of this Agreement in any court of competent jurisdiction.

Section 7.10. Amendments and Waivers. Any provision of this Agreement may be amended or waived only with the prior written consent of the Company and Holder.

Section 7.11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts applicable to contracts made and to be performed wholly therein. Subject to Section 7.9, the Parties agree that jurisdiction and venue in any action brought by any Party pursuant to this Agreement shall properly lie in any federal or state court located in the Commonwealth of Massachusetts and the Parties expressly submit to such jurisdiction.

Section 7.12. Headings. The captions set forth in this Agreement are for convenience only and shall not be considered as part of this Agreement or as in any way limiting the terms and provisions hereof.

(Signature page follows.)

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year first above written.

FOGHORN THERAPEUTICS INC.

By: _____
Name: [*Name*]
Title: [*Title*]

[***HOLDER***]

By: _____
Name: [*Name*]

(Signature Page to Stock Restriction Agreement)

EXHIBIT A

Election to Include Gross Income in Year
of Transfer Pursuant to Section 83(b)
of the Internal Revenue Code of 1986, as amended

In accordance with Section 83(b) of the Internal Revenue Code of 1986, as amended (the "Code"), the undersigned (the "Taxpayer") hereby elects to include in her gross income as compensation for services the excess, if any, of the fair market value of the property (described below) at the time of transfer over the amount paid for such property.

The following sets forth the information required in accordance with the Code and the regulations promulgated hereunder:

1. The name, address and social security number of the undersigned are:

   Name: _____

   Address: _____

   _____

   Social Security No.: _____

2. The description of the property with respect to which the election is being made is as follows:

   an option to purchase [***Number***] shares (the "Shares") of Common Stock, $0.0001 par value per share, of Foghorn Therapeutics Inc., a Delaware corporation (the "Company").

3. This election is made for the calendar year 2017, with respect to the transfer of the property to the Taxpayer on , [***Year***].

4. Description of restrictions: The property is subject to the following restrictions:

   In the event that the Taxpayer's employment with the Company or an affiliate of the Company is terminated, the Company may repurchase all or any portion of the Shares at the acquisition price paid by the Taxpayer.

5. The fair market value at time of transfer (determined without regard to any restrictions other than restrictions which by their terms will never lapse) of the property with respect to which this election is being made was not more than $0.0001 per Share.

6. The amount paid by the Taxpayer for said property was $0.0001 per Share.

7. A copy of this statement has been furnished to the Company.

Signed this day of , [***Year***].

By: _____

Name: _____

EXHIBIT B

CONSENT OF SPOUSE

I, , spouse of , acknowledge that I have read the Stock Restriction Agreement dated as of the of [***Year***] (the "Agreement") to which this Consent is attached as Exhibit B and that I know its contents. Capitalized terms used and not defined herein shall have the meanings assigned to such terms in the Agreement. I am aware that by its provisions the Shares granted to my spouse are subject to a Repurchase Right in favor of Foghorn Therapeutics Inc. (the "Company") and that, accordingly, the Company has the right to repurchase up to all of the Restricted Shares of which I may become possessed as a result of a gift from my spouse or a court decree and/or any property settlement in any domestic litigation.

I hereby agree that my interest, if any, in the Restricted Shares subject to the Agreement shall be irrevocably bound by the Agreement and further understand and agree that any community property interest I may have in the Restricted Shares shall be similarly bound by the Agreement.

I agree to the Repurchase Right described in the Agreement and I hereby consent to the repurchase of the Restricted Shares by the Company and the sale of the Restricted Shares by my spouse or my spouse's legal representative in accordance with the provisions of the Agreement. Further, as part of the consideration for the Agreement, I agree that, at my death, if I have not disposed of any interest of mine in the Restricted Shares by an outright bequest of the Restricted Shares to my spouse, then the Company shall have the same rights against my legal representative to exercise the Repurchase Right with respect to any interest of mine in the Restricted Shares as the Company would have had pursuant to the Agreement if I had acquired the Restricted Shares pursuant to a court decree in domestic litigation.

I AM AWARE THAT THE LEGAL, FINANCIAL AND RELATED MATTERS CONTAINED IN THE AGREEMENT ARE COMPLEX AND THAT I AM FREE TO SEEK INDEPENDENT PROFESSIONAL GUIDANCE OR COUNSEL WITH RESPECT TO THIS CONSENT. I HAVE EITHER SOUGHT SUCH GUIDANCE OR COUNSEL OR DETERMINED AFTER REVIEWING THE AGREEMENT CAREFULLY THAT I WILL WAIVE SUCH RIGHT.

Dated as of the day of , [***Year***].

_____

Print name: _____

FOGHORN THERAPEUTICS INC.

INCENTIVE STOCK OPTION AGREEMENT
GRANTED UNDER 2016 STOCK INCENTIVE PLAN

1. Grant of Option.

This Incentive Stock Option Agreement (the "**Agreement**") evidences the grant by Foghorn Therapeutics Inc., Inc., a Delaware corporation (the "**Company**"), on [, 20] (the "**Grant Date**") to [ ], an employee of the Company (the "**Participant**"), of an option to purchase, in whole or in part, on the terms provided herein and in the Company's 2016 Stock Incentive Plan (the "**Plan**"), a total of [ ] shares (the "**Shares**") of common stock, $0.0001 par value per share, of the Company ("**Common Stock**") at $[ ] per Share. Unless earlier terminated, this option shall expire at 5:00 p.m., Eastern Time, on [, 20] [date is ten years minus one day from grant date] (the "**Final Exercise Date**").

It is intended that the option evidenced by this Agreement shall be an incentive stock option as defined in Section 422 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "**Code**"). Except as otherwise indicated by the context, the term "**Participant**", as used in this option, shall be deemed to include any person who acquires the right to exercise this option validly under its terms.

2. Vesting Schedule.

This option will become exercisable ("**vest**") as to twenty-five percent (25%) of the original number of Shares on the first anniversary of the Vesting Commencement Date (as defined below) and six and one quarter percent (6.25%) of the original number of Shares will vest thereafter on the first day of each calendar quarter following such first anniversary for the subsequent twelve (12) calendar quarters (in each case, rounded down to the nearest whole share, except as to the last vesting period, with respect to which all remaining Shares will vest). On the fourth anniversary of the Vesting Commencement Date, this option will be exercisable as to all Shares. For purposes of this Agreement, "**Vesting Commencement Date**" shall mean [ ].

The right of exercise shall be cumulative so that to the extent the option is not exercised in any period to the maximum extent permissible it shall continue to be exercisable, in whole or in part, with respect to all Shares for which it is vested until the earlier of the Final Exercise Date or the termination of this option under Section 3 hereof or the Plan.

3. Exercise of Option.

(a) Form of Exercise. Each election to exercise this option shall be accompanied by a completed Notice of Stock Option Exercise in the form attached hereto as Exhibit A, signed by the Participant, and received by the Company at its principal office, accompanied by this Agreement, and payment in full in the manner provided in the Plan. The Participant may purchase less than the number of Shares covered hereby, provided that no partial exercise of this option may be for any fractional share or for fewer than ten (10) whole shares.

(b) Continuous Relationship with the Company Required. Except as otherwise provided in this Section 3, this option may not be exercised unless the Participant, at the time he or she exercises this option, is, and has been at all times since the Grant Date, an employee or officer of, or consultant or advisor to, the Company or any parent or subsidiary of the Company as defined in Section 424(e) or (f) of the Code (an "**Eligible Participant**").

(c) Termination of Relationship with the Company. If the Participant ceases to be an Eligible Participant for any reason, then, except as provided in paragraphs (d) and (e) below, the right to exercise this option shall terminate three (3) months after such cessation (but in no event after the Final Exercise Date), provided that this option shall be exercisable only to the extent that the Participant was entitled to exercise this option on the date of such cessation. Notwithstanding the foregoing, if the Participant, prior to the Final Exercise Date, violates the non-competition or confidentiality provisions of any employment contract, confidentiality and nondisclosure agreement or other agreement between the Participant and the Company, the right to exercise this option shall terminate immediately upon such violation.

(d) Exercise Period Upon Death or Disability. If the Participant dies or becomes disabled (within the meaning of Section 22(e)(3) of the Code) prior to the Final Exercise Date while he or she is an Eligible Participant and the Company has not terminated such relationship for "Cause" as specified in paragraph (e) below, this option shall be exercisable, within the period of one (1) year following the date of death or disability of the Participant, by the Participant (or in the case of death by an authorized transferee), provided that this option shall be exercisable only to the extent that this option was exercisable by the Participant on the date of his or her death or disability, and further provided that this option shall not be exercisable after the Final Exercise Date.

(e) Termination for Cause. If, prior to the Final Exercise Date, the Participant's employment is terminated by the Company for Cause (as defined below), the right to exercise this option shall terminate immediately upon the effective date of such termination of employment. If, prior to the Final Exercise Date, the Participant is given notice by the Company of the termination of his or her employment by the Company for Cause, and the effective date of such employment termination is subsequent to the date of delivery of such notice, the right to exercise this option shall be suspended from the time of the delivery of such notice until the earlier of (i) such time as it is determined or otherwise agreed that the Participant's employment shall not be terminated for Cause as provided in such notice or (ii) the effective date of such termination of employment (in which case the right to exercise this option shall, pursuant to the preceding sentence, terminate upon the effective date of such termination of employment). If the Participant is party to an employment or severance agreement with the Company that contains a definition of "cause" for termination of employment, "Cause" shall have the meaning ascribed to such term in such agreement. Otherwise, "Cause" shall mean willful misconduct by the Participant or willful failure by the Participant to perform his or her responsibilities to the Company (including, without limitation, breach by the Participant of any provision of any employment, consulting, advisory, nondisclosure, non-competition or other similar agreement between the Participant and the Company), as determined by the Company, which determination shall be conclusive. The Participant's employment shall be considered to have been terminated for Cause if the Company determines, within thirty (30) days after the Participant's resignation, that termination for Cause was warranted.

4. Company Right of First Refusal.

(a) Notice of Proposed Transfer. If the Participant proposes to sell, assign, transfer, pledge, hypothecate or otherwise dispose of, by operation of law or otherwise (collectively, "**Transfer**") any Shares acquired upon exercise of this option, then the Participant shall first give written notice of the proposed Transfer (the "**Transfer Notice**") to the Company. The Transfer Notice shall name the proposed transferee and state the number of such Shares the Participant proposes to Transfer (the "**Offered Shares**"), the price per share and all other material terms and conditions of the Transfer.

(b) Company Right to Purchase. For thirty (30) days following its receipt of such Transfer Notice, the Company shall have the option to purchase all or part of the Offered Shares at the price and upon the terms set forth in the Transfer Notice. In the event the Company elects to purchase all or part of the Offered Shares, it shall give written notice of such election to the Participant within such 30-day period. Within ten (10) days after his or her receipt of such notice, the Participant shall tender to the Company at its principal office the certificate or certificates representing the Offered Shares to be purchased by the Company, duly endorsed in blank by the Participant or with duly endorsed stock powers attached thereto, all in a form suitable for transfer of the Offered Shares to the Company. Promptly following receipt of such certificate or certificates, the Company shall deliver or mail to the Participant a check in payment of the purchase price for such Offered Shares; provided that if the terms of payment set forth in the Transfer Notice were other than cash against delivery, the Company may pay for the Offered Shares on the same terms and conditions as were set forth in the Transfer Notice; and provided further that any delay in making such payment shall not invalidate the Company's exercise of its option to purchase the Offered Shares.

(c) Shares Not Purchased By Company. If the Company does not elect to acquire all of the Offered Shares, the Participant may, within the 30-day period following the expiration of the option granted to the Company under subsection (b) above, Transfer the Offered Shares which the Company has not elected to acquire to the proposed transferee, provided that such transfer shall not be on terms and conditions more favorable to the transferee than those contained in the Transfer Notice. Notwithstanding any of the above, all Offered Shares transferred pursuant to this Section 4 shall remain subject to the right of first refusal set forth in this Section 4 and such transferee shall, as a condition to such transfer, deliver to the Company a written instrument confirming that such transferee shall be bound by all of the terms and conditions of this Section 4.

(d) Consequences of Non-Delivery. After the time at which the Offered Shares are required to be delivered to the Company for transfer to the Company pursuant to subsection (b) above, the Company shall not pay any dividend to the Participant on account of such Offered Shares or permit the Participant to exercise any of the privileges or rights of a stockholder with respect to such Offered Shares, but shall, insofar as permitted by law, treat the Company as the owner of such Offered Shares.

(e) Exempt Transactions. The following transactions shall be exempt from the provisions of this Section 4:

(1) any Transfer of Shares to or for the benefit of any spouse, child or grandchild of the Participant, or to a trust for their benefit;

(2) any Transfer pursuant to an effective registration statement filed by the Company under the Securities Act of 1933, as amended (the "**Securities Act**"); and

(3) the sale of all or substantially all of the outstanding shares of capital stock of the Company (including pursuant to a merger or consolidation);

provided, however, that in the case of a Transfer pursuant to clause (1) above, such Shares shall remain subject to the right of first refusal set forth in this Section 4.

(f) Assignment of Company Right. The Company may assign its rights to purchase Offered Shares in any particular transaction under this Section 4 to one or more persons or entities.

(g) Termination. The provisions of this Section 4 shall terminate upon the earlier of the following events:

(1) the closing of the sale of shares of Common Stock in an underwritten public offering pursuant to an effective registration statement filed by the Company under the Securities Act; or

(2) the sale of all or substantially all of the outstanding shares of capital stock, assets or business of the Company, by merger, consolidation, sale of assets or otherwise (other than a merger or consolidation in which all or substantially all of the individuals and entities who were beneficial owners of the Company's voting securities immediately prior to such transaction beneficially own, directly or indirectly, more than 75% (determined on an as-converted basis) of the outstanding securities entitled to vote generally in the election of directors of the resulting, surviving or acquiring corporation in such transaction).

(h) No Obligation to Recognize Invalid Transfer. The Company shall not be required (1) to transfer on its books any of the Shares which shall have been sold or transferred in violation of any of the provisions set forth in this Section 4, or (2) to treat as owner of such Shares or to pay dividends to any transferee to whom any such Shares shall have been so sold or transferred.

(i) Legends. The certificate representing Shares shall bear a legend substantially in the following form (in addition to, or in combination with, any legend required by applicable federal and state securities laws and agreements relating to the transfer of the Company securities):

> "The shares represented by this certificate are subject to a right of first refusal in favor of the Company, as provided in a certain stock option agreement with the Company."

5. Agreement in Connection with Initial Public Offering.

The Participant agrees, in connection with the initial underwritten public offering of the Common Stock pursuant to a registration statement under the Securities Act, (i) not to (a) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase,

purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any other securities of the Company or (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of shares of Common Stock or other securities of the Company, whether any transaction described in clause (a) or (b) is to be settled by delivery of securities, in cash or otherwise, during the period beginning on the date of the filing of such registration statement with the Securities and Exchange Commission and ending 180 days after the date of the final prospectus relating to the offering (plus up to an additional 34 days to the extent requested by the managing underwriters for such offering in order to address NASD Rule 2711(f)(4) or NYSE Rule 472(f)(4) or any similar successor provision), and (ii) to execute any agreement reflecting clause (i) above as may be requested by the Company or the managing underwriters at the time of such offering. The Company may impose stop-transfer instructions with respect to the shares of Common Stock or other securities subject to the foregoing restriction until the end of the "lock-up" period.

6. Tax Matters.

(a) Withholding. No Shares will be issued pursuant to the exercise of this option unless and until the Participant pays to the Company, or makes provision satisfactory to the Company for payment of, any federal, state or local withholding taxes required by law to be withheld in respect of this option.

(b) Disqualifying Disposition. If the Participant disposes of Shares acquired upon exercise of this option within two (2) years from the Grant Date or one (1) year after such Shares were acquired pursuant to exercise of this option, the Participant shall notify the Company in writing of such disposition.

7. Transfer Restrictions.

(a) This option may not be sold, assigned, transferred, pledged or otherwise encumbered by the Participant, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the lifetime of the Participant, this option shall be exercisable only by the Participant.

(b) The Participant agrees that he or she will not Transfer any Shares issued pursuant to the exercise of this option unless the transferee, as a condition to such Transfer, delivers to the Company a written instrument confirming that such transferee shall be bound by all of the terms and conditions of Section 4 and Section 5; provided that such a written confirmation shall not be required with respect to (1) Section 4 after such provision has terminated in accordance with Section 4(g) or (2) Section 5 after the completion of the lock-up period in connection with the Company's initial underwritten public offering.

8. Provisions of the Plan.

This option is subject to the provisions of the Plan (including the provisions relating to amendments to the Plan), a copy of which is furnished to the Participant with this option.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written. The Participant hereby accepts the foregoing option and agrees to the terms and conditions thereof. The Participant hereby acknowledges receipt of a copy of the Company's 2016 Stock Incentive Plan.

COMPANY:

FOGHORN THERAPEUTICS INC.

By: _____

Name: _____

Title: _____

PARTICIPANT:

By: _____

[Name]

Address: [ ]
[ ]

SPOUSAL CONSENT:[1]

By: _____

Name: _____

Address: [ ]
[ ]

[1] If the Participant resides in a community property state, it is desirable to have the Participant's spouse also accept the option. The following are community property states: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, and Washington. Although Wisconsin is not formally a community property state, it has laws governing the division of marital property similar to community property states and it may be desirable to have a Wisconsin Participant's spouse accept the option.

EXHIBIT A

NOTICE OF STOCK OPTION EXERCISE

[DATE][1]

Foghorn Therapeutics Inc.
161 First Street #2B
Cambridge, MA 02142
Attention: President

Dear Sir or Madam:

I am the holder of an Incentive Stock Option granted to me under the Foghorn Therapeutics Inc. (the "**Company**") 2016 Stock Incentive Plan on [2] for the purchase of [3] shares of Common Stock of the Company at a purchase price of $ [4] per share.

I hereby exercise my option to purchase [5] shares of Common Stock (the "**Shares**"), for which I have enclosed [6] in the amount of [7]. Please register my stock certificate as follows:

Name(s): _____ [8]

_____

Address: _____

_____

1 Enter date of exercise.
2 Enter the date of grant.
3 Enter the total number of shares of Common Stock for which the option was granted.
4 Enter the option exercise price per share of Common Stock.
5 Enter the number of shares of Common Stock to be purchased upon exercise of all or part of the option.
6 Enter "cash", "personal check" or if permitted by the option or Plan, "stock certificates No. XXXX and XXXX".
7 Enter the dollar amount (price per share of Common Stock times the number of shares of Common Stock to be purchased), or the number of shares tendered. Fair market value of shares tendered, together with cash or check, must cover the purchase price of the shares issued upon exercise.
8 Enter name(s) to appear on stock certificate in one of the following formats: (a) your name only (i.e., John Doe); (b) your name and other name (i.e., John Doe and Jane Doe, Joint Tenants with Right to Survivorship); or for Nonstatutory Stock Options only, (c) a child's name, with you as custodian (i.e. Jane Doe, Custodian for Tommy Doe). Note: There may be income and/or gift tax consequences for registering shares in a child's name.

I represent, warrant and covenant as follows:

1. I am purchasing the Shares for my own account for investment only, and not with a view to, or for sale in connection with, any distribution of the Shares in violation of the Securities Act of 1933 (the "**Securities Act**"), or any rule or regulation under the Securities Act.

2. I have had such opportunity as I have deemed adequate to obtain from representatives of the Company such information as is necessary to permit me to evaluate the merits and risks of my investment in the Company.

3. I have sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the purchase of the Shares and to make an informed investment decision with respect to such purchase.

4. I can afford a complete loss of the value of the Shares and am able to bear the economic risk of holding such Shares for an indefinite period.

5. I understand that (i) the Shares have not been registered under the Securities Act and are "restricted securities" within the meaning of Rule 144 under the Securities Act, (ii) the Shares cannot be sold, transferred or otherwise disposed of unless they are subsequently registered under the Securities Act or an exemption from registration is then available; (iii) in any event, the exemption from registration under Rule 144 will not be available for at least one year and even then will not be available unless a public market then exists for the Common Stock, adequate information concerning the Company is then available to the public, and other terms and conditions of Rule 144 are complied with; and (iv) there is now no registration statement on file with the Securities and Exchange Commission with respect to any stock of the Company and the Company has no obligation or current intention to register the Shares under the Securities Act.

Very truly yours,

_____

[Name]

FOGHORN THERAPEUTICS INC.

NONSTATUTORY STOCK OPTION AGREEMENT
GRANTED UNDER 2016 STOCK INCENTIVE PLAN

1. Grant of Option.

This Nonstatutory Stock Option Agreement (the "**Agreement**") evidences the grant by Foghorn Therapeutics Inc., a Delaware corporation (the "**Company**"), on [[●], [2016]] (the "**Grant Date**") to [*insert name of participant*], an employee, consultant or director of the Company (the "**Participant**"), of an option to purchase, in whole or in part, on the terms provided herein and in the Company's 2016 Stock Incentive Plan (the "**Plan**"), a total of [*insert number of shares*] shares (the "**Shares**") of common stock, $0.0001 par value per share, of the Company ("**Common Stock**") at a price per Share equal to the fair market value of such Share on the Grant Date, as reasonably determined by the board of directors of the Company. Unless earlier terminated, this option shall expire at 5:00 p.m., Eastern Time, on [[●], [2026]][1] (the "**Final Exercise Date**").

It is intended that the option evidenced by this Agreement shall not be an incentive stock option as defined in Section 422 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "**Code**"). Except as otherwise indicated by the context, the term "**Participant**", as used in this option, shall be deemed to include any person who acquires the right to exercise this option validly under its terms.

2. Vesting Schedule.

This option will become exercisable ("**vest**") as to twenty-five percent (25%) of the original number of Shares on the first anniversary of the Grant Date and six and one quarter percent (6.25%) of the original number of Shares will vest thereafter on the first day of each calendar quarter following such first anniversary for the subsequent 12 calendar quarters (in each case, rounded down to the nearest whole share, except as to the last vesting period, with respect to which all remaining Shares will vest). On the fourth anniversary of the Grant Date, this option will be exercisable as to all Shares.

The right of exercise shall be cumulative so that to the extent the option is not exercised in any period to the maximum extent permissible it shall continue to be exercisable, in whole or in part, with respect to all Shares for which it is vested until the earlier of the Final Exercise Date or the termination of this option under Section 3 hereof or the Plan.

3. Exercise of Option.

(a) Form of Exercise. Each election to exercise this option shall be accompanied by a completed Notice of Stock Option Exercise in the form attached hereto as Exhibit A, signed by the Participant, and received by the Company at its principal office, accompanied by this Agreement, and payment in full in the manner provided in the Plan. The Participant may purchase less than the number of Shares covered hereby, provided that no partial exercise of this option may be for any fractional share or for fewer than ten (10) whole shares.

---

1 NTD: The date that is the day immediately prior to the tenth anniversary of the Grant Date.

(b) Continuous Relationship with the Company Required. Except as otherwise provided in this Section 3, this option may not be exercised unless the Participant, at the time he or she exercises this option, is, and has been at all times since the Grant Date, an employee, officer or director of, or consultant or advisor to, the Company or any other entity the employees, officers, directors, consultants, or advisors of which are eligible to receive option grants under the Plan (an "**Eligible Participant**").

(c) Termination of Relationship with the Company. If the Participant ceases to be an Eligible Participant for any reason, then, except as provided in paragraphs (d) and (e) below, the right to exercise this option shall terminate three (3) months after such cessation (but in no event after the Final Exercise Date), provided that this option shall be exercisable only to the extent that the Participant was entitled to exercise this option on the date of such cessation. Notwithstanding the foregoing, if the Participant, prior to the Final Exercise Date, violates the non-competition or confidentiality provisions of any employment contract, confidentiality and nondisclosure agreement or other agreement between the Participant and the Company, the right to exercise this option shall terminate immediately upon such violation.

(d) Exercise Period Upon Death or Disability. If the Participant dies or becomes disabled (within the meaning of Section 22(e)(3) of the Code) prior to the Final Exercise Date while he or she is an Eligible Participant and the Company has not terminated such relationship for "Cause" as specified in paragraph (e) below, this option shall be exercisable, within the period of one (1) year following the date of death or disability of the Participant, by the Participant (or in the case of death by an authorized transferee), provided that this option shall be exercisable only to the extent that this option was exercisable by the Participant on the date of his or her death or disability, and further provided that this option shall not be exercisable after the Final Exercise Date.

(e) Termination for Cause. If, prior to the Final Exercise Date, the Participant's employment or other relationship with the Company is terminated by the Company for Cause (as defined below), the right to exercise this option shall terminate immediately upon the effective date of such termination of employment or other relationship. If, prior to the Final Exercise Date, the Participant is given notice by the Company of the termination of his or her employment or other relationship by the Company for Cause, and the effective date of such employment or other termination is subsequent to the date of the delivery of such notice, the right to exercise this option shall be suspended from the time of the delivery of such notice until the earlier of (i) such time as it is determined or otherwise agreed that the Participant's employment or other relationship shall not be terminated for Cause as provided in such notice or (ii) the effective date of such termination of employment or other relationship (in which case the right to exercise this option shall, pursuant to the preceding sentence, terminate immediately upon the effective date of such termination of employment or other relationship). If the Participant is party to an employment, consulting or severance agreement with the Company that contains a definition of "cause" for termination of employment or other relationship, "Cause" shall have the meaning ascribed to such term in such agreement. Otherwise, "Cause" shall mean willful misconduct by the Participant or willful failure by the Participant to perform his or her responsibilities to the Company (including, without

limitation, breach by the Participant of any provision of any employment, consulting, advisory, nondisclosure, non-competition or other similar agreement between the Participant and the Company), as determined by the Company, which determination shall be conclusive. The Participant's employment or other relationship shall be considered to have been terminated for "Cause" if the Company determines, within 30 days after the Participant's resignation, that termination for Cause was warranted.

4. Company Right of First Refusal.

(a) Notice of Proposed Transfer. If the Participant proposes to sell, assign, transfer, pledge, hypothecate or otherwise dispose of, by operation of law or otherwise (collectively, "**Transfer**") any Shares acquired upon exercise of this option, then the Participant shall first give written notice of the proposed transfer (the "**Transfer Notice**") to the Company. The Transfer Notice shall name the proposed transferee and state the number of such Shares the Participant proposes to transfer (the "**Offered Shares**"), the price per share and all other material terms and conditions of the transfer.

(b) Company Right to Purchase. For thirty (30) days following its receipt of such Transfer Notice, the Company shall have the option to purchase all or part of the Offered Shares at the price and upon the terms set forth in the Transfer Notice. In the event that the Company elects to purchase all or part of the Offered Shares, it shall give written notice of such election to the Participant within such 30-day period. Within ten (10) days after his or her receipt of such notice, the Participant shall tender to the Company at its principal office the certificate or certificates representing the Offered Shares to be purchased by the Company, duly endorsed in blank by the Participant or with duly endorsed stock powers attached thereto, all in a form suitable for transfer of the Offered Shares to the Company. Promptly following receipt of such certificate or certificates, the Company shall deliver or mail to the Participant a check in payment of the purchase price for such Offered Shares; provided that if the terms of payment set forth in the Transfer Notice were other than cash against delivery, the Company may pay for the Offered Shares on the same terms and conditions as were set forth in the Transfer Notice; and provided further that any delay in making such payment shall not invalidate the Company's exercise of its option to purchase the Offered Shares.

(c) Shares Not Purchased By Company. If the Company does not elect to acquire all of the Offered Shares, the Participant may, within the 30-day period following the expiration of the option granted to the Company under subsection (b) above, Transfer the Offered Shares which the Company has not elected to acquire to the proposed transferee, provided that such transfer shall not be on terms and conditions more favorable to the transferee than those contained in the Transfer Notice. Notwithstanding any of the above, all Offered Shares transferred pursuant to this Section 4 shall remain subject to the right of first refusal set forth in this Section 4 and such transferee shall, as a condition to such transfer, deliver to the Company a written instrument confirming that such transferee shall be bound by all of the terms and conditions of this Section 4.

(d) Consequences of Non-Delivery. After the time at which the Offered Shares are required to be delivered to the Company for transfer to the Company pursuant to subsection (b) above, the Company shall not pay any dividend to the Participant on account of such Offered Shares or permit the Participant to exercise any of the privileges or rights of a stockholder with respect to such Offered Shares, but shall, insofar as permitted by law, treat the Company as the owner of such Offered Shares.

(e) Exempt Transactions. The following transactions shall be exempt from the provisions of this Section 4:

(1) any Transfer of Shares to or for the benefit of any spouse, child or grandchild of the Participant, or to a trust for their benefit;

(2) any Transfer pursuant to an effective registration statement filed by the Company under the Securities Act of 1933, as amended (the "**Securities Act**"); and

(3) the sale of all or substantially all of the outstanding shares of capital stock of the Company (including pursuant to a merger or consolidation);

provided, however, that in the case of a Transfer pursuant to clause (1)above, such Shares shall remain subject to the right of first refusal set forth in this Section 4.

(f) Assignment of Company Right. The Company may assign its rights to purchase Offered Shares in any particular transaction under this Section 4 to one or more persons or entities.

(g) Termination. The provisions of this Section 4 shall terminate upon the earlier of the following events:

(1) the closing of the sale of shares of Common Stock in an underwritten public offering pursuant to an effective registration statement filed by the Company under the Securities Act; or

(2) the sale of all or substantially all of the outstanding shares of capital stock, assets or business of the Company, by merger, consolidation, sale of assets or otherwise (other than a merger or consolidation in which all or substantially all of the individuals and entities who were beneficial owners of the Company's voting securities immediately prior to such transaction beneficially own, directly or indirectly, more than 75% (determined on an as-converted basis) of the outstanding securities entitled to vote generally in the election of directors of the resulting, surviving or acquiring corporation in such transaction).

(h) No Obligation to Recognize Invalid Transfer. The Company shall not be required (1) to transfer on its books any of the Shares which shall have been sold or transferred in violation of any of the provisions set forth in this Section 4, or (2) to treat as owner of such Shares or to pay dividends to any transferee to whom any such Shares shall have been so sold or transferred.

(i) Legends. The certificate representing Shares shall bear a legend substantially in the following form (in addition to, or in combination with, any legend required by applicable federal and state securities laws and agreements relating to the transfer of the Company securities):

> "The shares represented by this certificate are subject to a right of first refusal in favor of the Company, as provided in a certain stock option agreement with the Company."

5. Agreement in Connection with Initial Public Offering.

The Participant agrees, in connection with the initial underwritten public offering of the Common Stock pursuant to a registration statement under the Securities Act, (a) not to (1) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any other securities of the Company or (2) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of shares of Common Stock or other securities of the Company, whether any transaction described in clause (1) or (2) is to be settled by delivery of securities, in cash or otherwise, during the period beginning on the date of the filing of such registration statement with the Securities and Exchange Commission and ending 180 days after the date of the final prospectus relating to the offering (plus up to an additional 34 days to the extent requested by the managing underwriters for such offering in order to address NASD Rule 2711(f)(4) or NYSE Rule 472(f)(4) or any similar successor provision), and (b) to execute any agreement reflecting clause (a) above as may be requested by the Company or the managing underwriters at the time of such offering. The Company may impose stop-transfer instructions with respect to the shares of Common Stock or other securities subject to the foregoing restriction until the end of the "lock-up" period.

6. Withholding.

No Shares will be issued pursuant to the exercise of this option unless and until the Participant pays to the Company, or makes provision satisfactory to the Company for payment of, any federal, state or local withholding taxes required by law to be withheld in respect of this option.

7. Transfer Restrictions.

(a) This option may not be sold, assigned, transferred, pledged or otherwise encumbered by the Participant, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the lifetime of the Participant, this option shall be exercisable only by the Participant.

(b) The Participant agrees that he or she will not Transfer any Shares issued pursuant to the exercise of this option unless the transferee, as a condition to such Transfer, delivers to the Company a written instrument confirming that such transferee shall be bound by all of the terms and conditions of Section 4 and Section 5; provided that such a written confirmation shall not be required with respect to (1) Section 4 after such provision has terminated in accordance with Section 4(g) or (2) Section 5 after the completion of the lock-up period in connection with the Company's initial underwritten public offering.

8. Provisions of the Plan.

This option is subject to the provisions of the Plan (including the provisions relating to amendments to the Plan), a copy of which is furnished to the Participant with this option.

(Remainder of page intentionally left blank.)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written. The Participant hereby accepts the foregoing option and agrees to the terms and conditions thereof. The Participant hereby acknowledges receipt of a copy of the Company's 2016 Stock Incentive Plan.

COMPANY:

FOGHORN THERAPEUTICS INC.

By: _____
Name:
Title:

PARTICIPANT:

By: _____
Name: [*insert name of Participant*]
Address: [*insert Participant's address*]

SIGNATURE PAGE TO NONSTATUTORY STOCK OPTION AGREEMENT

EXHIBIT A

NOTICE OF STOCK OPTION EXERCISE

[*insert date of exercise*]

Foghorn Therapeutics Inc.
55 Cambridge Parkway, 8th Floor
Cambridge, MA 02142
Attention: President

Dear Sir or Madam:

I am the holder of a Nonstatutory Stock Option granted to me under the Foghorn Therapeutics Inc. (the "**Company**") 2016 Stock Incentive Plan on [[●], 2016] for the purchase of [*insert number of shares*] shares of Common Stock of the Company at a purchase price of $ per share.

I hereby exercise my option to purchase shares of Common Stock (the "**Shares**").

I am paying the option exercise price of $ as follows: (cash or personal check).

Please issue the stock certificate as follows (check one):

☐ to me, or

☐ to me and , as joint tenants with right of survivorship, and mail the certificate to me at the following address:

_____

_____

_____

I represent, warrant and covenant as follows:

1. I am purchasing the Shares for my own account for investment only, and not with a view to, or for sale in connection with, any distribution of the Shares in violation of the Securities Act of 1933 (the "**Securities Act**"), or any rule or regulation under the Securities Act.

2. I have had such opportunity as I have deemed adequate to obtain from representatives of the Company such information as is necessary to permit me to evaluate the merits and risks of my investment in the Company.

3. I have sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the purchase of the Shares and to make an informed investment decision with respect to such purchase.

4. I can afford a complete loss of the value of the Shares and am able to bear the economic risk of holding such Shares for an indefinite period.

5. I understand that: (a) the Shares have not been registered under the Securities Act and are "restricted securities" within the meaning of Rule 144 under the Securities Act; (b) the Shares cannot be sold, transferred or otherwise disposed of unless they are subsequently registered under the Securities Act or an exemption from registration is then available; (c) in any event, the exemption from registration under Rule 144 will not be available for at least one year and even then will not be available unless a public market then exists for the Common Stock, adequate information concerning the Company is then available to the public, and other terms and conditions of Rule 144 are complied with; and (d) there is now no registration statement on file with the Securities and Exchange Commission with respect to any stock of the Company and the Company has no obligation or current intention to register the Shares under the Securities Act.

Very truly yours,

_____

[*insert name of Participant*]

Exhibit 10.9

April 20, 2017

Adrian H.B. Gottschalk

Re: Employment Offer Letter

Dear Adrian:

On behalf of Foghorn Therapeutics, Inc. (the "Company"), I am delighted to offer you employment with the Company. This offer letter (the "Offer Letter") and the accompanying documents and agreements summarize and set forth important terms about your employment with the Company.

1. Title; Place of Employment and Role. Your position will be Chief Executive Officer**,** reporting to the Board of Directors (the "Board"). We anticipate that your employment will start effective May 15, 2017 (the "Start Date"). Your primary place of employment shall be located in the greater Boston, MA area, initially in Cambridge, MA. In your role you are expected to build and supervise a team to execute against objectives and to develop and manage processes and systems to support these functions. You also will be expected to perform such other services for the Company, including broader corporate responsibilities, as may be assigned to you from time to time by the Board. You shall also have all powers and duties consistent and customarily associated with the position of Chief Executive Officer. Effective on your Start Date, you shall also be elected as a member of the Board, and you agree to tender your resignation from the Board, if requested by the Board, effective as of the date that you no longer serve as Chief Executive Officer of the Company or such later date as the Board may request. The Company expects you to devote your full working time and best efforts to the Company. The Company agrees that, subject to notice by you to the Board and approval from the Board you may serve on the boards of directors of companies or organizations or engage in religious, charitable and other community activities which do not present any conflict of interest with the Company or unreasonably interfere with your duties and responsibilities hereunder. You will be employed on an at-will basis, which means that neither you nor the Company are guaranteeing this employment relationship for any specific period of time, subject to the provisions of this Offer Letter.

2. Compensation.

a. Salary. Your initial base pay will be at a rate of $400,000.00 on an annualized basis, minus required deductions for federal and state taxes and other applicable withholdings in accordance with the Company's normal payroll practices.

b. **Signing Bonus.** On or before your Start Date, you shall receive a signing bonus in the amount of $70,000, less required deductions for federal and state taxes and other applicable withholdings. If, prior to the one-year anniversary of your Start Date, you voluntary terminate your employment not following a "Good Reason Event" (as defined below) or your employment is terminated by the Company for "Cause" (as defined below) such bonus is subject to repayment, pro-rated based on the number of days employed as of the Termination Date.

b. Annual Performance Bonus. You will be eligible to receive an annual bonus (the "Annual Bonus") of up to thirty five percent (35%) of your base salary, payable upon the achievement, as determined by the Board, of specific milestones to be mutually agreed in writing. The Annual Bonus will be paid to you no later than March 15th of the calendar year immediately following the calendar year in which it was earned. You must be employed by the Company as of December 31 of the calendar year to which the Annual Bonus relates in in order to be eligible for and have earned the Annual Bonus. Your annual bonus for 2017 will be prorated based on the number of days you were employed by the Company in 2017.

c. Stock Options.

(i) **Initial Option Grant**: Subject to the terms of and contingent upon your execution of the attached stock option agreement (the "Option Agreement") issued pursuant to the Company's 2016 Stock Incentive Plan (the "Plan"), when established, you will be granted an option to purchase 1,675,000 shares of common stock of the Company at an exercise price equal to the fair market value of the stock on the date of the grant as determined by the Board ("Initial Option Grant"). This option will vest 25% on the first anniversary of the grant date and the remaining 75% will vest on a quarterly basis on the last day of each quarter over a period of three years following such anniversary, provided that you remain employed on the vesting date. As stated above, the above-referenced equity grant will be subject to the terms and conditions of the Plan and any Option Agreement executed pursuant thereto.

d. Benefits. You will be eligible to participate in the Company's benefit plans to the same extent as, and subject to the same terms, conditions and limitations applicable to, other Company employees of similar rank and tenure. Summaries of each of the Company's benefit plans are available to you. Each calendar year you will be eligible to receive four (4) weeks' vacation, five (5) days' sick leave and holidays as set forth by the Company and subject to the Company's vacation and holiday policies as in effect from time to time. If any benefit is subject to a benefit plan, the terms of that plan will control. The descriptions of benefits and other compensation arrangements set forth herein are summary in form, and may be subject to change.

e. Expense Reimbursement. You will be reimbursed for all reasonable out-of-pocket expenses incurred during the performance of your duties, in accordance with the Company's reimbursement policies as established or modified from time to time by the Company. Any reimbursements or direct payment of expenses subject to Section 409A ("Section 409A") of the Internal Revenue Code (the "Code") will be for expenses incurred during your lifetime (or during a shorter period of time specified in this Offer Letter), and will be made no later than the end of the calendar year following the calendar year in which such expense is incurred by you. Any reimbursement or right to direct payment of your expense in one calendar year will not affect the amount that may be reimbursed or paid for in any other calendar year, and any reimbursement or payment of your expense (or right thereto) may not be exchanged or liquidated for another benefit or payment.

f. Investment in Company Preferred Stock. The Company acknowledges that you have indicated an interest in making an investment in the Company in connection with the closing of the Second Tranche, as defined in the Series A-1 and A-2 Preferred Stock Purchase Agreement dated as of April 11, 2016 among the Company and the Purchasers named therein (the "Purchase Agreement"), regarding the issuance by the Company of shares of Series A-2 Preferred Stock of the Company. The Company is willing to permit you to participate in such Second Tranche. In connection with investing in such Second Tranche, you shall become a party to the Purchase Agreement and all other Transaction Agreements, as defined in the Purchase Agreement.

3. Severance Pay and Benefits. As stated above, the parties' employment relationship is at-will, and may be terminated at any time and for any reason. In the event of a separation of employment, the Company will provide you with all amounts required to be paid under law and policy, including earned wages, accrued but unused vacation, and incurred but unreimbursed expenses. In addition, you may be eligible for additional severance payments and benefits under certain circumstances, as described below.

a. Termination Other Than for Cause or Resignation following a Good Reason Event. Should the Company terminate your employment other than for Cause or should you resign your employment following a Good Reason Event or then, conditioned upon your execution and non-revocation of a full and general release of claims to the Company and its affiliates and their respective directors, officers, agents and employees (in the form attached as Exhibit A) and compliance with your Confidentiality Agreement described in Section 6 below: (i) the Company will provide you with severance payments equal to twelve (12) months of your then current base salary, less applicable withholdings and deductions, payable in periodic installments over 6 months in accordance with the Company's normal payroll practices; (ii) if a premium subsidy is not illegal or discriminatory under applicable law, and if you properly elect to receive benefits under the Consolidated Omnibus Budget Reconciliation Act ("COBRA"), then the Company will provide you with 12 months of your COBRA premiums at the Company's normal rate of contribution for employees for your coverage at the level in effect immediately prior to your termination; (iii) all stock options or stock awards held by you that would have vested in the twelve (12) month period following the date of termination based solely on the passage of time shall, as of the date of such termination, immediately accelerate and become exercisable with respect to such additional shares that would have vested in such 12-month period.

b. Termination Other Than for Cause or Resignation following a Good Reason Event Within Twelve (12) Months following a Change of Control. Should the Company terminate your employment other than for Cause or should you resign following a Good Reason Event during the period beginning four (4) months prior to and ending twelve (12) months following the consummation of a Change of Control (defined below) then, also conditioned upon your execution and non-revocation of Exhibit A and compliance with your Confidentiality Agreement: (i) the Company will provide you with severance payments equal to twelve (12) months of your then current base salary less applicable withholdings and deductions, payable in periodic installments over twelve (12) months in accordance with the Company's normal payroll practices; (ii) if a premium subsidy is not illegal or discriminatory under applicable law, and if you properly elect to receive benefits under COBRA, then the Company will provide you with 12months of your COBRA premiums at the Company's normal rate of contribution for employees for your coverage at the level in effect immediately prior to your termination; and (iii) all stock options with time-based vesting or other stock-based awards with time-based vesting held by you as of the date of termination will immediately accelerate and become fully exercisable or non-forfeitable as of date of termination. Please note that if you are entitled to the payments and benefits described in this Section 3.b., then you will not be entitled to the payments and benefits described in Section 3.a. above.

c. Timing. Any severance payments paid under this Section 3 will commence within 60 days after the date of termination; provided that if the 60-day period begins in one calendar year and ends in a second calendar year, then the severance payments will commence in the second calendar year by the last day of such 60-day period, and further provided that the initial severance payment will include a catch-up payment to cover amounts retroactive to the day immediately following the date of termination.

d. Definitions.

(i) "Change of Control" means: (i) any "Person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "Beneficial Owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the total voting power represented by the Company's then outstanding voting securities (excluding for this purpose any such voting securities held by the Company or its Affiliates or by any employee benefit plan of the Company) pursuant to a transaction or a series of related transactions other than a bona fide financing; or (ii) a merger or consolidation of the Company whether or not approved by the Board, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or the parent of such corporation) more than 50% of the total voting power represented by the voting securities of the Company or such surviving entity or parent of such corporation, as the case may be, outstanding immediately after such merger or consolidation; or (iii) the sale or disposition by the Company of all or substantially all of the Company's assets in a transaction or series of related transactions. "Change of Control" will be interpreted, if applicable, in a manner, and limited to the extent necessary, so that it will not cause adverse tax consequences under Section 409A of the Code.

(ii) "Cause" means any one or more of the following actions: (i) your material breach of the terms of this Offer Letter or your Confidentiality Agreement which is not cured within thirty (30) days of your written notice specifying in reasonable detail the facts and circumstances regarding the alleged breach; (ii) your grossly negligent, malfeasant, dishonest or reckless conduct in the performance of your duties that causes material harm to the Company; (iii) your commission of an act of fraud, theft, misappropriation or embezzlement in the performance of your duties; or (iv) your conviction, or pleading nolo contendere, to a felony or any crime involving moral turpitude.

(iii) "Good Reason Event" means the occurrence of any of the following actions undertaken by the Company without your express prior written consent, provided that you have complied with the "Good Reason Process" (hereinafter defined) following same: (i) a material diminution in your, responsibilities, authority or function; or (ii) a reduction in your base salary (other than reductions in salaries generally for employees of executives of the Company; or (iii) a requirement by the Company that you relocate your principal location of employment to a location that is more than forty (40) miles from your primary work location; (iii) a material breach by the Company of this Offer Letter or the Option Agreement or any other agreements referenced herein; .. "Good Reason Process" means that (1) you have reasonably determined in good faith that a Good Reason Event has occurred; (2) you have notified the Company in writing of the first occurrence of the Good Reason condition within ninety (90) days of the first occurrence of such condition; (3) the Company has failed to cure the Good Reason Event within thirty (30) days following such notice (the "Cure Period"), provided that you have cooperated in good faith with the Company's efforts to remedy the condition; (4) you terminate your employment within thirty (30) days after the end of the Cure Period. If the Company cures the Good Reason condition during the Cure Period, Good Reason will be deemed not to have occurred.

4. Confidentiality and Other Obligations. As part of your employment with the Company, you will be exposed to and provided with valuable confidential and trade secret information concerning the Company. As a result, in order to protect the Company's legitimate business interests, you agree, as a condition of your employment, to enter into the enclosed Employee Non-Competition, Non-Solicitation, Confidentiality and Assignment of Inventions Agreement (the "Confidentiality Agreement"). You must sign and return the Confidentiality Agreement before beginning your employment with the Company.

5. Certifications by You. By signing this Offer Letter, you are certifying to the Company that: (a) your employment with the Company does not, and will not, require you to breach any agreement entered into by you prior to employment with the Company (i.e., you have not entered into any agreements

with previous employers that are in conflict with your obligations to the Company); and (b) to the extent you are subject to restrictive agreements with any prior employer that may affect your employment with the Company, you have provided the Company with a copy of that agreement. Please understand that the Company does not want you to disclose any confidential information belonging to a previous employer or to incorporate the proprietary information of any previous employer into the Company's proprietary information and expects that you will abide by restrictive covenants to prior employers.

6. Required I-9 Documentation. For purposes of completing the INS I-9 form, you must provide us sufficient documentation to demonstrate your eligibility to work in the United States on or before your first day of employment. Your employment with the Company is conditioned on your eligibility to work in the United States.

7, **No Duty to Mitigate.** The Executive shall not be required to mitigate the amount of any payment contemplated by this Agreement, nor shall any such payment be reduced by any earnings that the Executive may receive from any other source.

8. Section 409A and 280G.

a. The parties intend this Offer Letter and the payments required hereunder to be either in compliance with or exempt from Section 409A of the Code. It is intended that each installment of the payments and benefits provided under this Offer Letter will be treated as a separate "payment" for purposes of Section 409A of the Code. Neither the Company nor you will have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Section 409A of the Code.

b. Notwithstanding any other provision of this Offer Letter to the contrary, if any amount to be paid to you pursuant to this Offer Letter as a result of your termination of employment is "deferred compensation" subject to Section 409A of the Code, then: (i) if you are a "Specified Employee" (as defined under Section 409A of the Code) as of the date of your termination of employment, then, to the extent necessary to avoid the imposition of excise taxes or other penalties under Section 409A of the Code, the payment of benefits, if any, scheduled to be paid by the Company to you hereunder during the first 6-month period following the date of a termination of employment hereunder will not be paid until the date which is the first business day after 6 months have elapsed since your termination of employment for any reason other than death; any deferred compensation payments delayed in accordance with the terms of this section will be paid in a lump sum after 6-months have elapsed since your termination of employment; any other payments will be made according to the schedule provided for herein; and (ii) any termination of employment triggering payment of such benefits must constitute a "separation from service" under Section 409A of the Code before distribution of such benefits can commence; to the extent that the termination of your employment does not constitute a "separation from service" under Section 409A of the Code (as the result of further services that are reasonably anticipated to be provided by you to the Company at the time your employment terminates), any benefits payable under this Offer Letter that constitute "deferred compensation" under Section 409A of the Code will be delayed until after the date of a subsequent event constituting a "separation from service" under Section 409A of the Code. For purposes of clarification, this section will not cause any forfeiture of benefits on your part, but will only act as a delay until such time as a "separation from service" occurs.

c. If any payment or benefit you would receive from the Company, when combined with any other payment or benefit you receive or are entitled to receive from the Company (for purposes of this section, a "Payment") would: (i) constitute a "parachute payment" within the meaning of Section 280G the Code; and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code

(the "Excise Tax"), then such Payment will be either: (A) the full amount of such Payment; or (B) such lesser amount (with cash payments being reduced before stock option compensation) as would result in no portion of the Payment being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local employments taxes, income taxes, and the Excise Tax, results in your receipt, on an after-tax basis, of the greater amount of the Payment notwithstanding that all or some portion of the Payment may be subject to the Excise Tax.

9. Indemnification. The Company shall indemnify and hold you harmless for any liability, including reasonable attorneys' fees and costs, incurred by reason of any act or omission by you in your capacity as an employee, director, and/or officer of the Company to the extent permitted by the Company's certificate of incorporation, as amended.

10. General. This Offer Letter, together with the Confidentiality Agreement and the Option Agreement and any other agreements specifically referred to herein, embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. The terms this Offer Letter may be modified only by written agreement executed by the parties hereto, and may be waived (or consent for the departure there from granted) only by a written document executed by the party entitled to the benefits of such terms. Because our employment discussions and the terms of your employment are confidential, it is understood that you will not disclose the terms of such discussions or the terms of your employment with the Company to anyone other than your immediate family and your legal or financial advisor at any time, absent prior written consent from the Company. The Company may assign its rights and obligations hereunder to any person or entity that succeeds to all or substantially all of the Company's business. You may not assign your rights and obligations hereunder without the prior written consent of the Company and any such attempted assignment by you without the prior written consent of the Company will be void. This Offer Letter will be construed in accordance with and governed by the law of Massachusetts, without giving effect to the conflict of law principles thereof. By accepting this offer of employment, you agree that any action, demand, claim or counterclaim in connection with any aspect of your employment with the Company, or any separation of employment will be brought in the courts of the Commonwealth of Massachusetts or of the United States of America for the District of Massachusetts.

[*Signature Page Follows*]

Please acknowledge acceptance of this Offer Letter by signing and dating below. Keep one copy for your files and return one executed copy to me. Adrian, we look forward to having you on the team.

Very truly yours,

Foghorn Therapeutics, Inc.

By: /s/ Douglas Cole
Douglas Cole
President

Accepted and Agreed:

/s/ Adrian H.B. Gottschalk
Adrian H.B. Gottschalk

4/20/2017
Date

Exhibit A

Form of Release

[*To be inserted*]

Exhibit 10.10

July 11th, 2019

Sam Agresta, M.D.

Dear Sam,

On behalf of Foghorn Therapeutics (the "Company"), I am delighted to offer you employment with the Company. This offer letter (the "Offer Letter") and the accompanying documents and agreements summarize and set forth important terms about your employment with the Company.

1. Starting Date, Position, and Duties.

a. Your initial position shall be **Chief Medical Officer**. In your role, you shall report to the Chief Executive Officer of the Company (the "CEO"). We anticipate that your employment shall start on or before September 9th, 2019 (the "Start Date"). In this key position you shall have responsibility for leading and managing the clinical development, clinical operations, and regulatory-related interactions of the Company's drug programs. In your role, you are expected to build and supervise a team in coordination with the CEO to execute against objectives and to develop and manage processes and systems to support these functions. It is understood that you will be employed by the Company in such capacity or such other capacity as may be mutually agreed upon by the Company and you from time to time. As a member of our team, we expect you to devote all of your professional and working time and energies to the business and affairs of the Company. You shall not engage in non-Company related business activities (including consulting activities, board memberships and academic appointments) without Company's prior written consent, which Company may withhold in its sole discretion. Provided that you receive the Company's consent to do so, your conduct of any such non-Company related business activities shall not interfere with the performance of your duties hereunder and shall not violate the provisions of your Confidentiality Agreement (as described below). For the avoidance of doubt, Company does consent to you providing limited consulting services to your most-recent employer ("Former Employer") until November 30, 2019 provided that such consulting services: (i) do not interfere with the performance of your duties hereunder; and (ii) do not violate the provisions of your Confidentiality Agreement.

b. As is generally true for Company employees, you shall be employed on an at- will basis, which means that neither you nor the Company are guaranteeing this employment relationship for any specific period of time. Either of us may choose to end the employment relationship at any time, for any reason, with or without notice. If any benefit is subject to a benefit plan, the terms of that plan shall control. Other than the terms of this Offer Letter, the Company reserves the right to alter, supplement or rescind its employment procedures, benefits or policies (other than the employment at-will policy) at any time in its sole and absolute discretion and without notice.

2. Compensation. During your employment hereunder, as compensation for all services performed for the Company and its affiliates, the Company will provide you with the following compensation and benefits:

a. Salary. Your initial base pay shall be at a rate of $400,000 on an annualized basis, less required deductions for federal and state taxes and other applicable withholdings, and payable in accordance with the Company's normal payroll practices.

b. Signing Bonus. In the first company pay cycle following your Start Date, you shall receive a one-time signing bonus ("Signing Bonus") in the amount of $75,000, less required deductions for federal and state taxes and other applicable withholdings. If, prior to the one-year anniversary of your Start Date, you voluntary terminate your employment and such voluntary termination does not qualify as a "Resignation for Good Reason" (as defined below) or your employment is terminated by the Company for "Cause" (as defined below) such Signing Bonus shall be repaid in full within thirty (30) days following the date your employment terminates.

c. Transition Payment. In the first company pay cycle following your Start Date, you shall receive a one-time additional payment (the "Transition Payment") in the amount of $65,000, less required deductions for federal and state taxes and other applicable withholdings. If, prior to the two-year anniversary of your Start Date, you voluntary terminate your employment and such voluntary termination does not qualify as a "Resignation for Good Reason" (as defined below) or your employment is terminated by the Company for "Cause" (as defined below) such Transition Payment shall be repaid in full within thirty (30) days following the date your employment terminates.

d. Annual Performance Bonus and Up-Front Option. In accordance with the Company's Bonus Plan, you shall be eligible to receive an annual bonus of up to 40% of your base salary, payable upon the achievement, as determined by the Board of Directors of the Company (the "Board") in its sole discretion, of specific milestones to be mutually agreed in writing. The annual bonus shall be paid to you no later than March 15th of the calendar year immediately following the calendar year in which it was earned. Except as expressly provided below, you must be employed by the Company or on an approved leave of absence on the date of payment of the bonus in order to be eligible for and have earned the annual bonus.

You have indicated that you may be contractually responsible for repaying your prior employer a sign-on bonus. Should you be required to repay the sign-on bonus to your prior employer, you shall notify the Company within ten (10) days of the date that your prior employer notifies you of such requirement to repay. In the next Company pay cycle following the date you so notify the Company, the Company shall pay you an amount not greater than $160,000 (the "Up-Front Payment"), less required deductions for federal and state taxes and other applicable withholdings, as a one-time payment. To the extent paid, the amount of any annual bonus that you would otherwise be eligible to earn for 2019 and 2020 shall be reduced by the Up-Front Payment, with the 2019 annual bonus reduced first (but not below zero) and any remaining reduction taken from the 2020 annual bonus. For the avoidance of doubt, the entirety of such Up-Front Payment must be used to repay your prior employer. If, prior to the two-year anniversary of your Start Date, you voluntary terminate your employment and such voluntary termination does not qualify as a "Resignation for Good Reason" (as defined below) or your employment is terminated by the Company for "Cause" (as defined below), you will be obligated to pay an amount equal to the Up-Front Payment less any amount that was awarded to you as a bonus payment within thirty (30) days following the date your employment terminates.

e. Equity Grants. Subject to the terms and conditions of this Section 2.e. and any applicable policies and agreements (including but not limited to the "Equity Plan" and "Equity Agreements" described below), you shall be eligible for the following grant:

i. **Option Grant**. Provided you commence employment with the Company on or before September 9th, 2019, subject to the approval of the Board, you will be granted an option to purchase 575,900 shares of common stock of the company at an exercise price equal to the fair market value of the stock on the date of the grant as determined by the Board. This stock option shall vest 25% on the first anniversary of the grant date, and the remaining 75% of the stock option shall vest on a quarterly basis on the first day of each calendar quarter for the 12 quarters thereafter, subject to your continued employment with the Company.

ii. **Terms and Conditions**. In all respects, the stock option described in this Section 2 shall be governed by the 2016 Equity Incentive Plan (the "Equity Plan") and an applicable Stock Option Agreement (as applicable, an "Equity Agreement") executed by you pursuant thereto. The stock option described in this Section 2 shall be, to the maximum extent permissible, treated as "incentive stock options" within the meaning of Section 422 of the Internal Revenue Code and the rules and regulations thereunder.

iii. **Accelerated Vesting**. If you are subject to an Involuntary Termination (as defined below) outside of a CIC Period (as defined below), then the vesting and, if applicable, the exercisability of each of your outstanding equity-based awards under the Equity Plan or any other equity-based plan maintained by the Company or any applicable successor plans thereto shall be partially accelerated such that the number of shares subject to each such equity-based award that would have vested during the 12-month period following your Separation (as defined below) (or, in the case of an equity-based award in which vesting of the shares is subject to the achievement of a performance-based condition, then 25% of the shares subject to such equity-based award (at target)) shall remain outstanding and eligible to vest and be vested and, if applicable, exercisable as of the effective date of the Release (as defined below). In addition, if you are subject to an Involuntary Termination during the CIC Period, then all of your then-unvested equity-based awards under the Equity Plan shall remain outstanding and be fully accelerated and, if applicable, exercisable as of the effective date of the Release.

f. Benefits. You shall be eligible to participate in the Company's benefit plans to the same extent as, and subject to the same terms, conditions and limitations applicable to, other Company employees of similar rank and tenure. Summaries of each of the Company's benefit

plans are available to you. These benefits may be modified, changed or eliminated from time to time at the sole discretion of the Company, and the provision of such benefits does not change your status as an at-will employee. Where a particular benefit is subject to a formal plan (for example, medical insurance or life insurance), eligibility to participate in and receive any particular benefit is governed solely by the applicable plan document.

g. Expense Reimbursement. The Company shall reimburse you for all ordinary and reasonable out-of-pocket business expenses incurred in furtherance of the Company's business in accordance with the Company's policies with respect thereto as in effect from time to time. You must submit any request for reimbursement no later than ninety (90) days following the date that such business expense is incurred. All reimbursements hereunder shall be made or provided in accordance with the requirements of Section 409A ("Section 409A") of the Internal Revenue Code and the rules and regulations thereunder (the "Code") including, where applicable, the requirement that: (i) any reimbursement is for expenses incurred during your lifetime (or during a shorter period of time specified in this Offer Letter); (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year; (iii) the reimbursement of an eligible expense shall be made no later than the last day of the calendar year following the year in which the expense is incurred; and (iv) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit.

3. Severance Benefit upon Termination without Cause Following Change of Control.

a. Notwithstanding the at-will nature of the parties' relationship, should you be subject to an Involuntary Termination, then conditioned upon your timely execution and non-revocation of a separation agreement containing a release of claims and other customary terms in the form provided by the Company (the "Release") and compliance with your Confidentiality Agreement described below then: (i) the Company shall provide you with a payment in an amount equal to 9 months of your then current base salary payable in the form of salary continuation over the 9-month period following the date of separation, commencing on the first regular Company payday that is at least 5 business days following the effective date of the Release; (ii) (x) if the Company is subject to the Consolidated Omnibus Budget Reconciliation Act ("COBRA") or similar state law, (y) the premium subsidy described below is not illegal or discriminatory under the Code, the Patient Protection and Affordable Care Act or the Health Care and Education Reconciliation Act, and (z) if you properly elect to receive benefits under COBRA, then the Company shall provide you with 9 months of your COBRA premiums at the Company's normal rate of contribution for employees for your coverage at the level in effect immediately prior to your termination, such premiums to be provided on a monthly basis; (iii) the Company shall pay the amount of any annual bonus previously awarded to you by the Board with respect to the calendar year concluded prior to the date of termination that remains unpaid as of the date of termination, which annual bonus shall be paid at the same time as bonuses are paid to active employees of the Company; and (iv) subject to the terms and conditions of the Equity Plan and Equity Agreements, any portion of any stock option granted to you that remains outstanding as of the date of separation and that has vested as of such date (or that vests in accordance with the provisions of Section 2(d)(iii)) shall remain outstanding and exercisable for a period of 3 months following the Separation Date or, if earlier, the normal 10-year expiration date of such stock options.

b. For purposes of this offer letter, "**Cause**" means any one or more of the following actions: (i) your material breach of the terms of this Offer Letter or your breach of the terms of the Confidentiality Agreement; (ii) your material dishonesty, willful misconduct, gross negligence, or reckless conduct, in each case if such conduct is in connection with the performance of your services to the Company or any of its affiliates; (iii) your commission of an act of fraud, theft, misappropriation or embezzlement that is, in each case, materially injurious to the Company or any of its affiliates; (iv) your indictment of, or pleading nolo contendere to, any crime involving moral turpitude or any felony; or (v) your material violation of a Company policy that had been previously provided to you in writing or your willful refusal to perform, or substantial negligence in the performance of, your assigned duties to the Company or any of its affiliates (other than as a result of your mental or physical impairment). For purpose of clauses (i), (ii), (iii), and (v), "Cause" will only exist if: (1) the Company delivered to you a written description of the events or conditions giving rise to your termination for Cause; and (2) if curable, you have been given at least 15 days to cure such events or conditions and you fail to cure such events or conditions within such time period given.

c. For purposes of this offer letter, "Change of Control" means: (i) any "Person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) that becomes the "Beneficial Owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the total voting power represented by the Company's then outstanding voting securities (excluding for this purpose any such voting securities held by the Company or its Affiliates or by any employee benefit plan of the Company) pursuant to a transaction or a series of related transactions which the Board does not approve; or (ii) a merger or consolidation of the Company whether or not approved by the Board, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or the parent of such corporation) more than 50% of the total voting power represented by the voting securities of the Company or such surviving entity or parent of such corporation, as the case may be, outstanding immediately after such merger or consolidation; or (iii) the sale or disposition by the Company of all or substantially all of the Company's assets in a transaction requiring stockholder approval; notwithstanding the foregoing, no transaction or series of transactions shall constitute a Change of Control unless such transaction or series of transactions constitutes a "change in control event" within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(i).

d. For purposes of this offer letter, "**CIC Period**" means the period commencing on the date that is three months prior to the date on which a Change of Control occurs and ending on the date that is 12 months following such occurrence.

e. For purposes of this offer letter, "**Involuntary Termination**" means either (a) your Termination Without Cause or (b) your Resignation for Good Reason.

f. For purposes of this offer letter, "**Resignation for Good Reason**" means a Separation as a result of your resignation within 180 days after one of the following conditions has come into existence without your consent:

- **i.** A reduction in your base salary other than in connection with an across-the-board reduction affecting all similarly situated executives of the Company;
- **ii.** A material diminution of your title, authority, duties or responsibilities;
- **iii.** A material breach of this agreement by Company; or
- **iv.** A relocation of your principal workplace by more than 50 miles.

A Resignation for Good Reason will not be deemed to have occurred unless you give the Company written notice of the condition within 90 days after the condition comes into existence and the Company fails to remedy the condition within 30 days after receiving your written notice.

g. For purposes of this offer letter, "**Separation**" means a "separation from service," as defined in the regulations under Section 409A of the Code.

h. For purposes of this offer letter "**Termination Without Cause**" means a Separation as a result of a termination of your employment by the Company without Cause (and not as a result of your death or disability), provided you are willing and able to continue performing services within the meaning of Treasury Regulation 1.409A-1(n)(1).

i. Any severance payments paid under this Section 3 shall commence within 60 days after the date of termination (or at such earlier time as provided in this Section 3); provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the severance payments begin to be paid in the second calendar year by the last day of such 60-day period; provided, further, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the date of termination. Each payment pursuant to this Offer Letter is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

j. Should you voluntarily terminate your employment for any reason (other than for Good Reason) or should your employment be terminated for Cause (whether before or after a Change of Control) or as a result of your death or disability, then you shall not be entitled to any severance payments described herein. Nothing in this Section 3 shall alter your status as an at-will employee.

k. Vesting in the Event of a Change of Control or Death. Notwithstanding anything to the contrary hereunder or in the Equity Plan or an applicable Equity Agreement, in the event of a Change of Control, subject to your continued employment through such Change of Control, or your death, then you (or your estate, as applicable) automatically shall vest in all of the then-unvested shares subject to the equity awards under the Plan as of the date of the consummation of such Change of Control or the date of death, as applicable.

4. Certification. By signing this Offer Letter, you are certifying to the Company that: (a) your employment with the Company does not and shall not require you to breach any agreement entered into by you prior to employment with the Company (i.e., you have not entered into any agreements with previous employers that are in conflict with your obligations to the Company); (b) to the extent you are subject to restrictive agreements with any prior employer that may affect

your employment with the Company, you have provided us with a copy of that agreement; (c) your employment with the Company does not violate any order, judgment or injunction applicable to you, and you have provided the Company with a copy of any such order, judgment, or injunction; and (d) all facts you have presented to the Company are accurate and true, including all statements made to the Company pertaining to your education, training, qualifications, licensing and prior work experience on any job application, resume or c.v., or in any interview. Please understand that the Company does not want you to disclose any confidential information belonging to a previous employer or to incorporate the proprietary information of any previous employer into the Company's proprietary information and expects that you shall abide by restrictive covenants to prior employers.

5. Required I-9 Documentation. Your employment with the Company is conditioned on your eligibility to work in the United States. For purposes of completing the USCIS I-9 form, you must provide us with sufficient documentation to demonstrate your identity and eligibility to work in the United States on or before your first day of employment.

6. Confidentiality and Other Obligations. As part of your employment with the Company, you shall be exposed to, and provided with, valuable confidential and trade secret information concerning the Company and its present and prospective clients. As a result, in order to protect the Company's legitimate business interests, you agree, as a condition of your employment, to enter into the enclosed Employee Non-Competition, Non-Solicitation, Confidentiality and Assignment of Inventions Agreement (the "Confidentiality Agreement"). You must sign and return the Confidentiality Agreement before beginning your employment with the Company.

7. Section 409A and 280G of the Code.

a. Notwithstanding any other provision of this Offer Letter to the contrary, if any amount (including imputed income) to be paid to you pursuant to this Offer Letter as a result of your termination of employment is "deferred compensation" subject to Section 409A of the Code, and if you are a "Specified Employee" (as defined under Section 409A of the Code) as of the date of your termination of employment hereunder, then, to the extent necessary to avoid the imposition of excise taxes or other penalties under Section 409A of the Code, the payment of benefits, if any, scheduled to be paid by the Company to you hereunder during the first 6-month period following the date of a termination of employment hereunder shall not be paid until the date which is the first business day after six (6) months have elapsed since your termination of employment for any reason other than death. Any deferred compensation payments delayed in accordance with the terms of this Section 6.a. shall be paid in a lump sum after 6-months have elapsed since your termination of employment. Any other payments shall be made according to the schedule provided for herein.

b. If any of the benefits set forth in this Offer Letter are "deferred compensation" under Section 409A of the Code, any termination of employment triggering payment of such benefits must constitute a "separation from service" under Section 409A of the Code before distribution of such benefits can commence. To the extent that the termination of your employment does not constitute a "separation from service" under Section 409A of the Code (as the result of further services that are reasonably anticipated to be provided by you to the Company at the time your employment terminates), any benefits payable under this Offer Letter that constitute "deferred

compensation" under Section 409A of the Code shall be delayed until after the date of a subsequent event constituting a "separation from service" under Section 409A of the Code. For purposes of clarification, this Section 6.b. shall not cause any forfeiture of benefits on your part but shall only act as a delay until such time as a "separation from service" occurs.

c. It is intended that each installment of the payments and benefits provided under this Offer Letter shall be treated as a separate "payment" for purposes of Section 409A of the Code. Neither the Company nor you shall have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Section 409A of the Code.

d. This Offer Letter shall be interpreted and at all times administered in a manner that avoids the inclusion of compensation in income under Section 409A of the Code. Any provision inconsistent with Section 409A of the Code shall be read out of this Offer Letter. For purposes of clarification, this Section 6.d. shall be a rule of construction and interpretation and nothing in this Section 6.d. shall cause a forfeiture of benefits on the part of you. You acknowledge and agree that the Company does not guarantee the tax treatment or tax consequences associated with any payment or benefit arising under this Offer Letter, including but not limited to consequences related to Section 409A of the Code.

e. If any payment or benefit you would receive under this Offer Letter, when combined with any other payment or benefit you receive pursuant to a Change of Control (for purposes of this section, a "Payment") would: (i) constitute a "parachute payment" within the meaning of Section 280G the Code; and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then such Payment shall be either: (A) the full amount of such Payment; or (B) such lesser amount as would result in no portion of the Payment being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local employments taxes, income taxes and the Excise Tax, results in your receipt, on an after-tax basis, of the greater amount of the Payment notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. With respect to subsection (B), if there is more than one method of reducing the payment as would result in no portion of the Payment being subject to the Excise Tax, then you shall determine which method shall be followed, provided that if you fail to make such determination within five (5) days after Company has sent you written notice of the need for such reduction, Company may determine the amount of such reduction in its sole discretion.

8. General. This Offer Letter, together with the Confidentiality Agreement and the restricted stock and option agreements and any other agreements specifically referred to herein, embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof, and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. The terms and provisions of this Offer Letter may be modified or amended only by written agreement executed by the parties hereto, and may be waived (or consent for the departure therefrom granted) only by a written document executed by the party entitled to the benefits of such terms or provisions. The Company may assign its rights and obligations hereunder to any person or entity that succeeds to all or substantially all of the Company's business. You may not assign your rights and obligations hereunder without the prior written consent of the Company and any such attempted assignment by you without the prior written

consent of the Company shall be void. This Offer Letter and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the internal law of Massachusetts, without giving effect to the conflict of law principles of any jurisdiction. By accepting this offer of employment, you agree that any action, demand, claim or counterclaim in connection with any aspect of your employment with the Company, or any separation of employment (whether voluntary or involuntary) from the Company, shall be brought in the courts of Massachusetts or of the United States of America for the District of Massachusetts, and shall be resolved by a judge alone, and you waive and forever renounce your right to a trial before a civil jury.

9. Indemnification. The Company shall indemnify and hold you harmless for any liability, including reasonable attorneys' fees and costs, incurred by reason of any act or omission by you in your capacity as an employee and/or officer of the Company to the extent permitted by the Company's certificate of incorporation, as amended.

This offer shall remain open, unless sooner revoked by the Company, through July 17th, 2019. Please acknowledge acceptance of this employment offer by signing and dating below. Keep one copy for your files and return one executed copy to me.

We greatly look forward to having you on the team.

Very truly yours,

Foghorn Therapeutics

By: /s/ Adrian Gottschalk
Adrian Gottschalk, President & CEO

Accepted and Agreed to:

/s/ Sam Agresta, M.D.
Sam Agresta, M.D.

July 11, 2019
Date

Exhibit 10.11

December 5th, 2018

Carl Decicco

Dear Carl,

On behalf of Foghorn Therapeutics (the "Company"), I am delighted to offer you employment with the Company. This offer letter (the "Offer Letter") and the accompanying documents and agreements summarize and set forth important terms about your employment with the Company.

1. Starting Date, Position, and Duties.

a. Your initial position shall be **Chief Scientific Officer.** In your role, you shall report to the CEO. We anticipate that your employment shall start on December 10th, 2019 (the "Start Date"). In this key position you shall have responsibility for driving the scientific direction of the Company. In your role you are expected to build and supervise a team to execute against objectives and to develop and manage processes and systems to support these functions. It is understood that you will be employed by the Company in such capacity or such other capacity as may be mutually agreed upon by the Company and you from time to time. As a member of our team, we expect you to devote all of your professional and working time and energies to the business and affairs of the Company. You shall not engage in non-Company related business activities (including board memberships and academic appointments) without Company's prior written consent, provided that any such consented- to services do not interfere with the performance of your duties hereunder, do not compete with Company, and do not otherwise violate the provisions of your Confidentiality Agreement (as described below); and (ii) upon your request in advance of same, Company in its sole discretion may provide you with written consent to serve on other boards or committees (provided, again, that such consented-to services do not interfere with the performance of your duties hereunder, compete with Company, or otherwise breach the provisions of your Confidentiality Agreement (as described below).

b. As is generally true for Company employees, you shall be employed on an at- will basis, which means that neither you nor the Company are guaranteeing this employment relationship for any specific period of time. Either of us may choose to end the employment relationship at any time, for any reason, with or without notice. If any benefit is subject to a benefit plan, the terms of that plan shall control. Other than the terms of this Offer Letter, the Company reserves the right to alter, supplement or rescind its employment procedures, benefits or policies (other than the employment at-will policy) at any time in its sole and absolute discretion and without notice.

2. Compensation. During your employment hereunder, as compensation for all services performed for the Company and its affiliates, the Company will provide you with the following compensation and benefits:

a. Salary. Your initial base pay shall be at a rate of $400,000 on an annualized basis, minus customary deductions for federal and state taxes and the like, and payable in accordance with the Company's normal payroll practices.

b. Signing Bonus. In the first company pay cycle following your Start Date, you shall receive a one time signing bonus in the amount of $85,000, less required deductions for federal and state taxes and other applicable withholdings. If, prior to the one-year anniversary of your Start Date, you voluntary terminate your employment not following a "Resignation for Good Reason" (as defined below) or your employment is terminated by the Company for "Cause" (as defined below) such bonus is subject to repayment in full.

c. Annual Performance Bonus. You shall be eligible to receive an annual bonus of up to 40% of your base salary, payable upon the achievement, as determined by the Board of Directors of the Company (the "Board") in its sole discretion, of specific milestones to be mutually agreed in writing. The annual bonus shall be paid to you no later than March 15th of the calendar year immediately following the calendar year in which it was earned. You must be employed by the Company on the last day of the calendar year to which a bonus relates in order to be eligible for and have earned the annual bonus.

d. Equity Grants. Subject to the terms and conditions of this Section 2.c. and any applicable policies and agreements (including but not limited to the "Equity Plan" and "Equity Agreements" described below), you shall be eligible for the following grant:

i. **Option Grant.** Provided you commence employment with the Company on or before December 10th, 2019, subject to the approval of the Board, you will be granted an option to purchase 866,500 shares of common stock of the company at an exercise price equal to the fair market value of the stock on the date of the grant as determined by the Board. This stock option shall vest 25% on the first anniversary of the grant date, and the remaining 75% of the stock option shall vest on a quarterly basis on the first day of each calendar quarter for the 12 quarters thereafter, subject to your continued employment with the Company.

ii. **Terms and Conditions.** In all respects, the stock option described in this Section 2 shall be governed by the 2016 Equity Incentive Plan (the "Equity Plan") and an applicable Stock Option Agreement (as applicable, an "Equity Agreement") executed by you pursuant thereto. The stock option described in this Section 2 shall be, to the maximum extent permissible, treated as "incentive stock options" within the meaning of Section 422 of the Internal Revenue Code and the rules and regulations thereunder.

iii. **Accelerated Vesting.** If you are subject to an Involuntary Termination (as defined below) outside of a CIC Period (as defined below), then the vesting and, if applicable, the exercisability of each of your outstanding equity-based awards under the Equity Plan or any additional equity- based plan

maintained by the Company or any applicable successor plans thereto shall be partially accelerated such that the number of shares subject to each such equity-based award that would have vested during the 12 month period following your Separation (as defined below) (or, in the case of an equity-based award in which vesting of the shares is subject to the achievement of a performance-based condition, then 25% of the shares subject to such equity-based award) shall remain outstanding and eligible to vest and be vested and, if applicable, exercisable as of the effective date of the Release (as defined below). In addition, if you are subject to an Involuntary Termination during the CIC Period , then all of your then-unvested equity-based awards under the Equity Plan shall remain outstanding and eligible to vest and be fully accelerated and, if applicable, exercisable as of the effective date of the Release.

e. Benefits. You shall be eligible to participate in the Company's benefit plans to the same extent as, and subject to the same terms, conditions and limitations applicable to, other Company employees of similar rank and tenure. Summaries of each of the Company's benefit plans are available to you. These benefits may be modified, changed or eliminated from time to time at the sole discretion of the Company, and the provision of such benefits does not change your status as an at-will employee. Where a particular benefit is subject to a formal plan (for example, medical insurance or life insurance), eligibility to participate in and receive any particular benefit is governed solely by the applicable plan document.

f. Travel and Lodging Allowance. The Company shall provide you with an allowance of $5,000 per month ($60,000 in total) for reasonable travel expenses related to your commute between your home location in Pennsylvania and the Company's office location in Cambridge, MA, and for reasonable lodging expenses in the Cambridge, MA vicinity.

g. Expense Reimbursement. The Company shall reimburse you for all ordinary and reasonable out-of-pocket business expenses incurred in furtherance of the Company's business in accordance with the Company's policies with respect thereto as in effect from time to time. You must submit any request for reimbursement no later than ninety (90) days following the date that such business expense is incurred. All reimbursements hereunder shall be made or provided in accordance with the requirements of Section 409A ("Section 409A") of the Internal Revenue Code and the rules and regulations thereunder (the "Code") including, where applicable, the requirement that: (i) any reimbursement is for expenses incurred during your lifetime (or during a shorter period of time specified in this Offer Letter); (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year; (iii) the reimbursement of an eligible expense shall be made no later than the last day of the calendar year following the year in which the expense is incurred; and (iv) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit.

3. Severance Benefit upon Termination without Cause Following Change of Control.

a. Notwithstanding the at-will nature of the parties' relationship, should you be subject to an Involuntary Termination, then conditioned upon your timely execution and non-revocation of a separation agreement containing a release of claims and other customary terms in the form provided by the Company (the "Release") and compliance with your Confidentiality Agreement described below then: (i) the Company shall provide you with a payment in an amount equal to (A) 9 months of your then current base salary plus (B) the amount of any bonus previously awarded to you by the Board with respect to any calendar year concluded prior to the date of termination that remains unpaid as of the date of termination, payable, in each case ((A) and (B)), in the form of salary continuation over the 9 month period following the date of separation, commencing on the first regular Company payday that is at least 5 business days following the effective date of the Release; (ii) (x) if the Company is subject to the Consolidated Omnibus Budget Reconciliation Act ("COBRA") or similar state law, (y) the premium subsidy described below is not illegal or discriminatory under the Code, the Patient Protection and Affordable Care Act or the Health Care and Education Reconciliation Act, and (z) if you properly elect to receive benefits under COBRA, then the Company shall provide you with 9 months of your COBRA premiums at the Company's normal rate of contribution for employees for your coverage at the level in effect immediately prior to your termination; and (iii) subject to the terms and conditions of the Equity Plan and Equity Agreements, any portion of any stock option granted to you that remains outstanding as of the date of separation and that has vested as of such date (or that vests in accordance with the provisions of Section 2(c)(iii) shall remain outstanding and exercisable for a period of 3 months following the Separation Date or, if earlier, the normal 10-year expiration date of such stock options.

b. For purposes of this offer letter, **"Cause"** means any one or more of the following actions: (i) your material breach of the terms of this Offer Letter or your breach of the terms of the Confidentiality Agreement; (ii) your material dishonesty, willful misconduct, gross negligence, or reckless conduct in each case, if such conduct is in connection with the performance of your services to the Company or any of its affiliates; (iii) your commission of an act of fraud, theft, misappropriation or embezzlement that is, in each case, materially injurious to the Company or an of its affiliates; (iv) your indictment of, or pleading nolo contendere to, any crime involving moral turpitude or any felony; or (v) your material violation of a Company policy that had been previously provided to you in writing or your willful refusal to perform, or substantial negligence in the performance of, your assigned duties to the Company or any of its affiliates (other than as a result of your mental or physical impairment). For purpose of clauses (i), (ii), (iii), and (v), "Cause" will only exist if: (1) the Company delivered to you a written description of the events or conditions giving rise to your termination for Cause; and (2) if curable, you have been given at least 15 days to cure such events or conditions and you fail to cure such events or conditions within such time period given.

c. For purposes of this offer letter, "Change of Control" means: (i) any "Person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "Beneficial Owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the total voting power represented by the Company's then outstanding voting securities (excluding for this purpose any such voting securities held by the Company or its Affiliates or by any employee benefit plan of the Company) pursuant to a transaction or a series of related transactions which the Board does not approve; or (ii) a merger or consolidation of the Company whether or not approved by the Board, other than a merger or

consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or the parent of such corporation) more than 50% of the total voting power represented by the voting securities of the Company or such surviving entity or parent of such corporation, as the case may be, outstanding immediately after such merger or consolidation; or (iii) the sale or disposition by the Company of all or substantially all of the Company's assets in a transaction requiring stockholder approval; notwithstanding the foregoing, no transaction or series of transactions shall constitute a Change of Control unless such transaction or series of transactions constitutes a "change in control event" within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(i).

d. For purposes of this offer letter, **"CIC Period"** means the period commencing on the date that is three months prior to the date on which a Change of Control occurs and ending on the date that is 12 months following such occurrence.

e. For purposes of this offer letter, **"Involuntary Termination"** means either (a) your Termination Without Cause or (b) your Resignation for Good Reason.

f. For purposes of this offer letter, **"Resignation for Good Reason"** means a Separation as a result of your resignation within 180 days after one of the following conditions has come into existence without your consent:

- **i.** A reduction in your base salary other than in connection with an across-the-board reduction effecting all similarly situated executives of the Company;
- **ii.** A material diminution of your title, authority, duties or responsibilities; or
- **iii.** A material breach of this agreement by Company; or
- **iv.** A relocation of your principal workplace by more than 50 miles.

A Resignation for Good Reason will not be deemed to have occurred unless you give the Company written notice of the condition within 90 days after the condition comes into existence and the Company fails to remedy the condition within 30 days after receiving your written notice.

g. For purposes of this offer letter, **"Separation"** means a "separation from service," as defined in the regulations under Section 409A of the Code.

h. For purposes of this offer letter **"Termination Without Cause"** means a Separation as a result of a termination of your employment by the Company without Cause (and not as a result of your death or disability), provided you are willing and able to continue performing services within the meaning of Treasury Regulation 1.409A-l(n)(l).

i. Any severance payments paid under this Section 3 shall commence within 60 days after the date of termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the severance payments begin to be paid in the second calendar year by the last day of such 60-day period; provided, further, that the initial payment shall

include a catch-up payment to cover amounts retroactive to the day immediately following the date of termination. Each payment pursuant to this Offer Letter is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

j. Should you voluntarily terminate your employment for any reason (other than for Good Reason) or should your employment be terminated for Cause (whether before or after a Change of Control) or as a result of your death or disability, then you shall not be entitled to any severance payments described herein. Nothing in this Section 3 shall alter your status as an at-will employee.

k. Vesting in the Event of a Change of Control or Death. Notwithstanding anything to the contrary hereunder or in the Equity Plan or an applicable Equity Agreement, in the event of a Change of Control or your death, then you (or your estate, as applicable) automatically shall vest in all of the then-unvested shares subject to the equity awards under the Plan as of the date of the consummation of such Change of Control or the date of death, as applicable.

4. Certification. By signing this Offer Letter, you are certifying to the Company that: (a) your employment with the Company does not and shall not require you to breach any agreement entered into by you prior to employment with the Company (i.e., you have not entered into any agreements with previous employers that are in conflict with your obligations to the Company); (b) to the extent you are subject to restrictive agreements with any prior employer that may affect your employment with the Company, you have provided us with a copy of that agreement; (c) your employment with the Company does not violate any order, judgment or injunction applicable to you, and you have provided the Company with a copy of any such order, judgment, or injunction; and (d) all facts you have presented to the Company are accurate and true, including all statements made to the Company pertaining to your education, training, qualifications, licensing and prior work experience on any job application, resume or c.v., or in any interview. Please understand that the Company does not want you to disclose any confidential information belonging to a previous employer or to incorporate the proprietary information of any previous employer into the Company's proprietary information and expects that you shall abide by restrictive covenants to prior employers.

5. Required 1-9 Documentation. Your employment with the Company is conditioned on your eligibility to work in the United States. For purposes of completing the INS 1-9 form, you must provide us sufficient documentation to demonstrate your identity and eligibility to work in the United States on or before your first day of employment.

6. Confidentiality and Other Obligations. As part of your employment with the Company, you shall be exposed to, and provided with, valuable confidential and trade secret information concerning the Company and its present and prospective clients. As a result, in order to protect the Company's legitimate business interests, you agree, as a condition of your employment, to enter into the enclosed Employee Non-Competition Agreement (the "Non-Compete Agreement") and the Employee Non-Solicitation, Confidentiality and Assignment of Inventions Agreement (the "Confidentiality Agreement"). You must sign and return the Confidentiality Agreement before beginning your employment with the Company. The Non-Compete Agreement must be signed after you have had the requisite ten business days to review.

7. Section 409A and 280G of the Code.

a. Notwithstanding any other provision of this Offer Letter to the contrary, if any amount (including imputed income) to be paid to you pursuant to this Offer Letter as a result of your termination of employment is "deferred compensation" subject to Section 409A of the Code, and if you are a "Specified Employee" (as defined under Section 409A of the Code) as of the date of your termination of employment hereunder, then, to the extent necessary to avoid the imposition of excise taxes or other penalties under Section 409A of the Code, the payment of benefits, if any, scheduled to be paid by the Company to you hereunder during the first 6-month period following the date of a termination of employment hereunder shall not be paid until the date which is the first business day after six (6) months have elapsed since your termination of employment for any reason other than death. Any deferred compensation payments delayed in accordance with the terms of this Section 6.a. shall be paid in a lump sum after 6-months have elapsed since your termination of employment. Any other payments shall be made according to the schedule provided for herein.

b. If any of the benefits set forth in this Offer Letter are "deferred compensation" under Section 409A of the Code, any termination of employment triggering payment of such benefits must constitute a "separation from service" under Section 409A of the Code before distribution of such benefits can commence. To the extent that the termination of your employment does not constitute a "separation from service" under Section 409A of the Code (as the result of further services that are reasonably anticipated to be provided by you to the Company at the time your employment terminates), any benefits payable under this Offer Letter that constitute "deferred compensation" under Section 409A of the Code shall be delayed until after the date of a subsequent event constituting a "separation from service" under Section 409A of the Code. For purposes of clarification, this Section 6.b. shall not cause any forfeiture of benefits on your part, but shall only act as a delay until such time as a "separation from service" occurs.

c. It is intended that each installment of the payments and benefits provided under this Offer Letter shall be treated as a separate "payment" for purposes of Section 409A of the Code. Neither the Company nor you shall have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Section 409A of the Code.

d. This Offer Letter shall be interpreted and at all times administered in a manner that avoids the inclusion of compensation in income under Section 409A of the Code. Any provision inconsistent with Section 409A of the Code shall be read out of the Offer Letter. For purposes of clarification, this Section 6.d. shall be a rule of construction and interpretation and nothing in this Section 6.d. shall cause a forfeiture of benefits on the part of you. You acknowledge and agree that the Company does not guarantee the tax treatment or tax consequences associated with any payment or benefit arising under this Offer Letter, including but not limited to consequences related to Section 409A of the Code.

e. If any payment or benefit you would receive under this Offer Letter, when combined with any other payment or benefit you receive pursuant to a Change of Control (for purposes of this section, a "Payment") would: (i) constitute a "parachute payment" within the meaning of Section 280G the Code; and (ii) but for this sentence, be subject to the excise tax

imposed by Section 4999 of the Code (the "Excise Tax"), then such Payment shall be either: (A) the full amount of such Payment; or (B) such lesser amount as would result in no portion of the Payment being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local employments taxes, income taxes and the Excise Tax, results in your receipt, on an after-tax basis, of the greater amount of the Payment notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. With respect to subsection (B), if there is more than one method of reducing the payment as would result in no portion of the Payment being subject to the Excise Tax, then you shall determine which method shall be followed, provided that if you fail to make such determination within five (5) days after Company has sent you written notice of the need for such reduction, Company may determine the amount of such reduction in its sole discretion.

8. General. This Offer Letter, together with the Confidentiality Agreement and the restricted stock and option agreements and any other agreements specifically referred to herein, embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof, and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. The terms and provisions of this Offer Letter may be modified or amended only by written agreement executed by the parties hereto, and may be waived (or consent for the departure there from granted) only by a written document executed by the party entitled to the benefits of such terms or provisions. The Company may assign its rights and obligations hereunder to any person or entity that succeeds to all or substantially all of the Company's business. You may not assign your rights and obligations hereunder without the prior written consent of the Company and any such attempted assignment by you without the prior written consent of the Company shall be void. This Offer Letter and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the internal law of Massachusetts, without giving effect to the conflict of law principles of any jurisdiction. By accepting this offer of employment, you agree that any action, demand, claim or counterclaim in connection with any aspect of your employment with the Company, or any separation of employment (whether voluntary or involuntary) from the Company, shall be brought in the courts of Massachusetts or of the United States of America for the District of Massachusetts, and shall be resolved by a judge alone, and you waive and forever renounce your right to a trial before a civil jury.

9. Indemnification. The Company shall indemnify and hold you harmless for any liability, including reasonable attorneys1 fees and costs, incurred by reason of any act or omission by you in your capacity as an employee and/or officer of the Company to the extent permitted by the Company's certificate of incorporation, as amended.

This offer shall remain open, unless sooner revoked by the Company, through XX 2018. Please acknowledge acceptance of this employment offer by signing and dating below. Keep one copy for your files and return one executed copy to me.

We greatly look forward to having you on the team.

Very truly yours,

Foghorn Therapeutics

By: /s/ Adrian Gottschalk
Adrian Gottschalk, CEO

Agreed and Agreed to:

/s/ Carl Decicco
Carl Decicco

December 10, 2018
Date

Exhibit 21.1

Subsidiary	Location
Foghorn Securities Corporation	Massachusetts