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

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2017

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____.

Commission File Number 001-37998

JOUNCE THERAPEUTICS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**45-4870634**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
780 Memorial Drive Cambridge, Massachusetts	**02139**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (857) 259-3840

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Name of each exchange on which registered**
Common Stock, $0.001 par value per share	**Nasdaq Global Select Market**

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See 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	☒ (Do not check if a smaller reporting company)	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 13(a) of the Exchange Act. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of June 30, 2017, the last day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the registrant's Common Stock held by non-affiliates of the registrant was approximately $158,864,650, based upon the closing price of the registrant's Common Stock on June 30, 2017.

As of February 28, 2018, there were 32,391,531 shares of common stock, $0.001 par value per share, outstanding.

Documents Incorporated by Reference

Portions of the registrant's Definitive Proxy Statement on Schedule 14A relating to its 2018 Annual Meeting of Stockholders to be filed within 120 days of the end of the registrant's fiscal year ended December 31, 2017 are incorporated by reference into Part III of this Annual Report on Form 10-K to the extent stated herein.

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References to Jounce

Throughout this Annual Report on Form 10-K, the "Company," "Jounce," "Jounce Therapeutics," "we," "us," and "our," except where the context requires otherwise, refers to Jounce Therapeutics, Inc. and its consolidated subsidiary, and "our board of directors" refers to the board of directors of Jounce Therapeutics, Inc.

Cautionary Note Regarding Forward-Looking Statements and Industry Data

This Annual Report on Form 10-K contains forward-looking statements that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this Annual Report on Form 10-K, including statements regarding our strategy, future operations, future financial position, future revenue, projected costs, prospects, plans, objectives of management and expected market growth, are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

The words "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "predict," "project," "would", "will," "target", "goal", "could," "should, "potential," "continue" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These forward-looking statements include, among other things, statements about:

- the timing, progress, and results of preclinical studies and clinical trials for JTX-2011, JTX-4014 and any product candidates we may develop, including statements regarding the timing of initiation and completion of studies or trials and related preparatory work, the period during which the results of the trials will become available, and our research and development programs;
- the timing, scope, or likelihood of regulatory filings and approvals, including, as applicable, timing of our Investigational New Drug Application for, Biologics License Application filing for, and final Food and Drug Administration approval of JTX-2011, JTX-4014 and any product candidates we may develop;
- our ability to use our Translational Science Platform to identify targets for future product candidates and to match immunotherapies to select patient subsets;
- our ability to identify, develop and advance any future product candidates into, and successfully complete, clinical studies;
- our ability to develop combination therapies, whether on our own or in collaboration with Celgene Corporation, or Celgene, and other third parties, for JTX-2011 and JTX-4014;
- our expectations regarding the size of the patient populations for JTX-2011 and JTX-4014, if approved for commercial use, and any product candidates we may develop;
- our commercialization and marketing capabilities and strategy;
- the pricing and reimbursement of JTX-2011, JTX-4014 and any product candidates we may develop, if approved;
- the implementation of our business model and our strategic plans for our business, JTX-2011, JTX-4014 and any product candidates we may develop, and our technology;
- our ability to develop and commercialize a companion diagnostic or complementary diagnostic for JTX-2011, JTX-4014 and any product candidates we may develop;
- the rate and degree of market acceptance and clinical utility of JTX-2011, JTX-4014 and any product candidates we may develop;
- the potential benefits of and our ability to maintain our collaboration with Celgene, and establish or maintain future collaborations or strategic relationships or obtain additional funding;
- our ability to retain the continued service of our key professionals and to identify, hire and retain additional qualified professionals;
- our intellectual property position, including the scope of protection we are able to establish and maintain for intellectual property rights covering JTX-2011, JTX-4014 and any product candidates we may develop, and our ability not to infringe, misappropriate or otherwise violate any third-party intellectual property rights;

- our competitive position, and developments and projections relating to our competitors and our industry;
- our estimates regarding expenses, future revenue, capital requirements and needs for additional financing;
- the impact of laws and regulations; and
- our expectations regarding the time during which we will be an emerging growth company under the JOBS Act.

There are a number of important risks and uncertainties that could cause our actual results to differ materially from those indicated by forward-looking statements. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. We have included important factors in the cautionary statements included in this Annual Report on Form 10-K, particularly in the section entitled “Risk Factors” in Part I, Item 1A that could cause actual results or events to differ materially from the forward-looking statements that we make. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments that we may make.

You should read this Annual Report on Form 10-K and the documents that we have filed as exhibits to this Annual Report on Form 10-K completely and with the understanding that our actual future results may be materially different from what we expect. The forward-looking statements contained in this Annual Report on Form 10-K are made as of the date of this Annual Report on Form 10-K, and we do not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

This Annual Report on Form 10-K includes industry and market data, which we obtained from our own internal estimates and research, as well as from industry and general publications and research, surveys, and studies conducted by third parties. Industry publications, studies, and surveys generally state that they have been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. While we believe that each of these studies and publications is reliable, we have not independently verified market and industry data from third-party sources. While we believe our internal company research is reliable and the market definitions are appropriate, neither such research nor these definitions have been verified by any independent source.

Website and Social Media Disclosure

From time to time, we may use our website (www.jouncetx.com), investor and media relations website (http://ir.jouncetx.com/phoenix.zhtml?c=254289&p=irol-irhome), Facebook page (https://www.facebook.com/jouncetx), LinkedIn page (https://www.linkedin.com/company/3494537/) and Twitter feed (https://twitter.com/JounceTx) as channels for the distribution of information. The information we post through these channels may be deemed material. Accordingly, investors should monitor these channels, in addition to following our press releases, Securities and Exchange Commission filings and public conference calls and webcasts. The contents of our website and social media channels are not, however, a part of this report.

PART I

Item 1. Business

Overview

We are a clinical stage immunotherapy company dedicated to transforming the treatment of cancer by developing therapies that enable the immune system to attack tumors and provide long-lasting benefits to patients. We have developed a suite of integrated technologies that comprise our Translational Science Platform, enabling us to comprehensively interrogate the cellular and molecular composition of tumors. By focusing on specific cell types, both immune and non-immune, within tumors, we can prioritize targets and then identify related biomarkers designed to match the right therapy to the right patient. Through this deep, scientific understanding of the tumor microenvironment, or TME, our goal is to effectively and efficiently identify and develop new cancer immunotherapies designed to benefit patients with tumors across the spectrum from highly inflamed, or "hot," to poorly inflamed, or "cold," and especially those not well served by current therapies.

Our most advanced product candidate, JTX-2011, is a clinical-stage monoclonal antibody that binds to and activates the **I**nducible T cell **CO-S**timulator, or ICOS, a protein on the surface of certain T cells commonly found in many solid tumors. JTX-2011 is being assessed in an adaptive Phase I/II clinical trial as both a monotherapy and in combination with other therapies, including anti-PD-1 antibodies, to determine whether it can offer a treatment alternative to patients who otherwise lack an effective response to currently approved therapies, and/or whether it can enhance the therapeutic benefit of currently approved therapies. We expect to report preliminary efficacy data from our Phase I/II clinical trial of JTX-2011 in some solid tumors in the second quarter of 2018. Our second development candidate, JTX-4014, is an anti-PD-1 antibody that we are developing for use in combination with potential future product candidates, as we believe that combination therapy has the potential to be a mainstay of cancer immunotherapy. We expect to file an Investigational New Drug, or IND, for JTX-4014 in 2018. In addition, the next development candidate emerging from our Translational Science Platform efforts that focused on tumor-associated macrophages has entered IND enabling activities. Therapies targeting these innate immune cells may have the potential to complement the existing approaches that focus on T cells thereby providing benefit to patients with less-inflamed or colder tumors.

The strategy for all of our product candidates involves a biomarker-driven, adaptive approach to the initial trial design. Early in the development process, we use our Translational Science Platform to identify potential predictive biomarkers to enable us to enrich our trials for a patient population that may be more likely to respond to our immunotherapy. In addition, we can also use characteristics defined by our biomarker efforts to focus on niche indications and/or niche subsets within indications to inform our clinical strategy. By taking this biomarker-driven approach, we believe that we can more efficiently develop cancer immunotherapies and potentially provide greater benefit to patients. We believe that the biomarker results, coordinated to clinical response, will determine the utility of proceeding to the use of a complementary diagnostic and/or companion diagnostic for a given therapy.

Our ability to prioritize targets and potential predictive biomarkers using our Translational Science Platform helped lead to our strategic collaboration with Celgene Corporation, or Celgene. This global strategic collaboration, which included a $225.0 million upfront payment and a $36.1 million equity investment, is primarily focused on co-developing and co-commercializing innovative biologic immunotherapy treatments for patients with cancer. Under the agreement, we granted Celgene exclusive options to develop and commercialize our lead product candidate, JTX-2011, and up to four early-stage programs consisting of targets to be selected from a pool of certain B cell, T regulatory cell and tumor-associated macrophage targets. Additionally, Celgene has an exclusive option to develop and commercialize our product candidate JTX-4014, which, upon exercise of such option, will be a shared program that may be used by both parties within and outside of the collaboration. Under the terms of the agreement, if Celgene exercises all of its options, all programs meet all milestones, including regulatory approvals in the United States and outside the United States, and Celgene extends the initial four-year research term for three additional years, we are eligible to earn up to approximately $2.6 billion in clinical, regulatory, and/or commercialization milestone payments, option-exercise fees and research term extension fees. In addition to progressing collaboration programs, we will continue to use our Translational Science Platform to progress our own programs that are not part of the collaboration and for which we retain worldwide commercial rights.

We have assembled a highly experienced team of experts in immunotherapy to help us leverage our Translational Science Platform to drive the development of our early discovery programs and our product candidates including JTX-2011. In addition, two of our founders, Dr. James Allison and Dr. Padmanee Sharma of the University of Texas MD Anderson Cancer Center, were initially responsible for the translational science behind ICOS. Dr. James Allison played a fundamental role in ushering in the era of checkpoint therapy in general, including contributing to the

understanding of the basic science of CTLA-4 that supported the development of ipilimumab, or Yervoy, a single agent immunotherapy that targets CTLA-4 on certain T cells.

Our Strategy

We aim to build a multi-product company that discovers, develops and commercializes first-in-class and/or best in class novel therapeutics and combination approaches that create options for patients who are less likely to respond to currently approved therapies and/or enhance responses in patients who may have had limited responses to currently approved immunotherapies. Key elements of our strategy include:

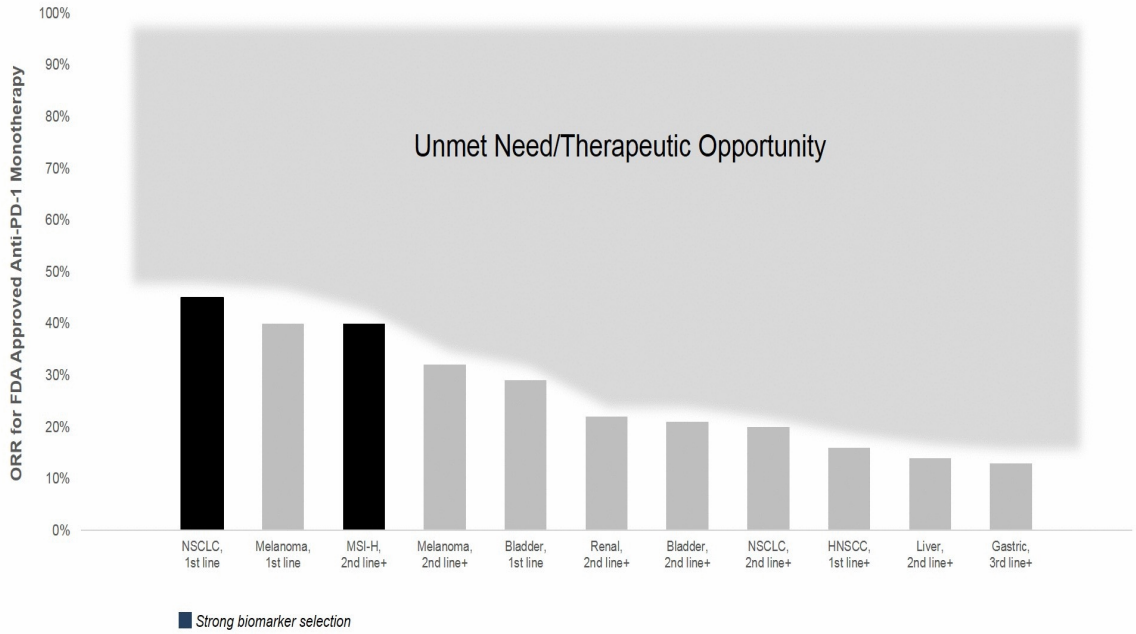
- Aggressively develop our product candidates, and subsequent candidates, using biomarker-driven adaptive trial designs aimed at bringing the right immunotherapy to the right patients;
- Continue our investment in our Translational Science Platform to enhance our deep understanding of the TME, as we look to broaden the benefit of immunotherapy through targeting additional cell types;
- Address the unmet need of cancer patients with tumors unresponsive to T effector cell-directed therapies by focusing our discovery efforts on other cell types within the TME; and
- Expand our pipeline by leveraging our internal discovery platform and/or in-licensing new technologies and methodologies to turn cold tumors into hot tumors to make them more amenable to immunotherapy.

Immuno-Oncology Overview

Historically, cancer treatments have focused on either killing or arresting the proliferation of the tumor cells themselves. However, fundamental work pioneered by one of our founders, Dr. James Allison, led to the discovery of immune cell checkpoint therapy. Immune checkpoint inhibitors show promise in treating various cancers, with two immunotherapies that target the PD-1 receptor on certain T cells—pembrolizumab, marketed as Keytruda, and nivolumab, marketed as Opdivo—now approved in multiple cancer types and across different lines of therapy. The data emerging from clinical studies with these PD-1 checkpoint inhibitors (shown in Figure 1) suggests that:

1. Certain indications, for example melanoma, appear to be more immuno-responsive than others.
2. As these agents move to earlier lines of treatment, response rates increase, however, it is still only a minority of patients who benefit from monotherapy.
3. Response rates may be increased by the use of biomarkers to select patients who may be more likely to benefit from immunotherapies.

Figure 1: Unmet Need/Therapeutic Opportunity



Even with the success of these PD-1 checkpoint inhibitors, there is still a significant unmet need, as can be seen from Figure 1, which shows the Overall Response Rates, or the ORR, in patients treated with either of the approved anti-PD-1 antibody therapies as monotherapy in the indicated cancers. These data also highlight the importance of a biomarker-driven patient-enrichment strategy, like that used for Keytruda, in biomarker-selected first-line non-small cell lung cancer, or NSCLC, subjects and in second line microsatellite-instability-high, or MSI-H, cancer patient populations. Additional highlights of the evolving immunotherapy landscape include longer-lasting responses as compared to chemotherapy and that these longer-lasting responses can be improved with combination therapy.

The interplay between the immune system and cancer is dynamic and as more patients, in an expanded set of indications, are being exposed to cancer immunotherapies we are learning about the factors that may contribute to a lack of response or a failed response. Reasons for resistance to immunotherapy can include a lack of appropriate immune cells in the TME, for example, the absence of T effector cells or the presence of immunosuppressive cells such as tumor associated macrophages or T regulatory cells. In these cases, therapeutic approaches that target other cell types within the TME to convert colder tumors to hot tumors may broaden the applicability of cancer immunotherapies. In addition, a tumor may initially respond to a PD-1/PD-L1 targeted immunotherapy but other immune checkpoints may emerge or acquired resistance to the particular immunotherapy may occur, for example through genetic alterations in key T cell signaling pathways. In these instances, combination therapy approaches that target more than one checkpoint, or more than one mechanism, may be key to maximizing the benefit of cancer immunotherapies. As an example, clinical data demonstrates that the combination of Opdivo with Yervoy, which targets CTLA-4, a different protein receptor, on certain T cells, provides additional benefit to melanoma patients than either therapy alone.

We believe that our Translational Science Platform, which enables both the identification and prioritization of targets across a broad spectrum of immune and non-immune cell types and the identification of potential biomarkers to inform our clinical development strategy, may position us to address multiple pathways and indications, including those that may be important in colder tumors, and to identify the most appropriate indications and most responsive patient populations for our new immunotherapies. By taking this dual approach, we believe we may be able to address areas of unmet need, particularly in the combination setting.

The promise of long-lasting benefit to cancer patients has led to heightened enthusiasm for these types of immunotherapy products and the rapid expansion of the market opportunity. The overall market for immunotherapy is expected to expand over the next five years, with 2023 market size estimates ranging from $37 billion to $58 billion across solid and blood-based tumors according to market reports.

Strategic Alliance with Celgene

In July 2016, we entered into a Master Research and Collaboration Agreement, or the Celgene Collaboration Agreement, with Celgene. The primary goal of the collaboration is to co-develop and co-commercialize innovative biologic immunotherapies that either activate or suppress the immune system by binding to targets identified by leveraging our Translational Science Platform. Under the agreement, we granted Celgene exclusive options to develop and commercialize our lead product candidate, JTX-2011, and up to four early-stage programs consisting of targets to be selected from a pool of certain B cell, T regulatory cell and tumor-associated macrophage targets. Additionally, Celgene has an exclusive option to develop and commercialize our product candidate JTX-4014, which, upon exercise of such option, will be a shared program that may be used by both parties in and outside of the collaboration. Prior to Celgene exercising an option for a program, we are responsible for all research and development activities for that program under the agreement during the collaboration, and subject to all costs and potential liabilities.

Advancement of biologics: For programs that have biologics that meet mutually agreed criteria for suitability for further development, Celgene may elect that program's target (solely with respect to immune activation or immune suppression, as applicable) to be added to the pool of targets for which we may conduct further research subject to the terms of the collaboration. If we continue to conduct research and development for such programs, then such activity will be part of the collaboration. If Celgene does not elect a program that achieves such criteria, then we will retain the rights to such program's targets and biologics and Celgene will not have an option to such program.

Exercise of options and further development of programs: Celgene may extend the initial four-year research term of the collaboration for up to three additional one-year periods upon payment of an extension fee for each additional year. Celgene may exercise its option for a program at any time until the expiration of an option term for that program. For each program, the option term ends 45 to 60 days following Celgene's receipt of a data package that includes certain information relating to the program's research and development activities. The data package for a program may be delivered to Celgene after the applicable development milestone for such program has been achieved. Depending on the program, the applicable development milestone is (i) IND acceptance, (ii) availability of certain Phase Ia data, or (iii) availability of certain Phase I/II data. If Celgene fails to exercise its option during the option term for a program, we will retain the rights to such program. If Celgene exercises its option for a program other than JTX-4014, then we will enter into a co-development and co-commercialization agreement with Celgene for such program in substantially the form attached to the agreement as an exhibit. Under the co-development and co-commercialization agreement for JTX-2011 and one additional program for which Celgene opts in that is not JTX-4014, we will be responsible for leading development and commercialization activities in the United States and Celgene will be responsible for development and commercialization activities outside the United States. For all other additional programs for which Celgene opts in, other than JTX-4014, Celgene will lead development and commercialization activities worldwide. If Celgene exercises its option for JTX-4014, we will enter into a license agreement, in substantially the form attached to the agreement as an exhibit, pursuant to which we will both be able to equally access JTX-4014 for combinations within our portfolios and with other molecules that are subject to the agreement, subject to joint governance. Once Celgene opts in with respect to a given program, Celgene and we must each use commercially reasonable efforts to develop and commercialize the corresponding product in the United States.

Governance: The collaboration is governed by a joint steering committee, or JSC, and a joint patent committee. The JSC may establish additional subcommittees to oversee particular projects or activities. Subject to limitations specified in the agreement, if the applicable governance committee is unable to make a decision by consensus and the parties are unable to resolve the issue through escalation to specified senior executive officers of the parties, then we generally have final decision-making authority over research and development matters for programs prior to Celgene's exercise of its option to such program. If Celgene exercises its option for a program, final decision-making authority for that program is specified in the applicable co-development and co-commercialization agreement or license agreement.

Exclusivity: During the collaboration's research term (i.e., for four years plus up to three one-year extensions that Celgene may elect), we may not alone, or with a third party, research, develop, manufacture or commercialize a biologic that binds to a defined pool of B cell, T regulatory cell or tumor-associated macrophage targets that meet certain criteria, termed an exclusive target, and inhibit, activate or otherwise modulate the activity of such exclusive target. In addition, if Celgene exercises its option for a program within the collaboration other than JTX-4014, then until termination or expiration of the applicable co-development and co-commercialization agreement for such program, we may not directly or indirectly research, develop, manufacture or commercialize, outside of the collaboration, any biologic with specified activity against that program's collaboration target.

Financial terms: Under the terms of the agreements, we received a $225.0 million upfront cash payment and $36.1 million from the sale of 10,448,100 shares of our Series B-1 convertible preferred stock to Celgene, which shares converted into 2,831,463 shares of common stock upon the closing of our initial public offering. If Celgene exercises any of its options, then Celgene will pay us an option-exercise fee, the parties will enter into a co-development and co-commercialization agreement or a license agreement that governs the development and commercialization of the applicable program, and we will then split future development and commercialization costs with Celgene in accordance with such agreement. Additionally, under the terms of the agreement, if Celgene exercises all of its options, all programs meet all milestones, including regulatory approvals in the United States and outside the United States, and Celgene extends the initial four-year research term for three additional years, we are eligible to earn up to approximately $2.6 billion in clinical, regulatory, and/or commercialization milestone payments, option-exercise fees and research term extension fees.

The development milestones are payable on initiation of certain clinical trials and range from $32.5 million to $105.0 million, per program, with an aggregate total of $290.0 million. The regulatory approval milestones are payable upon regulatory approval in the United States and outside the United States and range from $7.5 million to $50.0 million per milestone, with an aggregate total of $700.0 million. The commercial milestones are payable upon achievement of specified aggregate product sales outside the United States for each program and range from $40.0 million to $200.0 million per milestone, with an aggregate total of $1.270 billion. We are also eligible to receive royalties on product sales outside the United States ranging from high single digit to mid-teen royalties. As of December 31, 2017, we had not received any option exercise, research term extension, milestone or royalty payments under the Celgene Collaboration Agreement.

Profit sharing, cost sharing and commercialization rights for products: If Celgene exercises its option for a program, then we will share with Celgene the U.S. profits or losses on such collaboration program as follows:

- We will retain 60 percent of the U.S. operating profits or losses arising from commercialization of JTX-2011, with 40 percent allocated to Celgene.
- We will retain 25 percent of the U.S. operating profits or losses arising from commercialization of the first program, other than JTX-2011 or JTX-4014, for which an IND application is filed under the collaboration, with 75 percent allocated to Celgene. Celgene has a one-time right to substitute and swap the economics and governance of this program with that of another program for which it exercises an option (other than JTX-2011 and JTX-4014).
- We and Celgene will equally share U.S. operating profits or losses arising from commercialization of up to three additional programs (other than JTX-2011 or JTX-4014).
- We and Celgene will share all development costs, other than for JTX-4014, in accordance with the applicable co-development and co-commercialization agreement.

If Celgene exercises its option for a program other than JTX-4014, we will enter into a co-development and co-commercialization agreement, pursuant to which Celgene will have the exclusive right to develop and commercialize the products arising out of such collaboration program outside of the United States, and we will be eligible to receive tiered royalties ranging from a high single digit to mid-teen percentage rate on net product sales outside of the United States. Under each co-development and co-commercialization agreement, we will also have the right to opt out of profit sharing in the United States and instead receive milestones and royalties.

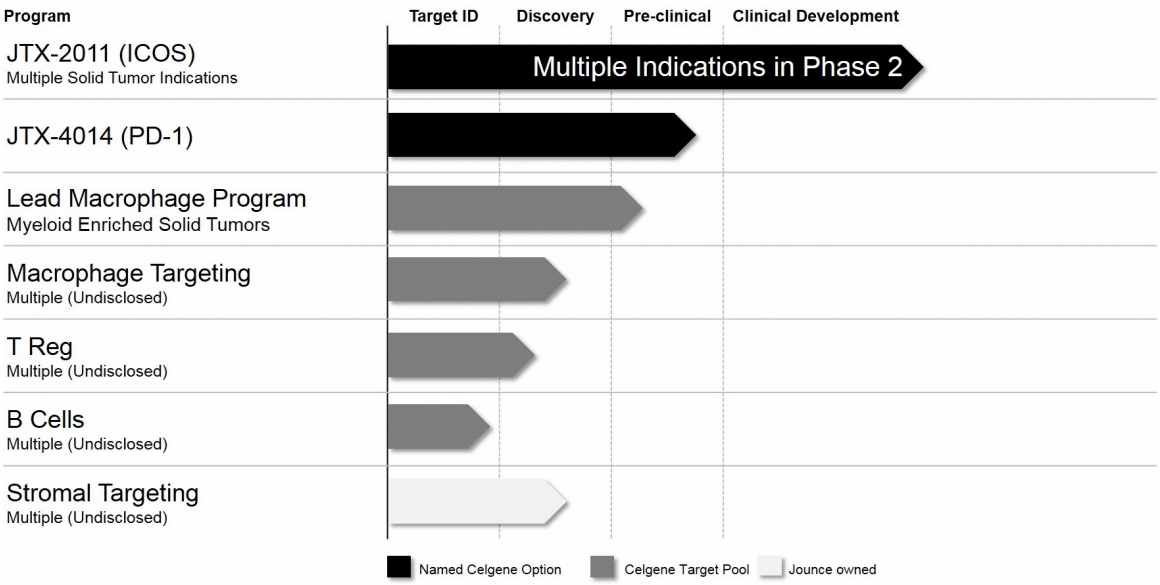
Furthermore, if Celgene exercises its option for JTX-4014, we will enter into a license agreement, pursuant to which Celgene and we will each have equal rights to develop and commercialize JTX-4014 in combination with other proprietary molecules in their or our respective pipelines or in combination with products arising out of collaboration programs. Subject to terms specified in the license agreement for JTX-4014, the party owning the proprietary molecule that is combined with JTX-4014, if such molecule does not arise from a collaboration program with Celgene, will be solely responsible for all development and commercialization costs related to such combination. If JTX-4014 is combined with a product arising from a collaboration program, then the parties will share costs and, if co-packaged or co-formulated, profits or losses in accordance with the co-development and co-commercialization agreement for such other product.

Intellectual Property: We and Celgene will jointly own any intellectual property that is generated or invented by both parties pursuant to the activities conducted under the collaboration agreement. If Celgene exercises its option for a program, each party will also grant the other party exclusive or co-exclusive licenses, with rights to grant sublicenses, under certain of each party's intellectual property rights, determined by the nature of the program and the licensed territory.

Termination: At any point during the collaboration agreement, including during the research, development and clinical trial process, or during the term of the applicable co-development and co-commercialization or license agreement, respectively, Celgene can terminate the applicable agreement with us in its entirety, or with respect to any program under the collaboration agreement, upon 120 days' notice and can terminate the entire agreement with us in connection with a material breach of the agreement by us that remains uncured for 90 days.

Our Product Pipeline

We are developing a pipeline of immunotherapies that we believe will provide a meaningful and long-lasting benefit to cancer patients. We plan to develop each of these as a single agent and/or in combination with other therapies, as applicable. The following table depicts our current pipeline:



Lead Program JTX-2011: an Anti-ICOS Monoclonal Antibody Immunotherapy

Our lead product candidate, JTX-2011 is in clinical development in an adaptive Phase I/II clinical trial which we refer to as ICONIC. Currently, this is an open label, dose escalation and expansion trial of JTX-2011 alone or in combination with a fixed dose of nivolumab in subjects with advanced solid tumors who have failed all available therapies and have no standard options. The monotherapy and combination with nivolumab Phase II portions of the trial were initiated in April and July of 2017, respectively.

JTX-2011 is a monoclonal antibody that binds to and activates ICOS, a protein on the surface of certain T cells. JTX-2011 was designed with a human IgG1 Fc portion, which we believe contributes to a dual mechanism of action whereby JTX-2011 amplifies an immune response in T effector cells, or "good" T cells, while preferentially reducing the number of T regulatory cells, or "bad" T cells, within a tumor.

Preclinical data suggest that, through its dual mechanism of action, JTX-2011 has the potential to act as a monotherapy that may offer treatment alternatives to patients who otherwise lack an effective response to currently approved therapies.

The initial data on the safety, pharmacokinetic, or PK, and pharmacodynamics, or PD, from the Phase I portion of ICONIC, comprised of data from patients with any relapsed or refractory advanced solid cancers with no biomarker enrichment, was presented in June 2017 at the American Society of Clinical Oncology, or ASCO, annual meeting. Patients in the Phase I portion of ICONIC were heavily pre-treated, with a median of four prior therapies. The safety data were consistent with studies of approved PD-1 inhibitors in similar patients and the human PK and PD data were consistent with the model that was developed based on preclinical requirements for efficacy.

Based on preclinical data in mouse tumor models that suggested a correlation between a higher percentage of ICOS-expressing immune cells in the tumor and response to monotherapy ICOS agonist antibody, the Phase II portion of ICONIC is composed of disease-specific cohorts in certain tumor types that appear to have higher percentage of ICOS-expressing immune cells within the tumor. The JTX-2011 monotherapy cohorts include NSCLC, head and neck squamous cell cancer, or HNSCC, and gastric cancer and the adaptive nature of the trial allows for the addition of new tumor types identified through our Translational Science Platform.

The inducible nature of the ICOS target which can be upregulated on T cells following exposure to multiple agents, including anti-PD-1 antibodies, offers the potential to combine treatment of JTX-2011 with a PD-1 inhibitor. Patients with NSCLC, HNSCC, triple negative breast cancer, or TNBC, melanoma, and gastric cancer, as well as additional tumor types identified through our Translational Science Platform, are included in the Phase II combination therapy cohorts with the anti-PD-1 antibody, nivolumab.

Patients in both the monotherapy and combination cohorts with tumors for which a PD-1 or PD-L1 inhibitor is approved must have had progressive disease on or after treatment with a PD-1 or PD-L1 inhibitor. These tumor types include NSCLC, HNSCC, melanoma and gastric cancer. Our gastric cancer combination cohort of the Phase II portion of ICONIC commenced in July 2017, prior to approval of Keytruda for gastric cancer. Therefore, our gastric cohorts include PD-1 and PD-L1 inhibitor naive patients as well as patients who have failed a prior PD-1 inhibitor.

In both the monotherapy and combination tumor-specific cohorts, the patients with relapsed or refractory solid cancers, who are heavily pre-treated, are stratified based on ICOS levels, as determined by immunohistochemistry. In certain cohorts, ICOS levels are analyzed for each patient using archival tumor and the number of patients with ICOS low tumors enrolled in each cohort is limited. Enrollment in each cohort continues until sufficient patients with ICOS high tumors are enrolled, based on a fresh pre-treatment biopsy. Additional potential predictive biomarkers, including an ICOS gene signature, will also be evaluated for their utility in identifying patients who may be more likely to respond to JTX-2011 therapy.

The Phase II combination cohorts of JTX-2011 and nivolumab in gastric cancer and TNBC have met their enrollment targets, and we expect to report overall safety and preliminary efficacy data from these cohorts, plus complementary data from the Phase II JTX-2011 monotherapy cohort in gastric cancer and additional patients with these tumor types enrolled in Phase I in the second quarter of 2018.

Although our initial combination cohorts of the ICONIC trial focus on the combination of JTX-2011 with an anti-PD-1 antibody, nivolumab, the ability of other agents to induce ICOS upregulation on T cells, including anti-PD-1 antibodies, anti-PD-L1 antibodies, anti-CTLA-4 antibodies and cancer vaccines such as GVAX, PROSTVAC, and Mammaglobin-A, offers the potential for combinations with JTX-2011. In addition to continuing to investigate JTX-2011 in combination with nivolumab, we plan to initiate new dose-escalation cohorts of JTX-2011 in combination with the approved CTLA-4 inhibitor, ipilimumab, within the ICONIC trial in 2018. We believe this inducible nature of ICOS to be a cornerstone of our strategy in combination trials. By combining with other approved therapies, JTX-2011 may provide the potential to maximize the benefit of immunotherapeutic approaches across a broad spectrum of indications.

JTX-4014: An Anti-PD-1 Antibody for Combination Therapy

Combination therapy aimed at multiple targets has become an important element of immunotherapy development efforts with the goal of creating even better, long-lasting responses. PD-1 checkpoint inhibitors are anticipated to play a key role in combination therapies. For this reason, we are developing our own anti-PD-1 antagonist antibody, JTX-4014, for use in combinations with potential future product candidates.

We expect to file an IND for JTX-4014 in 2018 and, assuming continued successful development, JTX-4014 will be evaluated as a monotherapy prior to moving into combination settings where we anticipate JTX-4014 will provide us flexibility to optimize potential combination therapy approaches.

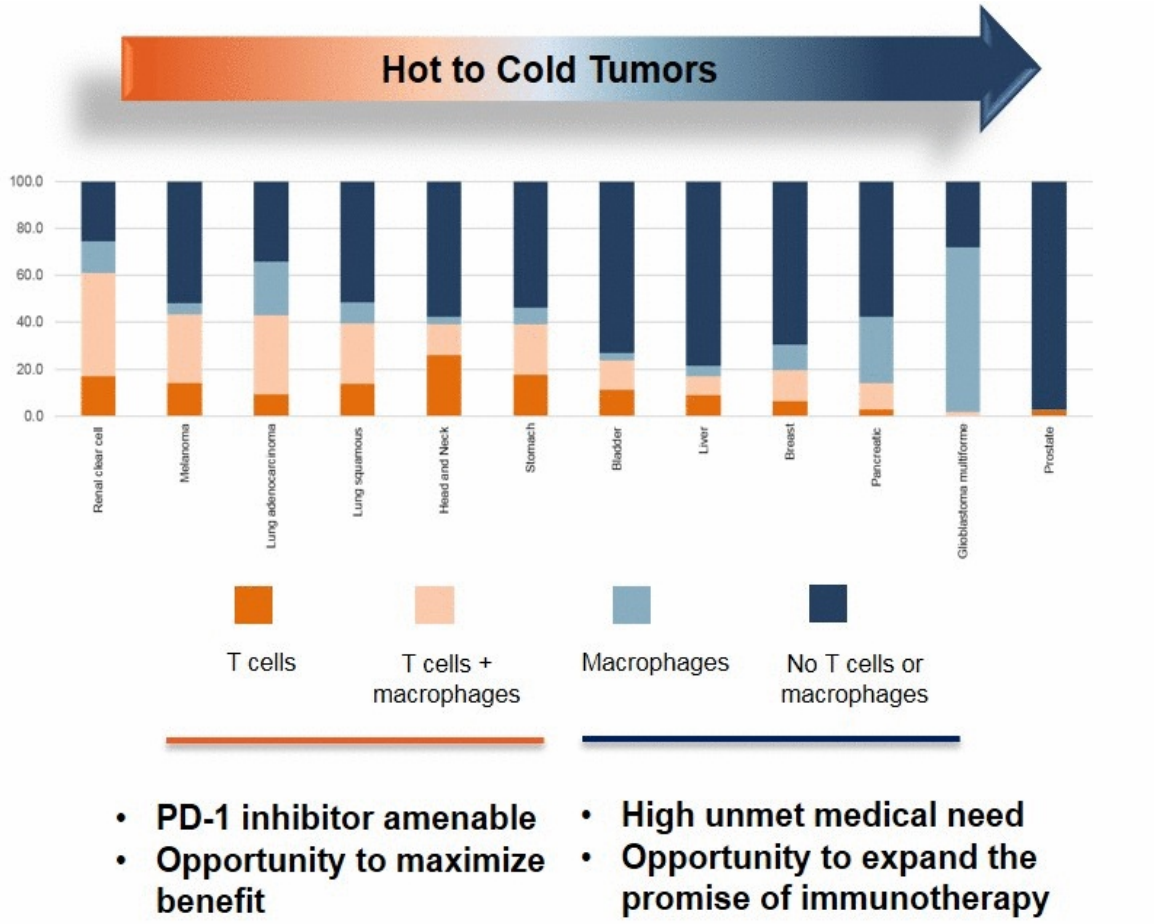
Beyond T Effector Cell Discovery Programs

With our focus on bringing the right immunotherapy to the right patients, we have invested heavily in our Translational Science Platform as we believe that the systematic interrogation of the immune make-up of human tumors gives us the ability to target different cell types within the TME beyond the T effector cells that are the focus of currently approved immunotherapies. This may enable us to fully exploit the promise of immunotherapy in cancer by allowing us to pursue tumor types not currently served by therapies that target the T effector arm of the adaptive

immune system, as well as potentially convert the TME from an immunosuppressive environment to an immune activating environment and thereby convert cold tumors to hot tumors.

Analysis of The Cancer Genome Atlas, or TCGA, using our proprietary gene signatures, which represent various immune cells, shows that the immune cell composition of tumors is diverse, both across and within indications, and suggests that a significant number of tumors, including cold tumors in particular, may not benefit from the current T-cell focused immunotherapies such as the PD-1 checkpoint inhibitors (Figure 2).

Figure 2: Characterization of human tumors by immune profiling using cell-specific gene signatures



Our early discovery efforts include programs that target adaptive immune cells, including T regulatory cells and innate cells, such as immunosuppressive macrophages. Immunosuppressive macrophages are highly prevalent in many solid tumor types, including many cold tumors, and their presence is associated with poorer disease prognosis; therefore, we prioritized macrophage targets for our initial foray into developing more effective cancer therapies to address colder tumors. Using our Translational Science Platform, we have identified potential targets on immunosuppressive M2 macrophages that, when treated with specific monoclonal antibodies, may influence the composition of macrophages within the TME, with the goal of converting, but not depleting, the immune-suppressing M2 to immune-enhancing M1 macrophages, thus engaging the innate immune system in the response to cancer.

We have commenced IND-enabling activities for the first potential candidate to emerge from our macrophage-focused efforts and we have generated encouraging in vitro data and ex vivo data using human tumor histoculture

demonstrating an ability of this antibody to promote an immune-activating phenotype in otherwise suppressive macrophages.

We are generating and screening other antibodies identified using our macrophage-specific approach that are focused on other targets for their potential as cancer immunotherapies. We are also leveraging our Translational Science Platform to systematically and comprehensively interrogate cell types within the TME, including non-immune cells such as stromal cells, with the goal of enabling us to develop therapies to benefit patients with tumors across the hot to cold spectrum. We believe that some of our discovery approaches, including targeting stromal cells, may identify product candidates with the potential to address a significant unmet medical need by turning cold tumors hot and making them amenable to PD-1 checkpoint inhibitors, such as JTX-4014.

Manufacturing

We rely on and will continue to rely on our contract manufacturing organizations, or CMOs, for both drug substance and drug product. While we do not plan to develop our own full-scale manufacturing capabilities, we may consider establishing a small, flexible approach for supporting preclinical IND enabling studies and early clinical studies. As of now, all of our manufacturing is outsourced to well-established third-party manufacturers. We have entered into a long-term contract with a CMO for drug supply to our JTX-2011 and JTX-4014 clinical trials.

Competition

The biotechnology and pharmaceutical industries, and the immunotherapy subsector, are characterized by rapid evolution of technologies, fierce competition and strong defense of intellectual property. While we believe that our product candidates, discovery programs, technology, knowledge, experience, and scientific resources provide us with competitive advantages, we face competition from major pharmaceutical and biotechnology companies, academic institutions, governmental agencies and public and private research institutions, among others.

Any product candidates that we successfully develop and commercialize will compete with currently approved therapies and new therapies that may become available in the future. Key product features that would affect our ability to effectively compete with other therapeutics include the efficacy, safety and convenience of our products and the ease of use and effectiveness of any complementary diagnostics and/or companion diagnostics. Potentially competitive therapies fall primarily into the following groups of treatment:

- traditional cancer therapies, including chemotherapy;
- two anti-ICOS antibody programs in clinical trials, the first being developed by GlaxoSmithKline plc, for which patient enrollment in a Phase I trial began in the second quarter of 2016 and the second being developed by Bristol Myers Squibb Company, for which patient enrollment in a Phase I/II trial began in the third quarter of 2017;
- approved immunotherapy antibodies, including an approved anti-CTLA 4 antibody (Yervoy, marketed by Bristol Myers Squibb Company) and approved anti-PD-1/anti-PD-L1 antibodies (Opdivo, Keytruda, Tecentriq, Bavencio and Imfizi, marketed by Bristol Myers Squibb Company, Merck & Co., Genentech, Inc., Merck KGaA and Pfizer Inc. and AstraZeneca PLC, respectively);
- anti-PD-1/anti-PD-L1 immunotherapy antibodies in clinical development;
- other agonist immunotherapy antibodies in clinical development; and
- therapies targeting macrophages, T regulatory cells and B cells that are in clinical development.

The availability of reimbursement from government and other third-party payors will also significantly affect the pricing and competitiveness of our products. In addition, our competitors may obtain Food and Drug Administration, or 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.

Many of the companies against which we may compete, either alone or with their strategic partners, 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. These competitors also 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.

Intellectual Property

Our intellectual property is critical to our business and we strive to protect it, including by obtaining and maintaining patent protection in the United States and internationally for our product candidates, novel biological discoveries, including new targets and applications, and other inventions that are important to our business. For our product candidates, generally we intend to first pursue patent protection covering both compositions of matter and methods of use. As we continue the development of our product candidates, we intend to identify additional means of obtaining patent protection that would potentially enhance commercial success, including through additional methods of use and biomarker and complementary diagnostic and/or companion diagnostic related claims.

The patent positions of biotechnology companies like ours are generally uncertain and involve complex legal, scientific and factual questions. In addition, the coverage claimed in a patent application can be significantly reduced before the patent is issued, and its scope can be reinterpreted after issuance. Consequently, we may not obtain or maintain adequate patent protection for any of our product candidates. As of February 28, 2018, with respect to JTX-2011 patent rights, we own two pending U.S. provisional patent applications, one pending U.S. non-provisional application, twenty-six pending foreign patent applications, and one pending Patent Cooperation Treaty, or PCT, patent application within three patent families that cover compositions of matter and methods of use and ICOS-related biomarkers, and we do not own any issued patents. As of February 28, 2018, with respect to JTX-4014 patent rights, we own one pending U.S. non-provisional application, three pending foreign patent applications, and one pending PCT patent application within one patent family that covers compositions of matter and methods of use, and we do not own any issued patents. We cannot predict whether the patent applications we pursue will issue as patents in any particular jurisdiction or whether the claims of any issued patents will provide any proprietary protection from competitors. Even if our pending patent applications are granted as issued patents, those patents, as well as any patents we license from third parties, may be challenged, circumvented or invalidated by third parties.

In addition, we exclusively in-licensed a patent portfolio from Sloan Kettering Institute for Cancer Research, Memorial Sloan Kettering Cancer Center and Memorial Hospital for Cancer, or MSK, and University of Texas MD Anderson Cancer Center, or MD Anderson, consisting of two issued U.S. patents, one issued Japanese patent, one issued Chinese patent, one pending U.S. patent application, and four pending foreign patent applications. This licensed patent portfolio covers methods related to the use of an ICOS agonist in combination with blocking agents of certain T cell inhibitory receptors. The issued patents and the pending patent applications (if issued) licensed from MSK and MD Anderson, if the appropriate maintenance, renewal, annuity or other governmental fees are paid, are expected to expire in 2030, excluding any additional term for patent term adjustments or patent term extensions.

The term of individual patents depends upon the legal term of the patents in the countries in which they are obtained. In most countries in which we file, the patent term is 20 years from the earliest date of filing a non-provisional patent application. In the United States, the patent term of a patent that covers an FDA-approved drug may also be eligible for patent term extension, which permits patent term restoration as compensation for the patent term lost during the FDA regulatory review process. The Hatch-Waxman Act permits a patent term extension of up to five years beyond the expiration of the patent. The length of the patent term extension is related to the length of time the drug is under regulatory review. Patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval and only one patent applicable to an approved drug may be extended. Similar provisions are available in Europe and other foreign jurisdictions to extend the term of a patent that covers an approved drug. In the future, if and when our products receive FDA approval, we expect to apply for patent term extensions on patents covering those products. We plan to seek patent term extensions to any of our issued patents in any jurisdiction where these are available, however there is no guarantee that the applicable authorities, including the FDA in the United States, will agree with our assessment of whether such extensions should be granted, and if granted, the length of such extensions.

We also rely on unpatented know-how, inventions and other proprietary information relating to JTX-2011, JTX-4014 and our other future product candidates. We seek to protect and maintain the confidentiality of proprietary information to protect aspects of our business that are not amenable to, or that we do not consider appropriate for, patent protection. Although we take steps to protect our proprietary information and trade secrets, including through contractual means with our employees and consultants, third parties may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade secrets or disclose our technology. Thus, we may not be able to meaningfully protect our trade secrets. It is our policy to require our employees, consultants, outside scientific collaborators, sponsored researchers and other advisors to execute confidentiality agreements upon the commencement of employment or consulting relationships with us. These

agreements provide that all confidential information concerning our business or financial affairs developed or made known to the individual during the course of the individual's relationship with us is to be kept confidential and not disclosed to third parties except in specific circumstances. Our agreements with employees also provide that all inventions conceived by the employee in the course of employment with us or from the employee's use of our confidential information are our exclusive property. However, such confidentiality agreements and invention assignment agreements can be breached and we may not have adequate remedies for any such breach. For a more comprehensive discussion of the risks related to our intellectual property, please see "Risk Factors—Risks Related to Intellectual Property."

Exclusive License Agreement with Sloan Kettering Institute for Cancer Research, Memorial Sloan Kettering Cancer Center, and Memorial Hospital for Cancer and Allied Diseases

In September 2015, we amended and restated an exclusive license agreement from December 2013 with Sloan Kettering Institute for Cancer Research, MSK and Memorial Hospital for Cancer and Allied Diseases. Pursuant to this amended and restated license agreement, MSK and MD Anderson granted to us a worldwide exclusive license under certain patents to manufacture, develop and commercialize certain products and services, including those products for which the use in combination with another product for the treatment of any disease is covered by such patents (including, potentially, JTX-2011), and to practice certain methods covered by the patents.

Under the license agreement, we are obligated to use commercially reasonable efforts to commercialize at least one licensed product or licensed service as defined in the license agreement. We also are required to achieve the following developmental milestones by the end of 2019: achievement of initial efficacy of proof of concept, identification of a development candidate, and filing of an IND application with the FDA. As of September 30, 2016, we have achieved all of these milestones.

In connection with the license agreement, we issued to MSK and MD Anderson an aggregate of 60,974 shares of our common stock. We also paid an upfront license fee of $30,000 to MSK and MD Anderson. Commencing on the third anniversary of the effective date of the license agreement, we must pay an annual maintenance fee ranging in the mid-four figures to the mid-five figures. The annual maintenance fee is fully credited against the royalty payments for the same year or any subsequent year or any other amount due under the license agreement. We are obligated to pay MSK milestone payments of up to $3,475,000 for the first and second licensed products to achieve certain development and marketing approval milestones, including up to $2,725,000 for the first licensed product to achieve such developmental and marketing approval milestones. On a country-by-country basis and licensed product-by-licensed product or licensed service-by-licensed service basis, we are also obligated to pay MSK a low single-digit percentage royalty on net sales of licensed products or licensed services, to the extent used in combination with another product for the treatment of any disease covered by the applicable patents, until the earlier of the expiration of the last valid patent claim covering such licensed product or licensed service in such country or twelve years after the first commercial sale of such licensed product or licensed service in such country. If we sublicense our rights under our license agreement with MSK, we would be obligated to pay MSK a low double-digit percentage royalty of the total gross proceeds we receive in consideration of the grant of the sublicense, excluding royalties, research and development funding, payments for equity or debt securities and certain other expenses we have incurred that are reimbursed by the sublicensee.

Unless terminated earlier, the license agreement expires on the date that we no longer have any royalty payment obligations under the license agreement. We may terminate the license agreement for convenience in its entirety upon 30 days' prior written notice to MSK and MD Anderson. Either party may terminate the license agreement in its entirety in the event of an uncured material breach or the bankruptcy, insolvency, dissolution or winding up of the other party which is not dismissed or cured within a set period of time. If we terminate the license agreement because of MSK's and MD Anderson's uncured breach or insolvency, we will retain a non-exclusive, perpetual, irrevocable, fully paid-up, royalty-free worldwide license to the licensed patents. Upon expiration of our obligation to pay royalties for a licensed product or service in a country, our license to the licensed patents for such licensed product or service will become exclusive, perpetual, irrevocable, fully paid-up and royalty-free in such country.

Government Regulation

Government authorities in the United States at the federal, state and local level and in other countries regulate, among other things, the research, development, testing, manufacture, quality control, approval, labeling, packaging, storage, record-keeping, promotion, advertising, distribution, post-approval monitoring and reporting, marketing and export and import of drug and biological products, such as JTX-2011, JTX-4014 and any future product candidates. Generally, before a new drug or biologic can be marketed, considerable data demonstrating its quality, safety and efficacy must be obtained, organized into a format specific for each regulatory authority, submitted for review and approved by the regulatory authority.

U.S. Drug Development

In the United States, the FDA regulates drugs under the Federal Food, Drug, and Cosmetic Act, or FDCA, and its implementing regulations and regulates biologics under the FDCA, the Public Health Service Act, or PHSA, and their implementing regulations. Both drugs and biologics also are subject to other federal, state and local statutes and regulations. The process of obtaining regulatory approvals and the subsequent compliance with appropriate federal, state, local and foreign statutes and regulations requires the expenditure of substantial time and financial resources. Failure to comply with the applicable U.S. requirements at any time during the product development process, approval process or post-market may subject an applicant to administrative or judicial sanctions. These sanctions could include, among other actions, the FDA's refusal to approve pending applications, withdrawal of an approval, a clinical hold, untitled or warning letters, product recalls or market withdrawals, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement and civil or criminal penalties. Any agency or judicial enforcement action could have a material adverse effect on us.

JTX-2011, JTX-4014 and any future product candidates must be approved by the FDA through either a New Drug Application, or NDA, or Biologics License Application, or BLA, process before they may be legally marketed in the United States. We expect JTX-2011, JTX-4014 and other future product candidates to be regulated by the FDA as biologics and require the submission of a BLA prior be being marketed in the United States. The process 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;
- submission to the FDA of an IND application, which must become effective before human clinical trials may begin;
- approval by an independent institutional review board, or IRB, or ethics committee at each clinical trial site before each trial may be initiated;
- performance of adequate and well-controlled human 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 an NDA or BLA;
- determination by the FDA within 60 days of its receipt of an NDA or BLA to accept the filing for review;
- satisfactory completion of an FDA pre-approval inspection of the manufacturing facility or facilities where the drug or biologic will be produced to assess compliance with current good manufacturing practices, or cGMP, requirements to assure that the facilities, methods and controls are adequate to preserve the drug or biologic's identity, strength, quality and purity;
- potential FDA audit of the preclinical and/or clinical trial sites that generated the data in support of the NDA or BLA; and
- FDA review and approval of the NDA or BLA, including consideration of the views of any FDA advisory committee, prior to any commercial marketing or sale of the drug or biologic in the United States.

Preclinical Studies and IND

The preclinical developmental stage generally involves laboratory evaluations of product chemistry, formulation and stability, as well as *in vitro* and animal studies to evaluate toxicity, assess the potential for adverse events and, in some cases, establish a rationale for therapeutic use. The conduct of preclinical studies is subject to federal regulations and requirements, including GLP regulations for safety/toxicology studies. An IND sponsor must submit

the results of the preclinical tests, together with manufacturing information, analytical data, any available clinical data or literature and plans for clinical studies, among other things, to the FDA as part of an IND. An IND is an exemption from the FDCA that allows an unapproved product candidate to be shipped in interstate commerce for use in an investigational clinical trial and a request for FDA authorization to administer such investigational product to humans. Some long-term preclinical testing, such as animal tests of reproductive adverse events and carcinogenicity, may continue after the IND is submitted. An IND automatically becomes effective 30 days after receipt by the FDA, unless before that time, the FDA raises concerns or questions related to one or more proposed clinical trials and places the trial on clinical hold. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical trial can begin. As a result, submission of an IND may not result in the FDA allowing clinical trials to commence.

Clinical Trials

The clinical stage of development involves the administration of the investigational product to healthy volunteers or patients under the supervision of qualified investigators in accordance with GCP requirements, including the requirement that all research subjects provide their informed consent. 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 to be used to monitor subject safety and assess efficacy. Each protocol, and any subsequent amendments to the protocol, must be submitted to the FDA as part of the IND. Furthermore, an IRB for each institution at which the clinical trial will be conducted must review and approve the protocol before a clinical trial commences at such institution, approve the information regarding the trial and the 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. Additionally, some trials are overseen by an independent group of qualified experts organized by the trial sponsor, known as a data safety monitoring board or committee, or DSMB. This group provides authorization as to whether or not a trial may move forward at designated check points based on available data from the study. There also are requirements governing the reporting of ongoing clinical trials and completed clinical trial results to public registries.

Clinical trials generally are conducted in three sequential phases, known as Phase I, Phase II and Phase III, which may overlap.

- Phase I clinical trials generally involve a small number of healthy volunteers or disease-affected patients who are initially exposed to a single dose and then multiple doses of the product candidate. The primary purpose of these clinical trials is to assess the metabolism, pharmacologic action, side effect tolerability and safety of the drug.
- Phase II clinical trials involve studies in disease-affected patients to determine the dose required to produce the desired benefits. At the same time, safety and further PK and PD information is collected, possible adverse effects and safety risks are identified and a preliminary evaluation of efficacy is conducted.
- Phase III clinical trials generally involve a large number of patients at multiple sites and are designed to provide the data necessary to demonstrate the effectiveness of the product for its intended use, its safety in use and to establish the overall benefit/risk relationship of the product and provide an adequate basis for product approval. These trials may include comparisons with placebo and/or other comparator treatments. The duration of treatment is often extended to mimic the actual use of a product during marketing.

Post-approval trials, sometimes referred to as Phase IV clinical trials, 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.

Progress reports detailing the results of the clinical trials must be submitted at least annually to the FDA and written IND safety reports must be submitted to the FDA and the investigators for serious and unexpected suspected adverse events, findings from animal or *in vitro* testing or other studies that suggest a significant risk for human subjects and any clinically important increase in the rate of a serious suspected adverse reaction over that listed in the protocol or investigator brochure.

Clinical trials may not be completed successfully within any specified period, if at all. The FDA or the sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research subjects or patients are being exposed to an unacceptable health risk. Similarly, an IRB can suspend or terminate approval of a clinical trial at its institution if the clinical trial is not being conducted in accordance with the IRB's requirements or if the drug or biologic has been associated with unexpected serious harm to patients. Results from one trial are not necessarily predictive of results from later trials. Concurrent with clinical trials, companies usually complete

additional animal studies and must develop additional information about the chemistry and physical characteristics of the drug or biologic as well as finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product and, among other things, companies must develop methods for testing the identity, strength, quality and purity of the final product. Additionally, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that JTX-2011, JTX-4014 and any future product candidates do not undergo unacceptable deterioration over their shelf life.

NDA/BLA and FDA Review Process

The results of preclinical studies and clinical trials, together with other detailed information, including proposed labeling, chemistry and manufacturing information, are submitted to the FDA as part of an NDA or BLA. The NDA or BLA is a request for approval to market the drug or biologic for one or more specified indications and must contain proof of safety and efficacy for a drug or safety, purity and potency for a biologic. The FDA must approve the NDA or BLA before a drug or biologic may be marketed in the United States.

Under the Prescription Drug User Fee Act, or PDUFA, as amended, each NDA or BLA must be accompanied by a user fee. Under federal law, the submission of most NDAs and BLAs is subject to a substantial application user fee, currently $2,421,495 for an application requiring clinical data for fiscal year 2018, and the sponsor of an approved NDA or BLA is also subject to an annual product or program fees, currently $304,162 per program. These fees may be increased or decreased annually and fee waivers, reductions or deferrals are available in certain circumstances.

The FDA reviews each NDA and BLA for administrative completeness and reviewability within 60 days following receipt by the FDA of the NDA or BLA. If the submission is found to be complete, the FDA will file the NDA or BLA, triggering a full review. The FDA may refuse to file any NDA or BLA that it deems incomplete or not properly reviewable at the time of submission. The established goal of the FDA is to review applications within ten months of the filing date for a new molecular-entity NDA or original BLA and within six months from the filing date for a new molecular-entity NDA or original BLA designated for priority review. The FDA does not always meet its goal dates for standard and priority NDAs or BLAs, and the review process is often extended by FDA requests for additional information or clarification.

Before approving an NDA or BLA, the FDA may inspect the manufacturing facilities for the new product and will not approve the product unless the facilities comply with cGMP requirements. The FDA may refer applications for novel drug products or drug products which present difficult questions of safety or efficacy to an advisory committee, typically a panel that includes clinicians and other experts, for review, evaluation and a recommendation as to whether the application should be approved and under what conditions, if any. The FDA is not bound by recommendations of an advisory committee, but it considers such recommendations when making decisions on approval. Additionally, the FDA may audit data from clinical trials to ensure compliance with GCP requirements and likely will reanalyze the clinical trial data, which could result in extensive discussions between the FDA and the applicant during the review process. After the FDA evaluates an NDA or BLA, it will issue an approval letter or a Complete Response Letter. An approval letter authorizes commercial marketing of the drug with specific prescribing information for specific indications. A Complete Response Letter describes additional work that must be done before the application can be approved, such as requiring additional clinical data, additional pivotal Phase III clinical trial(s) and/or other significant and time-consuming requirements related to clinical trials, preclinical studies or manufacturing. Even if such data and information are submitted, the FDA may decide that the NDA or BLA does not satisfy the criteria for approval. Data obtained from clinical trials are not always conclusive and the FDA may interpret data differently than we interpret the same data.

Orphan Drug Designation

Under the Orphan Drug Act, the FDA may grant orphan designation to a drug or biological product intended to treat a rare disease or condition, which is generally a disease or condition that affects fewer than 200,000 individuals in the United States, or more than 200,000 individuals in the United States and for which there is no reasonable expectation that the cost of developing and making the product available in the United States for this type of disease or condition will be recovered from sales of the product.

Orphan drug designation must be requested before submitting an NDA or BLA. After the FDA grants orphan drug designation, the identity of the therapeutic agent 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. These circumstances are where another product shows clinical superiority to the product with orphan drug exclusivity because it is shown to be safer, more effective or makes a major contribution to patient

care. This is the case despite an earlier court opinion holding that the Orphan Drug Act unambiguously required the FDA to recognize orphan exclusivity regardless of a showing of clinical superiority.

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 orphan drug exclusivity, which means that the FDA may not approve any other applications to market the same drug for the same indication for seven years from the date of such approval, except in limited circumstances.

Competitors may also receive approval of either a different product for the same indication or the same product for a different indication but that could be used off-label in the orphan indication. Orphan drug exclusivity also could block the approval of one of our products if a competitor obtains approval before we do for the same product, as defined by the FDA, for the same indication we are seeking approval, or if one of our products is determined to be contained within the scope of the competitor's product for the same indication or disease. If one of our products designated as an orphan drug receives marketing approval for an indication broader than that which is designated, it may not be entitled to orphan drug exclusivity. Orphan drug status in the European Union has similar, but not identical, requirements and benefits.

Expedited Development and Review Programs

The FDA has various programs, including a fast track program, priority review and accelerated approval, that are intended to expedite or facilitate the process for reviewing new drugs and biologics that, generally, are intended to treat a serious or life-threatening condition, demonstrate the potential to address unmet medical needs and that offer meaningful benefits over existing treatments. The fast track program is designed to facilitate the development and review of drugs to treat serious or life-threatening diseases or conditions and fulfill unmet needs. Priority review is designed to give drugs that offer major advances in treatment or provide treatment where no adequate therapy exists. The FDA will attempt to direct additional resources to the evaluation of an application for a new drug or biologic designated for priority review in an effort to facilitate the review.

A candidate product may also be eligible for accelerated approval if it treats a serious or life-threatening condition and generally provides a meaningful advantage over available therapies. In addition, the investigational product must demonstrate an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, or IMM, which is reasonably likely to predict an effect on IMM or other clinical benefit. As a condition of approval, the FDA may require that a sponsor of a drug or biologic receiving accelerated approval perform adequate and well-controlled post-marketing clinical trials.

Additionally, a drug or biologic may be eligible for designation as a breakthrough therapy if the product is intended, alone or in combination with one or more other drugs or biologics, to treat a serious or life-threatening condition and preliminary clinical evidence indicates that the product may demonstrate substantial improvement over currently approved therapies on one or more clinically significant endpoints. The benefits of breakthrough therapy designation include the same benefits as fast track designation, plus intensive guidance from the FDA to ensure an efficient drug development program. Fast track designation, priority review, accelerated approval and breakthrough therapy designation do not change the standards for approval, but may expedite the development or approval process.

Pediatric Information

Under the Pediatric Research Equity Act, an NDA or BLA or supplement to a NDA or BLA must contain data 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 assessment must also support dosing and administration for each pediatric subpopulation for which the product is safe and effective. The Food and Drug Administration Safety and Innovation Act, or FDASIA, requires the submission of a pediatric study plan prior to the assessment of data, which must contain proposed pediatric study, including study design and objectives, any deferral or waiver requests, and any other information required by regulation. The FDA may grant deferrals for submission of pediatric data until after the approval of the drug for use in adults or full or partial waivers from the pediatric data requirements. Additional requirements and procedures relating to deferral requests and requests for extensions of deferrals are contained in FDASIA.

Post-marketing Requirements

Following approval of a new product, the manufacturer and the approved product are subject to continuing regulation by the FDA, including, among other things, monitoring and record-keeping activities, reporting of adverse experiences, complying with promotion and advertising requirements, which include restrictions on promoting drugs

for unapproved uses or patient populations (known as “off-label use”) and limitations on industry-sponsored scientific and educational activities.

The FDA strictly regulates marketing, labeling, advertising and promotion of products that are placed on the market. 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. If a company is found to have promoted off-label uses, it may become subject to adverse public relations and administrative and judicial enforcement by the FDA, the Department of Justice, or the Office of the Inspector General of the Department of Health and Human Services, as well as state authorities.

The FDA may also place other conditions on approvals, including imposing limitations on the uses for which the product may be marketed, requiring that warning statements be included in the product labeling, requiring that additional studies be conducted following approval as a condition of the approval, imposing restrictions and conditions on product distribution, prescribing or dispensing in the form of a Risk Evaluation and Mitigation Strategy, or REMS, or otherwise limiting the scope of any approval. Product approvals may be withdrawn for non-compliance with regulatory requirements or if problems occur following initial marketing.

FDA regulations require that products be manufactured in specific approved facilities and in accordance with cGMP regulations. We rely, and expect to continue to rely, on third parties for the production of clinical and commercial quantities of our products in accordance with cGMP regulations. These manufacturers must comply with cGMP regulations that require, among other things, quality control and quality assurance, the maintenance of records and documentation and the obligation to investigate and correct any deviations from cGMP. Manufacturers and other entities involved in the manufacture and distribution of approved drugs or biologics are required to register their establishments with the FDA and certain state agencies. The discovery of violative conditions, including failure to conform to cGMP regulations, could result in enforcement actions, and the discovery of problems with a product after approval may result in restrictions on a product, manufacturer or holder of an approved NDA or BLA, including recall.

Companion Diagnostics and Complementary Diagnostics

We believe that the success of our product candidates may depend, in part, on the development and commercialization of either a companion diagnostic or complementary diagnostic. Companion diagnostics and complementary diagnostics can 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 and complementary diagnostics are regulated as medical devices by the FDA and, as such, require either clearance or approval prior to commercialization. The level of risk combined with available controls to mitigate risk determines whether a companion diagnostic device requires Premarket Approval Application approval or is cleared through the 510(k) premarket notification process. Under FDA guidance, for a novel therapeutic product for which a companion diagnostic device is essential for the safe and effective use of the product, the companion diagnostic device should be developed and approved or 510(k)-cleared contemporaneously with the therapeutic. The use of the companion diagnostic device will be stipulated in the labeling of the therapeutic product. This is also true for a complementary diagnostic, although it is not a prerequisite for receiving the therapeutic.

Other Regulatory Matters

Manufacturing, sales, promotion and other activities following product approval are also subject to regulation by numerous regulatory authorities in the United States in addition to the FDA, including the Centers for Medicare & Medicaid Services, other divisions of the 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.

For example, in the United States, sales, marketing and scientific and educational programs also must comply with state and federal fraud and abuse laws. These laws include the federal Anti-Kickback Statute, which makes it illegal for any person, including a prescription drug manufacturer (or a party acting on its behalf), to knowingly and willfully solicit, receive, offer or pay any remuneration that is intended to induce or reward referrals, including the purchase, recommendation, order or prescription of a particular drug, for which payment may be made under a federal healthcare program, such as Medicare or Medicaid.

Although we would not submit claims directly to payors, manufacturers also can be held liable under the federal False Claims Act, which prohibits anyone from knowingly presenting, or causing to be presented, for payment to federal programs (including Medicare and Medicaid) claims for items or services, including drugs or biologics, that are false or fraudulent, claims for items or services not provided as claimed or claims for medically unnecessary items or services. In addition, our future activities relating to the reporting of wholesaler or estimated retail prices for our products, the reporting of prices used to calculate Medicaid rebate information and other information affecting federal, state and third-party reimbursement for our products, and the sale and marketing of our products, are subject to scrutiny under this law.

Pricing and rebate programs must comply with the Medicaid rebate requirements of the U.S. Omnibus Budget Reconciliation Act of 1990 and more recent requirements in the Affordable Care Act. The distribution of pharmaceutical products is subject to additional requirements and regulations, including extensive record-keeping, licensing, storage and security requirements intended to prevent the unauthorized sale of pharmaceutical products.

The failure to comply with any of these laws or regulatory requirements subjects us to possible legal or regulatory action. Depending on the circumstances, failure to meet applicable regulatory requirements can result in criminal prosecution, fines or other penalties, injunctions, requests for recall, seizure of products, total or partial suspension of production, denial or withdrawal of product approvals or refusal to allow a firm to enter into supply contracts, including government contracts. Any action against us for violation of these laws, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business. Prohibitions or restrictions on sales or withdrawal of future products marketed by us could materially affect our business in an adverse way.

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. If any such changes were to be imposed, they could adversely affect the operation of our business.

U.S. Patent Term Restoration and Marketing Exclusivity

Depending upon the timing, duration and specifics of FDA approval of JTX-2011, JTX-4014 and any future product candidates, some of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, commonly referred to as the Hatch-Waxman Amendments. The Hatch-Waxman Amendments permit restoration of the patent term of up to five years as compensation for patent term lost during product development and FDA regulatory review process. Patent term restoration, however, cannot extend the remaining term of a patent beyond a total of 14 years from the product's approval date. The United States Patent and Trademark Office, or USPTO, in consultation with the FDA, reviews and approves the application for any patent term extension or restoration. In the future, we may apply for restoration of patent term for our currently owned or licensed patents to add patent life beyond its current expiration date, depending on the expected length of the clinical trials and other factors involved in the filing of the relevant NDA or BLA.

Market exclusivity provisions under the FDCA also can delay the submission or the approval of certain applications. The FDCA provides a five-year period of non-patent marketing exclusivity within the United States to the first applicant to gain approval of a 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.

An abbreviated approval pathway for biological products shown to be biosimilar to, or interchangeable with, an FDA-licensed reference biological product was created by the Biologics Price Competition and Innovation Act of 2009, or BPCI Act, as part of the Affordable Care Act. Biosimilarity, which requires that the biological product be highly similar to the reference product notwithstanding minor differences in clinically inactive components and that there be no clinically meaningful differences between the product and the reference product in terms of safety, purity and potency, can be shown through analytical studies, animal studies and a clinical trial or trials. Complexities associated with the larger, and often more complex, structure of biological products as compared to small molecule drugs, as well as the processes by which such products are manufactured, pose significant hurdles to implementation that are still being worked out by the FDA.

A reference biological product is granted twelve years of data exclusivity from the time of first licensure of the product, and the FDA will not accept an application for a biosimilar or interchangeable product based on the reference biological product until four years after the date of first licensure of the reference product. "First licensure" typically means the initial date the particular product at issue was licensed in the United States. It is necessary to

determine whether a new product includes a modification to the structure of a previously licensed product that results in a change in safety, purity, or potency to assess whether the licensure of the new product is a first licensure that triggers its own period of exclusivity and, for subsequent applications, such determinations are made a case-by-case basis with data submitted by the sponsor. As of January 1, 2018, the FDA has approved nine biosimilar products for use in the United States. No interchangeable biosimilars have been approved.

Pediatric exclusivity is another type of regulatory market exclusivity in the United States. Pediatric exclusivity, if granted, adds six months to existing regulatory exclusivity periods or patent protection. This six-month exclusivity may be granted based on the voluntary completion of a pediatric trial in accordance with an FDA-issued "Written Request" for such a trial. Furthermore, a biological product seeking licensure as biosimilar to or interchangeable with a reference product indicated for a rare disease or condition and granted seven years of orphan drug exclusivity may not be licensed by the FDA for the protected orphan indication until after the expiration of the seven-year orphan drug exclusivity period or the 12-year reference product exclusivity, whichever is later.

Foreign Regulation

As in the United States, we will be subject to a variety of foreign regulations governing clinical trials and commercial sales and distribution of our future products and medicinal products can be marketed only if a marketing authorization from the competent regulatory agencies has been obtained.

Certain countries outside of the United States have a process that requires the submission of a clinical study application much like the IND prior to the commencement of human clinical studies. In the European Union, for example, a CTA must be submitted for each clinical trial to the national health authority and an independent ethics committee in each country in which the company intends to conduct clinical trials. Once the CTA is approved in accordance with a country's requirements, the clinical study may proceed. In all cases, the clinical trials must be conducted in accordance with GCPs and other applicable regulatory requirements and ethical principles.

To obtain regulatory approval of an investigational product under European Union regulatory systems, we must submit a marketing authorization application under either a centralized or decentralized procedure. The centralized procedure is compulsory for medicinal products produced by biotechnology. The application used to file the BLA in the United States is similar to that required in the European Union, with the exception of, among other things, region-specific document requirements.

The European Union also provides opportunities for market exclusivity. For example, upon receiving marketing authorization, innovative medicinal products generally receive eight years of data exclusivity and an additional two years of market exclusivity. If grated, data exclusivity prevents regulatory authorities in the European Union from referencing the innovator's data to assess a generic or biosimilar application. There is no guarantee that a product will be considered by the European Union's regulatory authorities to be an innovative medicinal product, and products may not qualify for data exclusivity. Products receiving orphan designation in the European Union can receive ten years of market exclusivity, during which time no similar medicinal product for the same indication may be placed on the market. An orphan product can also obtain an additional two years of market exclusivity in the European Union for pediatric studies. No extension to any supplementary protection certificate can be granted on the basis of pediatric studies for orphan indications.

If we fail to comply with applicable foreign regulatory requirements, we may be subject to, among other things, fines, suspension or withdrawal of regulatory approvals, product recalls, seizure of products, operating restrictions and criminal prosecution.

Reimbursement

Sales of our products will depend, in part, on the extent to which our products will be covered by third-party payors, such as government health programs, commercial insurance and managed healthcare organizations. In the United States, no uniform policy of coverage and reimbursement for drug or biological products exists. Accordingly, decisions regarding the extent of coverage and amount of reimbursement to be provided for any of our products will be made on a payor-by-payor basis. As a result, the coverage determination process is often a time-consuming and costly process that will require us to provide scientific and clinical support for the use of our products to each payor separately, with no assurance that coverage and adequate reimbursement will be obtained.

The United States government, state legislatures and foreign governments have shown significant interest in implementing cost containment programs to limit the growth of government-paid health care costs, including price-controls, restrictions on reimbursement and requirements for substitution of generic products for branded prescription drugs. If we obtain approval in the future to market any our product candidates, we may seek approval

and coverage for those products under Medicaid, Medicare and the Public Health Service pharmaceutical pricing program and may seek approval to sell the products to federal agencies. Adoption of general controls and measures, coupled with the tightening of restrictive policies in jurisdictions with existing controls and measures, could limit payments for pharmaceutical drugs.

Medicaid is a joint federal and state program that is administered by the states for low income and disabled beneficiaries. The Medicaid Drug Rebate Program requires pharmaceutical manufacturers to pay a rebate for each product reimbursed by the state Medicaid programs. The amount of the rebate for each product is set by law and may be subject to an additional discount if certain pricing increases more than inflation.

Medicare is a federal program that is administered by the federal government. The program covers individuals age 65 and over as well as those with certain disabilities. Medicare Part D provides coverage to enrolled Medicare patients for self-administered drugs (i.e., drugs that are not administered by a physician). Medicare Part D is administered by private prescription drug plans approved by the U.S. government and each drug plan establishes its own Medicare Part D formulary for prescription drug coverage and pricing, which the drug plan may modify from time to time.

Medicare Part B covers most injectable drugs given in an in-patient setting, and some drugs administered by a licensed medical provider in hospital outpatient departments and doctors' offices. Medicare Part B is administered by Medicare Administrative Contractors, which generally have the responsibility of making coverage decision. Subject to certain payment adjustments and limits, Medicare generally pays for Part B covered drugs based on a percentage of a manufacturer-reported average sales price.

As noted above, the marketability of any products for which we receive regulatory approval for commercial sale may suffer if the government and third-party payors fail to provide adequate coverage and reimbursement. An increasing emphasis on cost containment measures in the United States has increased and we expect will continue to increase the pressure on pharmaceutical pricing. Coverage policies and third-party reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for one or more products for which we receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

In addition, in most foreign countries, the proposed pricing for a drug must be approved before it may be lawfully marketed. The requirements governing drug pricing and reimbursement vary widely from country to country. 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 of our products. Historically, products launched in the European Union do not follow price structures of the United States and generally prices tend to be significantly lower.

Healthcare Reform

A primary trend in the U.S. healthcare industry and elsewhere is cost containment. There have been a number of federal and state proposals during the last few years regarding the pricing of pharmaceutical and biopharmaceutical products, limiting coverage and reimbursement for drugs and other medical products, government control and other changes to the healthcare system in the United States. By way of example, the United States and state governments continue to propose and pass legislation designed to reduce the cost of healthcare. In March 2010, the United States Congress enacted the Affordable Care Act, or ACA, which, among other things, includes changes to the coverage and payment for products under government health care programs.

Since enactment of the ACA, there have been numerous legal challenges and Congressional actions to repeal and replace provisions of the law. For example, with enactment of the Tax Cuts and Jobs Act of 2017, Congress repealed the "individual mandate." The repeal of this provision, which requires most Americans to carry a minimal level of health insurance, will become effective in 2019. According to the Congressional Budget Office, the repeal of the individual mandate will cause 13 million fewer Americans to be insured in 2027 and premiums in insurance markets may rise.

Further, there have been several recent U.S. congressional inquiries and proposed federal and proposed and enacted state legislation designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, reduce the costs of drugs under Medicare and reform government program reimbursement methodologies for drug products. At the federal level, Congress and the current administration have each indicated that it will continue to seek new legislative and/or administrative measures to control drug costs. At the state level, individual states are increasingly aggressive in passing legislation and implementing regulations designed to control pharmaceutical and biological 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.

Employees

As of December 31, 2017, we had 112 full-time employees. Of these full-time employees, 42 have Ph.D. or M.D. degrees and 87 are engaged in research and development activities. 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.

Corporate Information

We were incorporated under the laws of the State of Delaware in March 2012. Our principal offices are located at 780 Memorial Drive, Cambridge, MA 02139, and our telephone number is (857) 259-3840.

We are an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012. We will remain an emerging growth company until the earlier of: (i) the last day of the fiscal year (a) following the fifth anniversary of the completion of the IPO, (b) in which we have total annual gross revenue of at least $1.07 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of our common stock that is held by non-affiliates exceeds $700.0 million as of the prior June 30th, and (ii) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period.

We view our operations and measure our business as one reportable segment operating in the United States. Please see Note 2 to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K for additional information. Additional information required by this item is incorporated herein by reference to Part II Item 6 of this Annual Report on Form 10-K.

Our website address is www.jouncetx.com. Our website and the information contained on, or that can be accessed through, the website will not be deemed to be incorporated by reference in, and are not considered part of, this Annual Report on Form 10-K. Our website is included as an inactive textual reference only. You should not rely on any such information in making your decision whether to purchase our common stock.

Available Information

We file annual, quarterly, and current reports, proxy statements and other documents with the Securities and Exchange Commission, or the SEC, under the Securities Exchange Act of 1934, as amended, or the Exchange Act. The public may read and copy any materials that we file with the SEC at the SEC’s Public Reference Room at 100 F Street, NE, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Also, the SEC maintains an Internet website that contains reports, proxy and information statements, and other information regarding issuers, including us, that file electronically with the SEC. The public can obtain any documents that we file with the SEC at www.sec.gov.

Copies of each of our filings with the SEC on Form 10-K, Form 10-Q and Form 8-K and all amendments to those reports, can be viewed and downloaded free of charge at our website, www.jouncetx.com as soon as reasonably practicable after the reports and amendments are electronically filed with, or otherwise furnished to, the SEC.

Our code of conduct, corporate governance guidelines and the charters of our Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee are available through our website at www.jouncetx.com.

Item 1A. Risk Factors

Our business is subject to numerous risks. The following important factors, among others, could cause our actual results to differ materially from those expressed in forward-looking statements made by us or on our behalf in this Annual Report on Form 10-K and other filings with the SEC, press releases, communications with investors and oral statements. Actual future results may differ materially from those anticipated in our forward-looking statements. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Risks Related to Product Development and Regulatory Process

We are early in our development efforts. Our lead product candidate, JTX-2011, is in clinical development and our other product candidate, JTX-4014, and other future product candidates are in preclinical or earlier stages of development. If we are unable to advance JTX-2011 through clinical development, or advance JTX-4014 or any other future product candidates to clinical development, or obtain marketing approval and ultimately commercialize any product candidates or experience significant delays in doing so, our business will be materially harmed.

We are early in our development efforts, with only our lead product candidate, JTX-2011, in clinical development and our other product candidate, JTX-4014, and other future product candidates in preclinical or earlier stages of development. We have invested substantially all of our efforts and financial resources in the identification of targets and early stage, preclinical and clinical development of monoclonal antibodies, including the development of our lead product candidate, JTX-2011, and JTX-4014. JTX-2011 is currently in clinical development in an adaptive Phase I/II clinical trial. The monotherapy and combination with nivolumab Phase II portions of this clinical trial were initiated in April 2017 and July of 2017, respectively.

Our other efforts have been invested in early stage, preclinical and earlier development programs. Our ability to generate product revenues, which we do not expect will occur for many years, if ever, will depend heavily on the successful development and eventual commercialization of JTX-2011, JTX-4014 or any other future product candidates, which may never occur. We currently generate no revenues from sales of any products, and we may never be able to develop or commercialize a marketable product. JTX-2011, JTX-4014 and any other future product candidates will require additional preclinical and clinical development, management of clinical, preclinical and manufacturing activities, marketing approval in the United States and other markets, demonstrating effectiveness to pricing and reimbursement authorities, obtaining sufficient manufacturing supply for both clinical development and commercial production, building of a commercial organization, and substantial investment and significant marketing efforts before we generate any revenues from product sales. In addition, our product development programs contemplate the development of complementary diagnostics and/or companion diagnostics, which are assays or tests to identify an appropriate patient population. Complementary diagnostics and companion diagnostics are subject to regulation as medical devices and, if there are no adequate complementary diagnostics and/or companion diagnostics currently on the market for our product candidates, we may elect to advance a diagnostic and that diagnostic would have to be approved or cleared for marketing by the FDA or comparable foreign regulatory agencies before we could commercialize it. The success of JTX-2011, JTX-4014 and any other future product candidates will depend on several factors, including the following:

- successful completion of preclinical studies of JTX-4014 and any future product candidates;
- successful completion of non-clinical toxicology studies that may be required for regulatory approval of JTX-2011;
- acceptance of INDs for our planned clinical trials or future clinical trials;
- successful enrollment and completion of clinical trials;
- demonstration of a benefit/risk profile for JTX-2011, JTX-4014 and any other future product candidates that is sufficient to support a successful BLA;
- successful development and marketing approval and clearance of complementary diagnostics and/or companion diagnostics for use with JTX-2011, JTX-4014 or any other future product candidates, if applicable;
- receipt and maintenance of marketing approvals from applicable regulatory authorities;
- approval by national pricing and reimbursement agencies (such as NICE, National Institute for Health Care and Excellence in the United Kingdom);

- establishing agreements with third-party manufacturers for clinical supply for our clinical trials and commercial manufacturing, if our product candidate is approved;
- obtaining and maintaining patent and trade secret protection or regulatory exclusivity for our product candidates;
- launching commercial sales of JTX-2011, JTX-4014 or any other future product candidates, if and when approved;
- acceptance of our product candidates, if and when approved, by patients, the medical community and third-party payors;
- effectively competing with other therapies;
- obtaining and maintaining healthcare coverage and adequate reimbursement;
- enforcing and defending intellectual property rights and claims;
- successful completion of clinical confirmatory trials to verify clinical benefit, if applicable; and
- maintaining a continued acceptable safety profile of the product candidates following approval.

If we do not 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 JTX-2011, JTX-4014 or any other future product candidates, which would materially harm our business. If we do not receive marketing approvals for JTX-2011, JTX-4014 or any other future product candidates, we may not be able to continue our operations.

We rely on our Translational Science Platform to identify and develop product candidates. Our competitive position could be materially harmed if our competitors develop a platform similar to our Translational Science Platform and develop rival product candidates.

We rely on unpatented know-how, inventions and other proprietary information, to maintain our competitive position. We consider know-how to be our primary intellectual property with respect to our Translational Science Platform. Know-how can be difficult to protect. In particular, we anticipate that with respect to this platform, this know-how may over time be disseminated within the industry through independent development, the publication of journal articles describing the methodology, and the movement of skilled personnel.

We cannot rule out that our competitors may have or obtain the knowledge necessary to analyze and characterize tumors for the purpose of identifying and developing products that could compete with the product candidates we develop. Our competitors may also have significantly greater financial, product development, technical, and human resources and access to other human tumors than we do and may have significantly greater experience in using translational science methodology to identify and develop product candidates.

We may not be able to prohibit our competitors from using translational science methods to develop product candidates, including such methods that are the same as or similar to our own. If our competitors use translational science methods to identify and develop products that compete with JTX-2011, JTX-4014 or any future product candidates we develop, our ability to develop and market a promising product or product candidate may diminish substantially, which could have a material adverse effect on our business prospects, financial condition, and results of operations.

Clinical product development involves a lengthy and expensive process, with an uncertain outcome. We will incur additional costs in connection with, and may experience delays, in completing, or ultimately be unable to complete, the development and commercialization of JTX-2011, JTX-4014, any other future product candidates, and any complementary diagnostics and/or companion diagnostics.

JTX-2011, our lead product candidate, is in clinical development and JTX-4014, our other product candidate, and other future product candidates are in preclinical or earlier stages of development. The risk of failure at any stage of clinical or preclinical development is high. It is impossible to predict when or if JTX-2011, JTX-4014 and any other future product candidates will prove effective and safe in humans and will receive marketing approval. Before obtaining marketing approval from regulatory authorities for the sale of JTX-2011, JTX-4014 or any other future product candidates, we must complete preclinical studies and then conduct extensive clinical trials to demonstrate the safety and efficacy of JTX-2011, JTX-4014 and any other future product candidates in humans. Clinical testing is expensive, difficult to design and implement, can take many years to complete or may be delayed and is uncertain as to outcome. A failure of one or more clinical trials can occur at any stage of testing. The outcome of preclinical development testing and early clinical trials may not be predictive of the success of later clinical trials,

and interim results of a clinical trial do not necessarily predict final results. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that have believed their product candidates performed satisfactorily in preclinical studies and clinical trials have nonetheless failed to obtain marketing approval of their product candidates. Our preclinical studies and clinical trials may not be successful.

The FDA or comparable foreign regulatory authorities could change their position on the acceptability of our trial designs or the clinical endpoints selected, which may require us to complete more preclinical studies or provide additional data before continuing clinical trials. In the event we are required to satisfy additional FDA requests, the completion of our clinical trials for JTX-2011 may be delayed. Successful completion of our clinical trials is a prerequisite to submitting a BLA to the FDA and a Marketing Authorization Application, or MAA, in Europe for JTX-2011, JTX-4014 and any other future product candidates and, consequently, the ultimate approval and commercial marketing of JTX-2011, JTX-4014 and our other future product candidates. We do not know whether any of our clinical trials will be completed on schedule, if at all.

We may experience delays in completing our preclinical studies and initiating or completing clinical trials, and we may experience numerous unforeseen events during, or as a result of, any potential future clinical trials that could delay or prevent our ability to receive marketing approval of JTX-2011, JTX-4014 and any other future product candidates, including:

- regulators, IRBs, or ethics committees 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 delays in reaching, or fail to reach, agreement on acceptable terms with prospective trial sites and prospective contract research organizations, or CROs;
- clinical trials may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional preclinical studies or clinical trials or abandon product development programs;
- the number of patients required for clinical trials may be larger than we anticipate;
- it may be difficult to enroll a sufficient number of patients with a predictive biomarker or enrollment in these clinical trials may be slower than we anticipate or participants may drop out of these clinical trials or fail to return for post-treatment follow-up at a higher rate than we anticipate;
- 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, or may deviate from the clinical trial protocol or drop out of the trial, which may require that we add new clinical trial sites or investigators;
- we may elect to, or regulators or IRBs or ethics committees may require that we or our investigators, suspend or terminate clinical research for various reasons, including noncompliance with regulatory requirements or a finding that the participants are being exposed to unreasonable and significant health risks;
- the cost of clinical trials may be greater than we anticipate;
- the supply or quality of materials or other materials necessary to conduct clinical trials may be insufficient or inadequate;
- the size of the patient population required to validate our JTX-2011 predictive biomarker strategy may be larger than we anticipate;
- competitors may obtain regulatory approval ahead of us for compounds similar to ours, preventing us from obtaining regulatory approval despite positive clinical data;
- our product candidates may have undesirable side effects or other unexpected characteristics, causing us to suspend or terminate the trials, or reports may arise from preclinical or clinical testing of other similar cancer therapies that raise safety or efficacy concerns about our product candidates; and
- the FDA or other regulatory authorities may require us to submit additional data or impose other requirements before permitting us to initiate or continue a clinical trial.

We could encounter delays if a clinical trial is suspended or terminated by us, by the IRBs of the institutions in which such trials are being conducted or ethics committees, or by the FDA or other regulatory authorities, or recommended for suspension or termination by the Data Safety Monitoring Board, or DSMB, for such trial. Such authorities or we may impose such a suspension or termination 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 other regulatory authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, including those issues or effects seen in other drugs or drug candidates in the class to which our drug candidates belong, failure to demonstrate a benefit from using a product, changes in governmental regulations or lack of adequate funding to continue the clinical trial. Many of the factors that result in a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of marketing approval of our product candidates. Further, 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 such authorities have reviewed and commented on the design for our clinical trials.

If we are required to conduct additional clinical trials or other testing, if the results of these trials or tests are not positive or are only modestly positive or if there are safety concerns, or if we are unable to successfully complete clinical trials or other testing of JTX-2011, JTX-4014 and any other future product candidates, we may:

- be delayed in obtaining marketing approval for our product candidates;
- not obtain marketing approval at all;
- obtain approval for indications or patient populations that are not as broad as intended or desired;
- be subject to post-marketing testing requirements; or
- have the product removed from the market after obtaining marketing approval.

Our product development costs will also increase if we experience delays in testing or marketing approvals. We do not know whether any of our clinical trials will need to be restructured, will be completed on schedule, or will begin as planned, if at all. Any delays in our preclinical or future clinical development programs may harm our business, financial condition and prospects significantly.

If we encounter difficulties enrolling patients in our clinical trials, our clinical development activities could be delayed or otherwise be adversely affected.

The timely completion of clinical trials in accordance with their protocols depends, among other things, on our ability to enroll a sufficient number of patients who remain in the study until its conclusion. We may experience difficulties in patient enrollment in our clinical trials for a variety of reasons. The enrollment of patients depends on many factors, including:

- the patient eligibility criteria defined in the protocol;
- our ability to identify and enroll sufficient number of patients with a predictive biomarker;
- the size of the patient population required for analysis of the trial's primary endpoints;
- the proximity of patients to study sites;
- the design of the trial;
- our ability to recruit clinical trial investigators with the appropriate competencies and experience;
- clinicians' and patients' perceptions of the potential advantages of the product candidate being studied in relation to other available therapies;
- our ability to obtain and maintain patient consents for participation in our clinical trials and, where appropriate, biopsies for future patient enrichment efforts; and
- the risk that patients enrolled in clinical trials will drop out of the trials before completion or, because they are late-stage cancer patients, will not survive the full terms of the clinical trials.

In addition, our clinical trials will compete with other clinical trials for product candidates that are in the same therapeutic areas as JTX-2011, JTX-4014 and any other future product candidates. This competition will reduce the number and types of patients available to us, because some patients who might have opted to enroll in our trials may instead opt to enroll in a trial conducted by one of our competitors. Since the number of qualified clinical investigators is limited, we expect to conduct some of our clinical trials at the same clinical trial sites that some of our competitors use, which will reduce the number of patients who are available for our clinical trials at such sites. Moreover, because JTX-2011, JTX-4014 and any other future product candidates represent a departure from more commonly used methods for cancer treatment, potential patients and their doctors may be inclined to use conventional therapies, such as chemotherapy, rather than enroll patients in our ongoing or any future clinical trial.

Delays in patient enrollment may result in increased costs or may affect the timing or outcome of the planned clinical trials, which could prevent completion of these trials and adversely affect our ability to advance the development of JTX-2011, JTX-4014 and any other future product candidates.

JTX-2011, JTX-4014 and any other future product candidates we develop may cause undesirable side effects or have other properties when used alone or in combination with other approved pharmaceutical products or investigational new drugs that could halt their clinical development, prevent their marketing approval, limit their commercial potential or result in significant negative consequences.

Although JTX-2011, JTX-4014 and any other future product candidates will undergo safety testing to the extent possible and, where applicable, under such conditions discussed with regulatory authorities, not all adverse effects of drugs can be predicted or anticipated. Immunotherapy, and its method of action of harnessing the body's immune system, is powerful and could lead to serious side effects that we only discover in clinical trials. Undesirable or clinically unmanageable side effects could occur and cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of marketing approval by the FDA or comparable foreign regulatory authorities. Results of our trials could reveal a high and unacceptable severity and prevalence of side effects or unexpected characteristics. Unforeseen side effects from JTX-2011, JTX-4014 and any other future product candidates could arise either during clinical development or, if such side effects are more rare, after JTX-2011, JTX-4014 and any other future product candidates have been approved by regulatory authorities and the approved product has been marketed, resulting in the exposure of additional patients. Although we have preliminary safety data for JTX-2011 in humans, we cannot predict if future clinical trials of JTX-2011 or JTX-4014 will demonstrate safety in humans. If JTX-2011, JTX-4014 or any other future product candidates we develop fail to demonstrate safety and efficacy in clinical trials or do not gain marketing approval, we will not be able to generate revenue and our business will be harmed.

Our product candidates could cause undesirable side effects similar to those toxicities observed in other immunotherapies. While we have already evaluated JTX-2011 in these *in vitro* tests, our Phase II clinical trial of JTX-2011 has been ongoing for less than a year, and we have only preliminary safety data on the risk profile in humans. It remains possible that new or more severe toxicities could be seen if JTX-2011 or JTX-4014 is used in combination with other agents. Such toxicities, if observed, could result in development delays, delay or denial of approval, or limit the labeling and thus overall market scope for JTX-2011 or JTX-4014.

If unacceptable toxicities arise in the development of JTX-2011, JTX-4014 and any other future product candidates, we or a future collaborator could suspend or terminate our trials, or the FDA or comparable foreign regulatory authorities could order us to cease clinical trials or deny approval of JTX-2011, JTX-4014 and any other future product candidates for any or all targeted indications. Treatment-related side effects could also affect patient recruitment or the ability of enrolled subjects to complete the trial, or result in potential product liability claims. In addition, these side effects may not be appropriately recognized or managed by the treating medical staff, particularly outside of our existing or future collaborators as toxicities resulting from cancer immunotherapies are not normally encountered in the general patient population and by medical personnel. We expect to have to train medical personnel using JTX-2011 or JTX-4014 to understand the side effect profile of JTX-2011 or JTX-4014 for both our ongoing and planned clinical trials and upon commercialization of JTX-2011 or JTX-4014. The inability to recognize and manage the potential side effects of JTX-2011 or JTX-4014 could result in patient deaths. Any of these occurrences may prevent us from achieving or maintaining market acceptance of the affected product candidate and may harm our business, financial condition and prospects significantly.

We may seek a Breakthrough Therapy Designation or Fast Track Designation by the FDA for JTX-2011, JTX-4014 and any other future product candidates, and we may be unsuccessful. If we are successful, the designation may not actually lead to a faster development or regulatory review or approval process, and it does not increase the likelihood that JTX-2011, JTX-4014 and any other future product candidates will receive marketing approval.

We may seek a Breakthrough Therapy Designation or Fast Track Designation for JTX-2011, JTX-4014 and any other future product candidates. A breakthrough therapy is defined as a drug that is intended, alone or in combination with one or more other drugs, to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over currently approved therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. Fast Track Designation may be available if a product is intended for the treatment of a serious or life-threatening condition and preclinical or clinical data demonstrate the potential to address an unmet medical need for this condition. Drugs that receive Breakthrough Therapy Designation or Fast Track Designation by the FDA are eligible for accelerated approval and priority review.

The FDA has broad discretion whether or not to grant Breakthrough Therapy Designation or Fast Track Designation. Even if we receive Breakthrough Therapy Designation or Fast Track Designation for a product candidate, such designation may not result in a faster development process, review or approval compared to conventional FDA procedures and does not assure ultimate approval by the FDA. In addition, even if JTX-2011, JTX-4014 or any other future product candidates receive Breakthrough Therapy Designation or Fast Track Designation, the FDA may later decide that the drugs no longer meet the conditions for qualification and rescind the designation.

We may seek Orphan Drug Designation for JTX-2011, JTX-4014 and any other future product candidates, and we may be unsuccessful or may be unable to maintain the benefits associated with Orphan Drug Designation, including the potential for market exclusivity.

As part of our business strategy, we may seek Orphan Drug Designation for JTX-2011, JTX-4014 and any other future product candidates, and we may be unsuccessful. 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.

In Europe, Orphan Drug Designation entitles a party to a number of incentives, such as protocol assistance and scientific advice specifically for designated orphan medicines, and potential fee reductions depending on the status of the sponsor.

Generally, if a drug with an Orphan Drug Designation subsequently receives the first marketing approval for the indication for which it has such designation, the drug is entitled to a period of marketing exclusivity, which precludes the European Medicines Agency or the FDA from approving another marketing application for the same drug and indication for a set time period, except in limited circumstances.

Even if we obtain orphan drug exclusivity for a drug, that exclusivity may not effectively protect the drug from competition because different drugs can be approved for the same condition, or the drug may be used off-label. Even after an orphan drug is approved, the FDA can subsequently approve another drug for the same condition if the FDA concludes that the other drug is clinically superior. In addition, a designated orphan drug may not receive orphan drug exclusivity if it is approved for a use that is broader than the indication for which it received orphan designation. Moreover, orphan drug exclusive marketing rights in the United States may be lost if the FDA later determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantity of the drug to meet the needs of patients with the rare disease or condition. Orphan Drug Designation neither shortens the development time or regulatory review time of a drug nor gives the drug any advantage in the regulatory review or approval process. While we may seek Orphan Drug Designation for applicable indications for JTX-2011, JTX-4014 and any other future product candidates, we may never receive such designations. Even if we do receive such designations, there is no guarantee that we will enjoy the benefits of those designations.

The marketing approval process is expensive, time consuming and uncertain and may prevent us or any of our existing or future collaboration partners from obtaining approvals for the commercialization of JTX-2011, JTX-4014 and any other future product candidates.

Among other things, the research, testing, manufacturing, labeling, approval and license maintenance, selling, import and export, marketing and distribution of biologic products are subject to extensive regulation by the FDA and comparable foreign regulatory authorities. Neither we nor any existing or future collaboration partner is permitted to market JTX-2011, JTX-4014 and any other future products in the United States until we receive approval of a BLA from the FDA. We have never submitted an application for, or received, marketing approval. Obtaining approval of a BLA can be a lengthy, expensive and uncertain process. In addition, failure to comply with FDA and other applicable domestic and foreign regulatory requirements may subject us to administrative or judicially imposed sanctions, including the following:

- untitled and warning letters;
- civil or criminal penalties and fines;
- injunctions;
- suspension or withdrawal of marketing approval;
- suspension of any ongoing clinical trials;
- product recalls;

- refusal to accept or approve BLAs or supplements thereto filed by us;
- restrictions on operations, including costly new manufacturing requirements; or
- seizure or detention of our products or import bans.

Prior to receiving approval to commercialize our product candidates in the United States or abroad, we and any of our existing or future collaboration partners must demonstrate with substantial evidence from well-controlled clinical trials, and to the satisfaction of the FDA and comparable foreign regulatory authorities, that such product candidates are safe and effective for their intended uses. Even if we and any of our existing or future collaboration partners believe the preclinical or clinical data for JTX-2011, JTX-4014 and any other future product candidates are promising, such data may not be sufficient to support approval by the FDA and comparable foreign regulatory authorities. Administering our product candidates to humans may produce undesirable side effects, which could interrupt, delay or cause suspension of clinical trials of our product candidates and result in the FDA or other regulatory authorities denying approval of JTX-2011, JTX-4014 and any other future product candidates for any or all targeted indications.

Marketing approval of a BLA is not guaranteed, and the approval process is expensive and may take several years. The FDA also has substantial discretion in the approval process. Despite the time and expense exerted, failure can occur at any stage, and we could encounter problems that cause us to abandon or repeat clinical trials, or perform additional preclinical studies and clinical trials. The number of preclinical studies and clinical trials that will be required for FDA approval varies depending on the product candidate, the disease or condition that the product candidate is designed to address and the regulations applicable to any particular product candidate. The FDA can delay, limit or deny approval of a product candidate for many reasons, including, but not limited to, the following:

- a product candidate may not be deemed safe or effective;
- FDA officials may not find the data from preclinical studies and clinical trials sufficient;
- the FDA might not deem our or our third-party manufacturers' processes or facilities adequate for approval of our marketing applications; or
- the FDA may change its approval policies or adopt new regulations.

If JTX-2011, JTX-4014 and any other future product candidates fail to demonstrate safety and efficacy in clinical trials or do not gain marketing approval, our business will be harmed.

We may choose not to develop a potential product candidate, or we may suspend or terminate one or more discovery or preclinical programs related to our product candidates.

At any time and for any reason, we may determine that one or more of our discovery programs, preclinical programs or product candidates does not have sufficient potential to warrant the allocation of resources toward such program or product candidate. Furthermore, because we have limited financial and personnel resources, we are placing significant focus on the development of our product candidates JTX-2011 and JTX-4014. Accordingly, we may choose not to develop a product candidate or elect to suspend or terminate one or more of our discovery or preclinical programs. If we suspend or terminate a program or product candidate in which we have invested significant resources, we will have expended resources on a program or product candidate that will not provide a full return on our investment and we may have missed an opportunity to have allocated those resources to potentially more productive uses, including existing or future programs or product candidates. If we do not accurately evaluate the commercial potential or target market for a particular future product candidate, we may relinquish valuable rights to future product candidates through collaboration, licensing or other royalty arrangements.

Even if we complete the necessary clinical trials, we cannot predict when or if we will obtain marketing approval to commercialize a product or the approval may be for a more narrow indication than we expect.

We cannot commercialize a product candidate until the appropriate regulatory authorities have reviewed and approved the product candidate. Even if our product candidates demonstrate safety and efficacy in clinical trials, the regulatory agencies may not complete their review processes in a timely manner, or we may not be able to obtain marketing approval. In addition, we may experience delays or rejections based upon government regulation or changes in regulatory agency policy during the period of product development. Regulatory agencies also may impose significant limitations in the form of narrow indications, warnings, precautions or contraindications with respect to conditions of use or may grant approval subject to the performance of costly post-marketing clinical trials

or may not approve the price we intend to charge for our product candidates. Any of the foregoing scenarios could materially harm the commercial prospects for JTX-2011, JTX-4014 and any future products.

Obtaining and maintaining marketing approval of JTX-2011, JTX-4014 or any other future product candidates in one jurisdiction does not mean that we will be successful in obtaining marketing approval of that product candidate in other jurisdictions.

Obtaining and maintaining marketing approval of JTX-2011, JTX-4014 and any other future product candidates in one jurisdiction does not guarantee that we will be able to obtain or maintain marketing approval in any other jurisdiction. For example, even if the FDA grants marketing approval of a product candidate, comparable regulatory authorities in foreign jurisdictions must also approve the manufacturing, marketing and promotion of the product candidate in those countries. Approval procedures vary among jurisdictions and can involve requirements and administrative review periods different from, and greater than, those in the United States, including additional preclinical studies or clinical trials.

Obtaining foreign marketing approvals and compliance with foreign regulatory requirements could result in significant delays, difficulties and costs for us and could delay or prevent the introduction of our products in certain countries. If we fail to comply with the regulatory requirements in international markets and/or receive applicable marketing approvals, our target market will be reduced and our ability to realize the full market potential of JTX-2011, JTX-4014 and any other future product candidates will be harmed. Even if we obtain approval for our product candidates and ultimately commercialize them in foreign markets, we would be subject to separate risks and uncertainties, including the burden of complying with complex and changing foreign regulatory, tax, accounting and legal requirements and the reduced protection of intellectual property rights in some foreign countries.

Our failure to successfully identify, acquire, develop, in-license and commercialize additional products or product candidates could impair our ability to grow.

Although a substantial amount of our efforts will focus on the clinical testing and potential approval of our most advanced product candidate, JTX-2011, a key element of our long-term growth strategy is to acquire, develop and/or market additional products and product candidates. We may never be able to identify, discover, develop, in-license, acquire or commercialize additional product candidates, which would have a material adverse effect on our business.

Because our internal research capabilities are limited, we may be dependent upon pharmaceutical and biotechnology companies, academic scientists, and other researchers to sell or license products or technology to us. The success of this strategy depends partly upon our ability to identify, select, and acquire promising pharmaceutical product candidates and products. The process of proposing, negotiating and implementing a license or acquisition of a product candidate or approved product is lengthy and complex. Other companies, including some with substantially greater financial, marketing and sales resources, may compete with us for the license or acquisition of product candidates and approved products. Acquisitions and in-licenses include numerous risks, including potential failure to achieve the expected benefits of the acquisition or license and potential unknown liabilities associated with the product or technology. We have limited resources to identify and execute the acquisition or in-licensing of third-party products, businesses, and technologies, integrate them into our current infrastructure and manage our development efforts.

Even if we receive marketing approval of JTX-2011, JTX-4014 or any other future product candidates, we will be subject to ongoing regulatory obligations and continued regulatory review.

Any marketing approvals that we receive for JTX-2011, JTX-4014 and any other future product candidates may be subject to limitations on the approved indicated uses for which the product may be marketed or the conditions of approval, or contain requirements for potentially costly post-market testing and surveillance to monitor the safety and efficacy of the product candidate. In addition, if the FDA or a comparable foreign regulatory authority approves JTX-2011, JTX-4014 and any other future product candidates, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion, import and export and record keeping for JTX-2011, JTX-4014 and any other future product candidates will be subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post-marketing information and reports, registration, as well as continued compliance with current good manufacturing practice, or cGMP, and good clinical practice, or GCP, for any clinical trials that we conduct post-approval. Failure to comply with regulatory requirements, may result in, among other things:

- restrictions on the marketing or manufacturing of our product candidates, withdrawal of the product from the market, or product recalls;

- fines, untitled and warning letters, or holds on clinical trials;
- refusal by the FDA to approve pending applications or supplements to approved applications we filed or suspension or revocation of license approvals;
- product seizure or detention, or refusal to permit the import or export of our product candidates; and
- injunctions or the imposition of civil or criminal penalties.

We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or abroad. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained and we may not achieve or sustain profitability.

Even if JTX-2011, JTX-4014 and any other future product candidates receive marketing approval, they may fail to achieve the degree of market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success.

If JTX-2011, JTX-4014 and any other future product candidates receive marketing approval, whether as a single agent or in combination with other therapies, they may nonetheless fail to gain sufficient market acceptance by physicians, patients, third-party payors, and others in the medical community. If JTX-2011, JTX-4014 and any other future product candidates do not achieve an adequate level of acceptance, we may not generate significant product revenues and we may not become profitable.

Risks Related to Manufacturing, Commercialization and Reliance on Third Parties

We depend on our collaboration with Celgene and may depend on collaborations with additional third parties for the development and commercialization of our product candidates. If our collaborations are not successful, we may not be able to capitalize on the market potential of these product candidates.

In July 2016, we entered into the Celgene Collaboration Agreement with Celgene focused on developing and commercializing biologic immunotherapies. Under our Celgene Collaboration Agreement with Celgene, Celgene may exercise options granting it certain commercialization or licensing rights for JTX-2011, JTX-4014 and other product candidate programs from a pool of certain molecular targets. The collaboration involves a complex allocation of rights, provides for milestone payments to us based on the achievement of specified clinical development, regulatory and commercial milestones, provides for additional payments upon Celgene's election to exercise rights to commercialize additional product candidates or extend the research term, and provides us with profit-sharing and royalty-based revenue if certain product candidates are successfully commercialized. We cannot provide any assurance with respect to, or otherwise, the success of the collaboration.

We may form or seek other strategic alliances, joint ventures, or collaborations, or enter into additional licensing arrangements with third parties that we believe will complement or augment our development and commercialization efforts with respect to JTX-2011, JTX-4014 and any future product candidates that we may develop.

Collaborations involving our product candidates, including our collaboration with Celgene, pose the following risks to us:

- Collaborators have significant discretion in determining the efforts and resources that they will apply to these collaborations. For example, under our collaboration agreement with Celgene, development and commercialization plans and strategies for licensed programs will be conducted in accordance with a plan approved by the appropriate committee comprised of representatives from both us and Celgene.
- Collaborators, including Celgene, may not pursue development and commercialization of JTX-2011, JTX-4014 or any future product candidates or may elect not to continue or renew development or commercialization programs based on clinical trial results, changes in their strategic focus due to the acquisition of competitive products, availability of funding or other external factors such as a business combination that diverts resources or creates competing priorities.
- Collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial, abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing. For example, under our collaboration agreement with Celgene, at any point in the research, development and clinical trial process, or during the term of any applicable co-

development and co-commercialization or license agreement, respectively, Celgene may terminate the applicable agreement upon 120 days' prior written notice with respect to any product candidate that is subject to the collaboration agreement without triggering a termination of the remainder of the collaboration and, under a co-development and co-commercialization agreement or a license agreement, it is possible for Celgene to terminate that agreement upon 120 days prior written notice at any point during the development or commercialization activities. If Celgene exercises any such termination right, we may not have sufficient resources to continue the research, development or commercialization of such product candidate.

- Collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our products or product candidates.
- A collaborator with marketing and distribution rights to one or more products may not commit sufficient resources to their marketing and distribution.
- Collaborators may own or co-own intellectual property covering our products that results from our collaborating with them, and in such cases, we would not have the exclusive right to develop, commercialize, enforce, maintain or defend such intellectual property.
- Collaborators may not properly enforce, maintain or defend our intellectual property rights or may use our proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential litigation, or other intellectual property proceedings. For example, under certain limited circumstances, Celgene has the first right to enforce, maintain or defend our intellectual property rights under our collaboration arrangement with respect to certain licensed programs and, although we may have the right to assume the enforcement, maintenance and defense of our intellectual property rights if Celgene does not, our ability to do so may be compromised by Celgene's actions.
- Disputes may arise between a collaborator and us that cause the delay or termination of the research, development or commercialization of JTX-2011, JTX-4014 and any other future product candidates, or that result in costly litigation or arbitration that diverts management attention and resources. For example, although we and Celgene have agreed to the form of co-development and co-commercialization agreement and license agreement to be entered into should Celgene exercise its option for a program under the Celgene Collaboration Agreement, we may never come to agreement with Celgene on a final definitive agreement. Further, even if we do reach a definitive agreement, it may not be on terms that are as favorable to us as expected.
- Collaborations may be terminated and, if terminated, may result in a need for additional capital to pursue further development or commercialization of the applicable product candidates. For example, Celgene can terminate its agreement with us, in its entirety or with respect to any program, upon 120 days' notice and can terminate the entire agreement with us in connection with a material breach of the agreement by us that remains uncured for 90 days. If Celgene exercises such termination right, we may not have sufficient resources to continue the development of such product candidate.
- Collaboration agreements may not lead to development or commercialization of product candidates in the most efficient manner or at all.
- Collaboration agreements may restrict our right to independently pursue new product candidates. For example, if Celgene exercises its option for a program within the collaboration other than JTX-4014, then until termination or expiration of the applicable co-development and co-commercialization agreement for such program, we may not directly or indirectly research, develop, manufacture or commercialize, outside of the collaboration, any biologic medicine or product candidate with specified activity against that program's collaboration target.

As a result, if we enter into additional collaboration agreements and strategic partnerships or license our intellectual property, products or businesses, we may not be able to realize the benefit of, or generate revenues from, such arrangements.

We may seek to establish additional collaborations, and, if we are not able to establish them on commercially reasonable terms, we may have to alter our development and commercialization plans.

Our drug development programs and the potential commercialization of our product candidates will require substantial additional resources. For some of our product candidates, we may decide to collaborate with additional pharmaceutical and biotechnology companies for the development and potential commercialization of those product

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

We face significant competition in seeking appropriate strategic partners and the negotiation process is time consuming and complex. Whether we reach a definitive agreement for other collaborations will depend, among other things, upon our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator's evaluation of our business. We may not be successful in our efforts to establish a strategic partnership or other alternative arrangements for future product candidates because they may be deemed to be at too early of a stage of development for collaborative effort and third parties may not view them as having the requisite potential to demonstrate safety and efficacy. In addition, there have been a significant number of recent business combinations among large pharmaceutical companies that have resulted in a reduced number of potential future collaborators.

We may also be restricted under existing collaboration agreements from entering into future agreements on certain terms with potential collaborators. For example, during the research term of our collaboration with Celgene, we may not directly or indirectly research, develop, manufacture or commercialize, except pursuant to the agreement, certain product candidates. In addition, if Celgene exercises its option for a program within the collaboration other than JTX-4014, then until termination or expiration of the applicable co-development and co-commercialization agreement for such program, we may not directly or indirectly develop, manufacture or commercialize, outside of the collaboration, any biologic medicine or product candidate with specified activity against that program's collaboration target.

We may not be able to negotiate collaborations on a timely basis, on acceptable terms, or at all. If we are unable to do so, we may have to curtail the development of the product candidate for which we are seeking to collaborate, reduce or delay its development program, delay or reduce the scope of potential commercialization activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to increase our expenditures to fund development or commercialization activities on our own, we may need to obtain additional capital, which may not be available to us on acceptable terms or at all.

The market opportunities for JTX-2011, JTX-4014 and any other products, if and when approved, may be limited to those patients who are ineligible for established therapies or for whom prior therapies have failed, and may be small.

Cancer therapies are sometimes characterized as first-line, second-line, or third-line, and the FDA often approves new therapies initially only for third-line use. When cancer is detected early enough, first-line therapy, usually chemotherapy, hormone therapy, surgery, radiation therapy, and, increasingly, immunotherapies or a combination of these, is sometimes adequate to cure the cancer or prolong life without a cure. Second and third-line therapies are administered to patients when prior therapy is not effective. We expect to initially seek approval of JTX-2011, JTX-4014 and any other future product candidates as a therapy for patients who have received one or more prior treatments. Subsequently, for those products that prove to be sufficiently beneficial, if any, we would expect to seek approval potentially as a first-line therapy, but there is no guarantee that JTX-2011, JTX-4014 and any other future product candidates, even if approved, would be approved for first-line therapy, and, prior to any such approvals, we may have to conduct additional clinical trials.

Our projections of both the number of people who have the cancers we are targeting, as well as the subset of people with these cancers who have received one or more prior treatments, and who have the potential to benefit from treatment with JTX-2011, JTX-4014 and any other future product candidates, are based on our beliefs and estimates. These estimates have been derived from a variety of sources, including scientific literature, surveys of clinics, patient foundations, and market research, and may prove to be incorrect. Further, new studies may change the estimated incidence or prevalence of these cancers. The number of patients may turn out to be lower than expected. Additionally, the potentially addressable patient population for JTX-2011, JTX-4014 and any other future product candidates may be limited or may not be amenable to treatment with JTX-2011, JTX-4014 and any other products, if and when approved. Even if we obtain significant market share for JTX-2011, JTX-4014 and any other products, if and when approved, because the potential target populations are small, we may never achieve profitability without obtaining marketing approval for additional indications, including to be used as first- or second-line therapy.

Exclusivity and other governance provisions within our collaboration agreement with Celgene may prevent us from pursuing alternative product candidates and exercising complete control over our product candidates' development.

During the research term in our collaboration agreement with Celgene, we may not alone, or with a third party, research, develop, manufacture or commercialize a biologic that binds to a pool of certain B cell, T regulatory cell or tumor-associated macrophage targets, other than PD-1, that meet certain criteria, termed an exclusive target, and inhibit, activate or otherwise modulate the activity of such exclusive target. In addition, if Celgene exercises its option for a program within the collaboration other than JTX-4014, then until termination or expiration of the applicable co-development and co-commercialization agreement for such program, we may not directly or indirectly research, develop, manufacture or commercialize, outside of the collaboration, any biologic with specified activity against that program's collaboration target. Further, our collaboration with Celgene is governed by the joint steering committee, or JSC, and a joint patent committee. The JSC may establish additional subcommittees, to oversee particular projects or activities. Subject to limitations specified in the agreement, if the applicable governance committee is unable to make a decision by consensus and the parties are unable to resolve the issue through escalation to specified senior executive officers of the parties, then we generally have final decision-making authority over research and development matters for programs prior to Celgene's exercise of its option to such program. If Celgene exercises its option for a program, final decision-making authority for that program is specified in the applicable co-development and co-commercialization agreement or license agreement. These exclusivity and governance provisions may inhibit our development efforts and may materially harm our business, financial condition, results of operations and prospects.

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

We do not have the ability to independently conduct clinical trials. We rely and will rely on medical institutions, clinical investigators, contract laboratories, and other third parties, such as CROs, to conduct or otherwise support our ongoing clinical trials, including processing of human blood and tumor samples and analysis of biomarkers from the clinical trials. We rely and will rely heavily on these parties for execution of clinical trials for JTX-2011, JTX-4014 and any other future product candidates and we control only certain aspects of their activities. Nevertheless, we are responsible for ensuring that each of our clinical trials is conducted in accordance with the applicable protocol, legal and regulatory requirements and scientific standards, and our reliance on these third parties including CROs will not relieve us of our regulatory responsibilities. For any violations of laws and regulations during the conduct of our clinical trials, we could be subject to untitled and warning letters or enforcement action that may include civil penalties up to and including criminal prosecution.

We and our clinical investigators and CROs are required to comply with regulations and requirements, including GCP, for conducting, monitoring, recording and reporting the results of clinical trials to ensure that the data and results are scientifically credible and accurate, and that the trial patients are adequately informed of the potential risks of participating in clinical trials and their rights are protected. If we or our clinical investigators or CROs fail to comply with applicable GCP, 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. We cannot assure stockholders that, upon inspection, the FDA will determine that any of our future clinical trials will comply with GCP. In addition, our clinical trials must be conducted with product candidates produced under cGMP regulations. Our failure or the failure of our clinical investigators or CROs to comply with these regulations may require us to repeat clinical trials, which would delay the marketing approval process and could also subject us to enforcement action. We also are required to register certain ongoing clinical trials and provide certain information, including information relating to the trial's protocol, on a government-sponsored database, ClinicalTrials.gov, within specific time frames. Failure to do so can result in fines, adverse publicity and civil and criminal sanctions.

Although we designed the clinical trials for JTX-2011 and intend to design the clinical trials for JTX-4014 and any other future product candidates, clinical investigators or CROs will conduct all of the clinical trials. As a result, many important aspects of our development programs, including their conduct and timing, will be outside of our direct control. Our reliance on third parties to conduct future clinical trials will also result in less direct control over the management of data developed through clinical trials than would be the case if we were relying entirely upon our own staff. Communicating with outside parties can also be challenging, potentially leading to mistakes as well as difficulties in coordinating activities. Outside parties may also face internal challenges that may materially adversely

affect the willingness or ability of such parties to conduct our clinical trials and may subject us to unexpected cost increases that are beyond our control. If the clinical investigators or CROs do not perform clinical trials in a satisfactory manner, breach their obligations to us or fail to comply with regulatory requirements, the development, marketing approval and commercialization of JTX-2011, JTX-4014 and any other future product candidates may be delayed, or our development program may be materially and irreversibly harmed. If we are unable to rely on clinical data collected by our clinical investigators and CROs, we could be required to repeat, extend the duration of, or increase the size of any clinical trials we conduct and this could significantly delay commercialization and require significantly greater expenditures.

If clinical investigators or 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 are compromised due to the failure to adhere to our clinical protocols, regulatory requirements or for other reasons, any clinical trials such clinical investigators or CROs are associated with may be extended, delayed or terminated. As a result, we believe that our financial results and the commercial prospects for JTX-2011, JTX-4014 and any other future product candidates in the subject indication would be harmed, our costs could increase and our ability to generate revenue could be delayed.

We face significant competition and if our competitors develop and market products that are more effective, safer or less expensive than JTX-2011, JTX-4014 or any other future product candidates, our commercial opportunities will be negatively impacted.

The life sciences industry is highly competitive and subject to rapid and significant technological change. We are currently developing therapeutics that will compete with other products and therapies that currently exist or are being developed, such as GlaxoSmithKline plc's anti-ICOS antibody program. Products we may develop in the future are also likely to face competition from other products and therapies, some of which we may not currently be aware. Technological advances or products developed by our competitors may render our technologies or product candidates obsolete, less competitive or not economical.

We have both domestic and international competitors, including major multinational pharmaceutical companies, established biotechnology companies, specialty pharmaceutical companies, universities and other research institutions and small and other early-stage companies. Many of our competitors have significantly greater financial, manufacturing, marketing, product development, technical and human resources than we do. Large pharmaceutical companies, in particular, have extensive experience in clinical testing, obtaining marketing approvals, establishing clinical trial sites, recruiting patients and in manufacturing pharmaceutical products and may succeed in discovering, developing and commercializing products in our field before we do. We also face competition in recruiting and retaining qualified scientific and management personnel, as well as in acquiring technologies complementary to, or necessary for, our programs.

There are a large number of companies developing or marketing treatments for cancer, including many major pharmaceutical and biotechnology companies. These treatments consist both of small molecule drug products, as well as biologics approaches to address cancer. These treatments are often combined with one another in an attempt to maximize the response rate.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer or less severe side effects, are more convenient, have a broader label, are marketed more effectively, are reimbursed or are less expensive than any products that we may develop. Our competitors also may obtain FDA, European Commission or other marketing 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. Even if JTX-2011, JTX-4014 and any other future product candidates achieve marketing approval, they may be priced at a significant premium over competitive products if any have been approved by then, resulting in reduced competitiveness. In addition, if JTX-2011, JTX-4014 and other future product candidates are approved by the FDA, the approval of a biosimilar product to one of our products could have a material impact on our business.

Because we rely on third-party manufacturing and supply partners, including a single supplier for some of our materials, our supply of research and development, preclinical and clinical development materials may become limited or interrupted or may not be of satisfactory quantity or quality.

We rely on third-party contract manufacturers to manufacture our preclinical and clinical trial product supplies. We do not own manufacturing facilities for producing such supplies. There can be no assurance that our preclinical and clinical development product supplies will not be limited, interrupted, or of satisfactory quality or continue to be

available at acceptable prices. Our or a third party's failure to execute on our manufacturing requirements, or to do so on commercially reasonable terms and comply with cGMP could adversely affect our business in a number of ways, including:

- an inability to continue clinical trials of JTX-2011 or initiate or continue clinical trials of JTX-4014 or any other future product candidates under development;
- delay in submitting regulatory applications, or receiving marketing approvals, for JTX-2011, JTX-4014 or any other future product candidates;
- loss of cooperation of an existing or future collaborator;
- subjecting third-party manufacturing facilities or our manufacturing facilities to additional inspections by regulatory authorities; and
- requirements to cease distribution or to recall batches of JTX-2011, JTX-4014 and any other future product candidates.

In the event that any of our manufacturers fails to comply with applicable regulatory requirements and facility and process validation tests or to perform its obligations to us in relation to quality, timing or otherwise, or if our supply of components or other materials becomes limited or interrupted for other reasons, we may be forced to manufacture the materials ourselves, for which we currently do not have the capabilities or resources, or enter into an agreement with another third party, which we may not be able to do on reasonable terms, if at all. In some cases, the technical skills or technology required to manufacture our future product candidates may be unique or proprietary to the original manufacturer, which would increase our reliance on such manufacturer or require us to obtain a license from such manufacturer in order to have another third party manufacture such future product candidates. In particular, any replacement of our manufacturer could require significant effort and expertise because there may be a limited number of qualified replacements. If we are required to change manufacturers for any reason, we will be required to verify that the new manufacturer maintains facilities and procedures that comply with quality standards and with all applicable regulations and guidelines, which could negatively affect our ability to develop product candidates in a timely manner or within budget.

Certain raw materials necessary for the manufacture of our product candidates under our current manufacturing process, such as growth media, resins and filters, are available from a single supplier. We do not have agreements in place that guarantee our supply or the price of these raw materials. Any significant delay in the acquisition or decrease in the availability of these raw materials could considerably delay the manufacture of JTX-2011, JTX-4014 and any other future product candidates, which could adversely impact the timing of any planned trials or the marketing approval of that product candidate.

We expect to continue to rely on third-party manufacturers if we receive marketing approval for any product candidate. If we are unable to maintain third-party manufacturing for JTX-2011 and JTX-4014 or obtain or maintain third-party manufacturing for any other future product candidates, or to do so on commercially reasonable terms, we may not be able to develop and commercialize JTX-2011, JTX-4014 or any other future product candidates successfully. We do not yet have sufficient information to reliably estimate the cost of the commercial manufacture of JTX-4014 or any other future product candidates.

In addition, in order to conduct clinical trials of JTX-2011, JTX-4014 and any other future product candidates, we will need to work with third-party manufacturers to manufacture them in large quantities. Our manufacturing partners or our third-party collaborators may be unable to successfully increase the manufacturing capacity of JTX-2011, JTX-4014 and any other future product candidates in a timely or cost-effective manner, or at all. In addition, quality issues may arise during scale-up activities. If our manufacturing partners or collaborators are unable to successfully scale up the manufacture of JTX-2011, JTX-4014 or any other future product candidates in sufficient quality and quantity, the development, testing, and clinical trials of that product candidate may be delayed or infeasible, and marketing approval or commercial launch of any resulting product may be delayed or not obtained, which could significantly harm our business.

We are subject to manufacturing risks that could substantially increase our costs and limit the supply of our products.

The process of manufacturing JTX-2011 or any other future product candidates is complex, highly regulated and subject to several risks, including those listed below.

- We do not have the capability internally to manufacture drug products or drug substances for clinical use. We use third-party manufacturers for manufacturing JTX-2011 for our Phase I/II study of JTX-2011. Any changes in our manufacturing processes as a result of scaling-up may require additional approvals or may delay the development and marketing approval of JTX-2011, JTX-4014 and any other future product candidates and ultimately affect our success.
- The manufacturing facilities in which JTX-2011, JTX-4014 or any other future product candidates are made could be adversely affected by equipment failures, contamination, vendor error, labor shortages, natural disasters, power failures and numerous other factors.
- Any adverse developments affecting manufacturing operations for JTX-2011, JTX-4014 or any other future product candidates, if any are approved, may result in shipment delays, inventory shortages, lot failures, product withdrawals or recalls, or other interruptions in the supply of our products. We may also have to take inventory write-offs and incur other charges and expenses for products that fail to meet specifications, undertake costly remediation efforts or seek more costly manufacturing alternatives.
- Biologics, such as JTX-2011, that have been produced and are stored for later use may degrade, become contaminated, suffer other quality defects or may not be used within their shelf life, which may cause the affected product candidates to no longer be suitable for their intended use in clinical trials or other development activities. If the defective product candidates cannot be replaced in a timely fashion, we may incur significant delays in our development programs that could adversely affect the value of such product candidates.

We expect to develop JTX-2011, JTX-4014 and future product candidates in combination with other drugs. If we are unable to enter into a strategic collaboration for, or if we are unable to purchase on commercially reasonable terms, an approved cancer drug to use in combination with our product candidates, we may be unable to develop or obtain approval for, JTX-2011, JTX-4014 and future product candidates in combination with other drugs.

We intend to develop JTX-2011, JTX-4014 and future product candidates in combination with one or more other cancer drugs. If the FDA or similar regulatory authorities outside of the United States revoke or do not grant approval of any drugs we use in combination with JTX-2011, JTX-4014 or any other future product candidates, we will not be able to market any products in combination with such drugs.

If safety or efficacy issues arise with any of these drugs, we could experience significant regulatory delays, and the FDA or similar regulatory authorities outside of the United States may require us to redesign or terminate the applicable clinical trials. If the drugs we use are replaced as the standard of care for the indications we choose for JTX-2011, JTX-4014 or any other future product candidates, the FDA or similar regulatory authorities outside of the United States may require us to conduct additional clinical trials. In addition, if manufacturing or other issues result in a shortage of supply of the drugs with which we determine to combine with JTX-2011, JTX-4014 or any other future product candidates, we may not be able to complete clinical development of JTX-2011, JTX-4014 or any other future product candidates on our current timeline or at all.

Even if JTX-2011, JTX-4014 or any other future product candidates were to receive marketing approval or be commercialized for use in combination with other existing drugs, we would continue to be subject to the risks that the FDA or similar regulatory authorities outside of the United States could revoke approval of such existing drugs or that safety, efficacy, manufacturing or supply issues could arise with such drugs.

We may form or seek strategic collaborations to evaluate and, if approved, market JTX-2011 and JTX-4014 in combination with another approved cancer drug. If we are unable to enter into a strategic collaboration on commercially reasonable terms or fail to realize the benefits of any such collaboration, we may be required to purchase an approved cancer drug to use in combination with JTX-2011 and JTX-4014. The failure to enter into a successful collaboration or the expense of purchasing an approved cancer drug may delay our development timelines, increase our costs and jeopardize our ability to develop JTX-2011 and JTX-4014.

We may develop complementary diagnostics and/or companion diagnostics for JTX-2011, JTX-4014 and any potential future product candidates. If we are unable to successfully develop such companion diagnostics or complementary diagnostics, or experience significant delays in doing so, we may not realize the full commercial potential of JTX-2011, JTX-4014 or any other future product candidates.

Because we are focused on patient enrichment strategies, in which predictive biomarkers may be used to identify the right patients for our product candidates, we believe that our success may depend, in part, on our ability to

develop complementary diagnostics and/or companion diagnostics, which are assays or tests to identify an appropriate patient population for our product candidates. There has been limited success to date industry-wide in developing these types of complementary diagnostics and/or companion diagnostics. To be successful, we need to address a number of scientific, technical and logistical challenges. We have not yet initiated development of complementary diagnostics and/or companion diagnostics. We have little experience in the development of diagnostics and may not be successful in developing appropriate diagnostics to pair with any of our product candidates that receive marketing approval. Complementary diagnostics and/or companion diagnostics are subject to regulation by the FDA and similar regulatory authorities outside the United States as medical devices and require separate regulatory approval or clearance prior to commercialization. Given our limited experience in developing diagnostics, we expect to rely in part or in whole on third parties for their design and manufacture. If we, or any third parties that we engage to assist us, are unable to successfully develop complementary diagnostics and/or companion diagnostics for JTX-2011, JTX-4014 and any other future product candidates, or experience delays in doing so:

- the development of JTX-2011, JTX-4014 and any other future product candidates may be adversely affected if we are unable to appropriately select patients for enrollment in our clinical trials;
- JTX-2011, JTX-4014 and any other future product candidates may not receive marketing approval if safe and effective use of a product candidate depends on a complementary diagnostics and/or companion diagnostics and such diagnostic is not commercially available or otherwise approved or cleared by the appropriate regulatory authority; and
- we may not realize the full commercial potential of JTX-2011, JTX-4014 and any other future product candidates that receive marketing approval if, among other reasons, we are unable to appropriately identify, or it takes us longer to identify, patients who are likely to benefit from therapy with our products, if approved.

If any of these events were to occur, our business would be harmed, possibly materially.

If product liability lawsuits are brought against us, we may incur substantial liabilities.

We face an inherent risk of product liability as a result of the clinical testing of JTX-2011, JTX-4014 and any other future product candidates. For example, we may be sued if our product candidates cause or are perceived to cause injury or are found to be otherwise unsuitable during clinical testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability or a breach of warranties. Claims could also be asserted under state consumer protection acts. If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities. Even successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in:

- decreased demand for our product candidates;
- injury to our reputation;
- withdrawal of clinical trial participants;
- initiation of investigations by regulators;
- costs to defend the related litigation;
- a diversion of management’s time and our resources;
- substantial monetary awards to trial participants or patients;
- product recalls, withdrawals or labeling, marketing or promotional restrictions;
- loss of revenue;
- exhaustion of any available insurance and our capital resources;
- the inability to commercialize any product candidate; and
- a decline in our share price.

Insurance coverage is increasingly expensive. We may not be able to maintain insurance at a reasonable cost or in an amount adequate to satisfy any liability that may arise, if at all. Our insurance policy contains various exclusions, and we may be subject to a product liability claim for which we have no coverage. We may have to pay any amounts awarded by a court or negotiated in a settlement that exceed our coverage limitations or that are not

covered by our insurance, and we may not have, or be able to obtain, sufficient capital to pay such amounts. Even if our agreements with any future corporate collaborators entitle us to indemnification against losses, such indemnification may not be available or adequate should any claim arise.

Adverse events in the field of immuno-oncology could damage public perception of our product candidates and negatively affect our business.

The commercial success of our products will depend in part on public acceptance of the use of cancer immunotherapies. Adverse events in clinical trials of JTX-2011, JTX-4014, any of our other future product candidates or other similar products and the resulting publicity, as well as any other adverse events in the field of immuno-oncology that may occur, including in connection with competitor therapies such as GlaxoSmithKline plc's anti-ICOS antibody, could result in a decrease in demand for JTX-2011, JTX-4014 or any other products that we may develop. If public perception is influenced by claims that the use of cancer immunotherapies is unsafe, whether related to our or our competitors' therapies, our products may not be accepted by the general public or the medical community.

Future adverse events in immuno-oncology or the biopharmaceutical industry could also result in greater governmental regulation, stricter labeling requirements and potential regulatory delays in the testing or approvals of our products. Any increased scrutiny could delay or increase the costs of obtaining marketing approval for JTX-2011, JTX-4014 and any other future product candidates.

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

In the United States, there have been and continue to be a number of legislative initiatives to contain healthcare costs. For example, in March 2010, the Affordable Care Act was passed, which substantially changes the way health care is financed by both governmental and private insurers, and significantly impacts the U.S. pharmaceutical industry.

We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for our product candidates or complementary diagnostics or companion diagnostics or additional pricing pressures.

For example, with enactment of the Tax Cuts and Jobs Act of 2017, which was signed by the President on December 22, 2017, Congress repealed the "individual mandate." The repeal of this provision, which requires most Americans to carry a minimal level of health insurance, will become effective in 2019. According to the Congressional Budget Office, the repeal of the individual mandate will cause 13 million fewer Americans to be insured in 2027 and premiums in insurance markets may rise. Further, each chamber of the Congress has put forth multiple bills designed to repeal or repeal and replace portions of the Affordable Care Act, or ACA. Although none of these measures has been enacted by Congress to date, Congress may consider other legislation to repeal and replace elements of the ACA. The Congress will likely consider other legislation to replace elements of the ACA, during the next Congressional session.

The current administration has also taken executive actions to undermine or delay implementation of the ACA. In January 2017, the President signed an Executive Order directing federal agencies with authorities and responsibilities under the ACA to waive, defer, grant exemptions from, or delay the implementation of any provision of the ACA that would impose a fiscal or regulatory burden on states, individuals, healthcare providers, health insurers, or manufacturers of pharmaceuticals or medical devices. In October 2017, the President signed a second Executive Order allowing for the use of association health plans and short-term health insurance, which may provide fewer health benefits than the plans sold through the ACA exchanges. At the same time, the Administration announced that it will discontinue the payment of cost-sharing reduction, or CSR, payments to insurance companies until Congress approves the appropriation of funds for such CSR payments. The loss of the CSR payments is expected to increase premiums on certain policies issued by qualified health plans under the ACA. A bipartisan bill to appropriate funds for CSR payments was introduced in the Senate, but the future of that bill is uncertain.

Our future relationships with customers and third-party payors in the United States and elsewhere may be subject, directly or indirectly, to applicable anti-kickback, fraud and abuse, false claims, transparency, health information privacy and security and other healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm, administrative burdens 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. In addition, we may be subject to transparency laws and patient privacy regulation by the U.S. federal and state governments and by governments in foreign jurisdictions in which we conduct our business. The applicable federal, state and foreign healthcare laws and regulations that may affect our ability to operate include the federal Anti-Kickback Statute, the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, the federal legislation commonly referred to as the Physician Payments Sunshine Act, and analogous state and foreign laws and regulations, any of which may constrain the business or financial arrangements and relationships through which we sell, market and distribute any products for which we obtain marketing approval.

Because of the breadth of these laws and the narrowness of the statutory exceptions and regulatory safe harbors available under such laws, it is possible that some of our business activities could be subject to challenge under one or more of such laws. The scope and enforcement of each of these laws is also uncertain and any investigation or settlement could be time- and resource-consuming, divert management's attention, increase our costs or otherwise have an adverse effect on our business.

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 various significant penalties, any of which could harm our ability to operate our business and our financial results. In addition, the approval and commercialization of our product candidates outside the United States will also likely subject us to foreign equivalents of the healthcare laws mentioned above, among other foreign laws.

Risks Related to our Financial Position and Need for Additional Capital

We have incurred net losses in every year since our inception and anticipate that we will continue to incur substantial and increasing net losses in the foreseeable future.

We are a clinical stage biopharmaceutical company with a limited operating history, and we are early on in our development efforts. Investment in biopharmaceutical product development is highly speculative because it entails substantial upfront capital expenditures and significant risk that any potential product candidate will fail to demonstrate adequate effect or an acceptable safety profile, gain marketing approval and become commercially viable. We have financed our operations primarily through the sale of equity securities, convertible debt securities and our collaboration with Celgene. Since our inception, most of our resources have been dedicated to the preclinical and clinical development of JTX-2011 and preclinical and planned clinical development of JTX-4014 and other discovery programs. The size of our future net losses will depend, in part, on our future expenses and our ability to generate additional revenue, if any. We have no products approved for commercial sale and have not generated any revenue from product sales to date, and we continue to incur significant research and development and other expenses related to our ongoing operations. As a result, we have incurred losses in each annual period since our inception. For the years ended December 31, 2017, 2016 and 2015, we reported net losses of $16.4 million, $13.7 million and $28.5 million, respectively. As of December 31, 2017, we had an accumulated deficit of $89.6 million. We expect to continue to incur significant losses for the foreseeable future, and we expect these losses to increase as we continue our research and development of, and seek marketing approvals for JTX-2011, JTX-4014 and any future product candidates.

Even if we succeed in receiving marketing approval for and commercialize our product candidate, we will continue to incur substantial research and development and other expenditures to develop and market additional potential products. We may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. The size of our future net losses will depend, in part, on the rate of future growth of our expenses and our ability to generate revenue. Our prior losses and expected future losses have had and will continue to have an adverse effect on our stockholders' equity and working capital.

We have never generated any revenue from product sales and our ability to generate revenue from product sales and become profitable depends on our success on a number of factors.

We have no products approved for commercial sale, have not generated any revenue from product sales, and do not anticipate generating any revenue from product sales until some time after we have received marketing approval for the commercial sale of a product candidate, if ever. Our ability to generate revenue and achieve profitability depends significantly on our success in many factors, including:

- completing clinical development of our lead product candidate, JTX-2011, and completing research and discovery and preclinical and clinical development of any other programs and product candidates;
- obtaining marketing approvals for JTX-2011, JTX-4014 and any future product candidates for which we complete clinical trials;
- developing a sustainable and scalable manufacturing process for our product candidates, including establishing and maintaining commercially viable supply and manufacturing relationships with third parties;
- launching and commercializing our product candidates for which we obtain marketing approvals, either directly or with a collaborator or distributor;
- obtaining market acceptance of JTX-2011, JTX-4014 and any future product candidates as viable treatment options;
- addressing any competing technological and market developments;
- identifying, assessing, acquiring and developing new product candidates;
- negotiating favorable terms in any collaboration, licensing, or other arrangements into which we may enter;
- obtaining, maintaining, protecting, and expanding our portfolio of intellectual property rights, including patents, trade secrets, and know-how; and
- attracting, hiring, and retaining qualified personnel.

Even if our product candidates or any future product candidates that we develop are approved for commercial sale, we anticipate incurring significant costs associated with commercializing any approved product candidate. These costs may fluctuate or exceed our expectations and our revenues will depend on many factors that we cannot control or estimate. If we are not able to generate revenue from the sale of any approved products, we may never become profitable.

We will require substantial additional financing to achieve our goals, and a failure to obtain this necessary capital when needed could force us to delay, limit, reduce or terminate our product development or commercialization efforts.

Our operations have consumed substantial amounts of cash since inception. As of December 31, 2017, our cash, cash equivalents and investments were $257.9 million. We expect to continue to spend substantial amounts to continue the clinical development of JTX-2011 and preclinical and clinical development of JTX-4014 and any future product candidates. If we are able to gain marketing approval for any of our product candidates, we will require significant additional amounts of cash in order to launch and commercialize those product candidates to the extent that such launch and commercialization are not the responsibility of a collaborator. In addition, other unanticipated costs may arise. Because the design and outcome of our planned and anticipated clinical trials are highly uncertain, we cannot reasonably estimate the actual amounts necessary to successfully complete the development and commercialization of JTX-2011, JTX-4014 and any other future product candidates. Our future capital requirements depend on many factors, including:

- the scope, progress, results and costs of researching and developing our product candidates, and conducting preclinical studies and clinical trials;
- the timing of, and the costs involved in, obtaining marketing approvals for our product candidates if clinical trials are successful;
- the success of our collaboration with Celgene;
- whether Celgene exercises its licensing and co-development options under our collaboration agreement with Celgene, each of which would trigger additional payments to us;

- the cost of commercialization activities for our product candidates, that are approved for sale, including marketing, sales and distribution costs;
- the cost of manufacturing our product candidates for clinical trials in preparation for marketing approval and in preparation for commercialization;
- our ability to establish and maintain strategic licensing or other arrangements and the financial terms of such agreements;
- the costs involved in preparing, filing, prosecuting, maintaining, expanding, defending and enforcing patent claims, including litigation costs and the outcome of such litigation;
- the timing, receipt, and amount of sales of, or royalties on, our future products, if any;
- the emergence of competing cancer therapies and other adverse market developments; and
- the requirement for and cost of developing complementary diagnostics and/or companion diagnostics.

We do not have any committed external source of funds or other support for our development efforts, other than our collaboration with Celgene, which is limited in scope and duration. We will not receive any option-exercise fees or milestone payments prior to Celgene exercising a licensing or co-development option. Until we can generate sufficient product and royalty revenue to finance our cash requirements, which we may never do, we expect to finance our future cash needs through a combination of public or private equity offerings, debt financings, collaborations, strategic alliances, licensing arrangements and other marketing or distribution arrangements. Based on our research and development plans, we expect that our existing cash, cash equivalents and investments will enable us to fund our operating expenses and capital expenditure requirements for at least 24 months from the filing date of this Annual Report on Form 10-K.

If we are unable to obtain adequate financing on favorable terms when needed, we may have to delay, reduce the scope of or suspend one or more of our clinical trials or research and development programs or our commercialization efforts.

Raising additional capital may cause dilution to our stockholders, restrict our operations or require us to relinquish rights to our technologies or JTX-2011, JTX-4014 and any other future product candidates.

Until such time, if ever, as we can generate substantial product revenues, we expect to finance our cash needs through a combination of private and public equity offerings, debt financings, collaborations, strategic alliances and licensing arrangements. To the extent that we raise additional capital through the sale of common stock or securities convertible or exchangeable into common stock, stockholders' ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect our stockholders' rights. Debt financing, if available, would increase our fixed payment obligations and may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends.

If we are unable to raise additional funds through equity or debt financings when needed, and instead raise additional capital through marketing and distribution agreements or other collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish certain valuable rights to JTX-2011, JTX-4014 and any other future product candidates, technologies, future revenue streams or research programs or grant licenses on terms that may not be favorable to us.

Risks Related to Intellectual Property

If we are unable to obtain, maintain and protect our intellectual property rights for our product candidates or if our intellectual property rights are inadequate, our competitive position could be harmed.

Our commercial success will depend in part on our ability to obtain and maintain patent and other intellectual property protection in the United States and other countries with respect to our product candidates. We rely on trade secret, patent, copyright and trademark laws, and confidentiality, licensing and other agreements with employees and third parties, all of which offer only limited protection. We currently, or will in the future, seek to protect our proprietary position by filing and prosecuting patent applications in the United States and abroad related to JTX-2011, JTX-4014, any other future product candidates, and any future novel technologies that are important to our business.

The steps we or our licensors have taken to protect our proprietary rights may not be adequate to preclude misappropriation of our proprietary information or infringement of our intellectual property rights, both inside and outside of the United States.

If we or our licensors are unable to obtain and maintain patent protection for JTX-2011, JTX-4014 or any other future product candidates, or if the scope of the patent protection obtained is not sufficient, our competitors could develop and commercialize products similar or superior to ours, and our ability to successfully commercialize JTX-2011, JTX-4014 and any other future product candidates and future technologies may be adversely affected.

Our pending applications cannot be enforced against third parties unless and until a patent issues from such applications and, even after issuance, such patents may be challenged in the courts or patent offices in the United States and abroad. Such proceedings may result in the loss of patent protection, the narrowing of claims in such patents or the invalidity or unenforceability of such patents, which could limit our ability to stop others from using or commercializing similar or identical products, or limit the duration of the patent protection for JTX-2011, JTX-4014 and any other future product candidates. In addition, we cannot predict whether any of our future patent applications will result in the issuance of patents that effectively protect JTX-2011, JTX-4014 and any other future product candidates, or if any of our issued patents or if any of our licensor's issued patents will effectively prevent others from commercializing competitive products. In some cases, it may be difficult or impossible to detect third-party infringement or misappropriation of our intellectual property rights, even in relation to issued patent claims, and proving any such infringement may be even more difficult. If we are unable to obtain, maintain, and protect our intellectual property our competitive advantage could be harmed, and it could result in a material adverse effect on our business, financial condition, and the results of operations and prospects.

Patent terms may be inadequate to protect our competitive position on our products for an adequate amount of time, and JTX-2011, JTX-4014 and any other future product candidates for which we intend to seek approval as biologic products may face competition sooner than anticipated.

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. We expect to seek patent term adjustments or extensions of patent terms in the United States for our licensed patents and any patents we own in the future and, if available, in other countries where that may be available when we are prosecuting patents. In the United States, the Drug Price Competition and Patent Term Restoration Act of 1984 permits a patent term extension of up to five years beyond the normal expiration of the patent, which is limited to the approved indication (or any additional indications approved during the period of extension). However, the applicable authorities, including the FDA and the USPTO in the United States, and any equivalent regulatory authority in other countries, may not agree with our assessment of whether such extensions are available, and may refuse to grant extensions to our patents, or may grant more limited extensions than we request. We may not be granted an extension because of, for example, failure to exercise due diligence during the testing phase or regulatory review process, failure to apply within applicable deadlines, failure to apply prior to expiration of relevant patents or otherwise failing to satisfy applicable requirements. If we are unable to obtain patent term extension or the term of any such extension is less than we request, our competitors may be able to take advantage of our investment in development and clinical trials by referencing our clinical and preclinical data and launch their product earlier than might otherwise be the case, which could result in a material adverse effect on our business, financial condition, results of operation and prospects.

The Biologics Price Competition and Innovation Act of 2009, or BPCIA, established legal authority for the FDA to review and approve biosimilar biologics, including the possible designation of a biosimilar as "interchangeable" based on its similarity to an existing brand product. Under the BPCIA, an application for a biosimilar product cannot be approved by the FDA until 12 years after the original branded product was approved under a BLA. The law is complex and is still being interpreted and implemented by the FDA. As a result, its ultimate impact, implementation, and meaning are subject to uncertainty. While it is uncertain when such processes intended to implement BPCIA may be fully adopted by the FDA, any such processes could have a material adverse effect on the future commercial prospects for our biological products.

We intend to seek market exclusivity for our biological product candidate that is subject to its own BLA for 12 years in the United States, 10 years in Europe and other durations in other markets. However, the term of the patents that cover such product candidates may not extend beyond the applicable market exclusivity awarded by a particular country. For example, in the United States, if all of the patents that cover our particular biologic product expire before the 12-year market exclusivity expires, a third party could submit a marketing application for a biosimilar product four years after approval of our biologic product, and the FDA could immediately review the application and approve the biosimilar product for marketing 12 years after approval of our biologic. Alternatively, a third party could

submit a BLA for a similar or identical product any time after approval of our biologic product, and the FDA could immediately review and approve the similar or identical product for marketing and the third party could begin marketing the similar or identical product upon expiry of all of the patents that cover our particular biologic product.

Additionally, there is a risk that this exclusivity could be shortened due to congressional action, potentially creating the opportunity for biosimilar competition sooner than anticipated. The extent to which a biosimilar, once approved, will be substituted for any one of our reference products in a way that is similar to traditional generic substitution for non-biological products is not yet clear, and will depend on a number of marketplace and regulatory factors that are still developing.

If we are unable to protect the confidentiality of our proprietary information and know-how, the value of our technology and products could be adversely affected.

In addition to seeking patent protection, we also rely on other proprietary rights, including protection of trade secrets, know-how and confidential and proprietary information. To maintain the confidentiality of our trade secrets and proprietary information, we enter into confidentiality agreements with our employees, consultants, collaborators and other third parties who have access to our trade secrets. These agreements require that all confidential information developed by the individual or made known to the individual by us during the course of the individual's relationship with us be kept confidential and not disclosed to third parties. Our agreements with employees also provide that any inventions conceived by the individual in the course of rendering services to us shall be our exclusive property. However, we may not obtain these agreements in all circumstances, and individuals with whom we have these agreements may not comply with their terms. The assignment of intellectual property rights may not be self-executing or the assignment agreements may be breached, and we may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property. In addition, in the event of unauthorized use or disclosure of our trade secrets or proprietary information, these agreements, even if obtained, may not provide meaningful protection, particularly for our trade secrets or other confidential information.

Adequate remedies may not exist in the event of unauthorized use or disclosure of our confidential information. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive, and time consuming, and the outcome is unpredictable. In addition, some courts are less willing or unwilling to protect trade secrets. The disclosure of our trade secrets or the independent development of our trade secrets by a competitor or other third party would impair our competitive position and may materially harm our business, financial condition, results of operations and prospects.

Third parties may initiate legal proceedings alleging that we are infringing their intellectual property rights, the outcome of which would be uncertain and could harm our business.

Our commercial success depends on our ability and the ability of our current or future collaborators to develop, manufacture, market and sell our product candidates, and to use our related proprietary technologies without infringing, misappropriating or otherwise violating the intellectual property and proprietary rights of third parties. The biotechnology and pharmaceutical industries are characterized by extensive litigation regarding patents and other intellectual property rights. We may become party to, or threatened with, adversarial proceedings or litigation regarding intellectual property rights with respect to our current and any other future product candidates. For example, we are aware of third party patents generally directed to methods of treating certain indications with an anti-PD-1 monoclonal antibody that may be construed to cover one or more of our current and future product candidates. If we are found to infringe a third-party's intellectual property rights, and we are unsuccessful in demonstrating that such intellectual property rights are invalid or unenforceable, we could be required to obtain a license from such third party to continue developing, manufacturing and commercializing our product candidates. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be non-exclusive, thereby giving our competitors and other third parties access to the same technologies licensed to us, and it could require us to make substantial licensing and royalty payments. We also could be forced, including by court order, to cease developing, manufacturing, and commercializing our product candidates. In addition, in any such proceeding or litigation, we could be found liable for significant monetary damages, including treble damages and attorneys' fees, if we are found to have willfully infringed a patent or other intellectual property right. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, we are testing JTX-2011 and expect to test future product candidates with other products that are covered by patents held by other companies or institutions. In the event that a labeling instruction is required in product packaging recommending that combination, we could be accused of, or held liable for, infringement of the

third-party patents covering the product candidate or product recommended for administration with our product candidates. In such a case, we could be required to obtain a license from the other company or institution to use the required or desired package labeling, which may not be available on commercially reasonable terms, or at all.

If we breach any of our license agreements or collaboration agreements, it could have a material adverse effect on our commercialization efforts for our product candidates.

Our commercial success depends on our ability, and at times, the ability of our licensors and current or future collaborators to develop, manufacture, market, and sell our product candidates, and use our licensors proprietary technologies without infringing the property rights of third parties. For example, we have entered into our Celgene Collaboration Agreement relating to JTX-2011, JTX-4014 and other product candidates, and an exclusive license agreement with Sloan Kettering Institute for Cancer Research, Memorial Sloan Kettering Cancer Center and Memorial Hospital for Cancer and The University of Texas MD Anderson Cancer Center related to certain uses of our JTX-2011, and we may enter into additional licenses in the future. These and other licenses may not provide exclusive rights to use such intellectual property and technology in all relevant fields of use and in all territories in which we may wish to develop or commercialize our products in the future. As a result, we may not be able to prevent competitors from developing and commercializing competitive products in territories included in all our licenses.

In addition, we may not have the right to control the preparation, filing, prosecution, maintenance, enforcement and defense of patents and patent applications covering the technology that we license from third parties. For example, under our Celgene Collaboration Agreement, under certain circumstances, Celgene has the first right to enforce, maintain or defend our intellectual property rights with respect to certain licensed programs. Therefore, we cannot be certain that these patents and patent applications will be prepared, filed, prosecuted, maintained, enforced, and defended in a manner consistent with the best interests of our business. If our licensors fail to prosecute, maintain, enforce and defend such patents, or lose rights to those patents or patent applications, the rights we have licensed may be reduced or eliminated and our right to develop and commercialize our product candidates that are the subject of such licensed rights could be adversely affected. Furthermore, our owned and in-licensed patents may be subject to a reservation of rights by one or more third parties.

Certain of our license agreements also require us to meet development thresholds to maintain the license, including establishing a set timeline for developing and commercializing products. If we fail to comply with the obligations under our license agreements, including payment and diligence terms, our licensors may have the right to terminate our agreements. Such an occurrence could materially adversely affect the value of the product candidate being developed under any such agreement. Termination of our license agreements or reduction or elimination of our rights under them may result in our having to negotiate a new or reinstated agreement, which may not be available to us on equally favorable terms, or at all.

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

Further, the resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or increase what we believe to be our financial or other obligations under the relevant agreement, either of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

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

We currently have rights to intellectual property, through licenses from third parties, for certain uses of JTX-2011. Because JTX-2011, JTX-4014 and any other future product candidates may require the use of proprietary rights held by third parties, the growth of our business likely will depend, in part, on our ability to acquire, in-license or use these proprietary rights. We may be unable to acquire or in-license any compositions, methods of use, processes or other intellectual property rights from third parties that we identify as necessary for JTX-2011, JTX-4014 and other future product candidates. The licensing or acquisition of third-party intellectual property rights is a competitive area, and several more established companies may pursue strategies to license or acquire third-party intellectual property rights that we may consider attractive. These established companies may have a competitive advantage over us due to their size, capital resources and greater clinical development and commercialization capabilities.

If we are unable to successfully obtain required third-party intellectual property rights or maintain the existing intellectual property rights we have, we may have to abandon or alter our plans for the development or commercialization of the relevant program or product candidate, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

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

Filing, prosecuting and defending patents on JTX-2011, JTX-4014 and all other future product candidates throughout the world would be prohibitively expensive, and intellectual property rights in some countries outside the United States can be less extensive than those in the United States.

Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. Any efforts to enforce our intellectual property and proprietary rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property we develop or license.

Moreover, many countries have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. If we or any of our licensors is forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position may be impaired and our business and results of operations may be adversely affected.

Generic or biosimilar product manufacturers may develop, seek approval for, and launch biosimilar versions or generic versions, respectively, of our products. The FDA has published draft guidance documents on biosimilar product development. For the FDA to approve a biosimilar product as interchangeable with a reference product, the agency must find that the biosimilar product can be expected to produce the same clinical results as the reference product and, for products administered multiple times, the biosimilar and the reference biologic may be switched after one has been previously administered without increasing safety risks or risks of diminished efficacy relative to exclusive use of the reference biologic. If JTX-2011, JTX-4014 and any other future product candidates are approved by the FDA, the approval of a biosimilar product to one of our products could have a material impact on our business. In particular, a biosimilar product could be significantly less costly to bring to market and priced significantly lower than our products, if approved by the FDA.

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 payments and other similar provisions during the patent application process and to maintain patents after they are issued. In certain circumstances, we rely on our licensing partners to take the necessary action to comply with these requirements with respect to our licensed intellectual property. While an unintentional lapse can 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. If we fail to obtain and 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 JTX-2011, JTX-4014 and any other future product candidates, which would have a material adverse effect on our business.

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 involves both technological and legal complexity and is therefore costly, time consuming and inherently uncertain. Changes in either the patent laws or interpretation of the patent laws in the United States could increase the uncertainties and costs.

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. 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 our existing patents and patents that we might obtain in the future. Changes in patent law could increase the uncertainties and costs surrounding the prosecution of our patent

applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time-consuming and unsuccessful and have a material adverse effect on the success of our business.

Competitors may infringe our licensed patents or any patent we own in the future or misappropriate or otherwise violate our intellectual property rights. We may also be required to defend against claims of infringement and our licensed patents and any patents we own in the future may become involved in priority or other intellectual property related disputes. To counter infringement or unauthorized use, litigation may be necessary to enforce or defend our intellectual property rights or to determine the validity and scope of our own intellectual property rights or the proprietary rights of others. Also, third parties may initiate legal proceedings against us or our licensors to assert that we are infringing their intellectual property rights or to challenge the validity or scope of our owned or licensed intellectual property rights. Litigation and other intellectual property related proceedings could result in substantial costs and diversion of management resources, which could harm our business and financial results. Despite our best efforts, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property. In addition, an adverse result in any litigation or other intellectual property related proceeding could put one or more of our patents at risk of being invalidated, held unenforceable or interpreted narrowly.

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 disclosed during this type of litigation. There could also be public announcements of the results of hearings, motions or other interim proceedings or developments in any such proceedings. If securities analysts or investors perceive these results to be negative, it also could have a material adverse effect on the price of shares of our common stock. Any of the foregoing may have a material adverse effect on our business, financial condition, results of operations and prospects.

We may be subject to claims by third parties asserting that our collaborators, licensors, employees or we have misappropriated their intellectual property, have wrongfully used or disclosed confidential information of third parties or are in breach of non-competition or non-solicitation agreements with our competitors.

Many of our employees, our collaborators' employees and our licensors' employees, including our senior management, are currently or previously were employed at universities or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Some of these employees, including each member of our senior management, executed proprietary rights, non-disclosure and non-competition agreements, or similar agreements, in connection with such previous employment. Although we try to ensure that our employees do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or these employees have used or disclosed intellectual property of any such individual's current or former employer. In addition, we could be subject to claims that we or our employees have inadvertently or otherwise used or disclosed alleged trade secrets or other confidential information of former employers or competitors, 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 such claims. If we fail in defending any such claims, we may lose valuable intellectual property rights or personnel or sustain monetary damages. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management. Any of the foregoing may have a material adverse effect on our business, financial condition, results of operations and prospects.

Issued patents covering JTX-2011, JTX-4014 and any other future product candidates could be found invalid or unenforceable if challenged in court or before the USPTO or comparable foreign authority.

If we or one of our licensing partners initiate legal proceedings against a third party to enforce a patent covering one of JTX-2011, JTX-4014 or any other future product candidates, the defendant could counterclaim that the patent covering our product candidate is invalid or unenforceable. The outcome following legal assertions of invalidity and unenforceability is unpredictable. If a third party were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on JTX-2011, JTX-4014 and any other future product candidates. Such a loss of patent protection could have a material adverse impact on our business.

Risks Related to Employee Matters, Managing our Growth and Other Risks Related to our Business

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

We currently have no sales, marketing, or distribution capabilities and have no experience in marketing products. If any of our product candidates receives appropriate regulatory approval, we intend to develop an in-house marketing organization and sales force, which will require significant capital expenditures, management resources and time. We will have to compete with other pharmaceutical and biotechnology companies to recruit, hire, train and retain marketing and sales personnel.

If we are unable or decide not to establish internal sales, marketing and distribution capabilities, we will pursue collaborative arrangements regarding the sales and marketing of our products; however, we cannot assure stockholders that we will be able to establish or maintain such collaborative arrangements, on favorable terms if at all. We cannot assure stockholders that we will be able to develop in-house sales and distribution capabilities or establish or maintain relationships with third-party collaborators to commercialize any current or future product candidates.

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

As of December 31, 2017, we had 112 full-time employees, including 87 employees engaged in research and development. As our development and commercialization plans and strategies develop, we expect to need additional managerial, operational, sales, marketing, financial and other personnel. Future growth would impose significant added responsibilities on members of management, including:

- identifying, recruiting, integrating, maintaining and motivating additional employees;
- managing our internal development efforts effectively, including the clinical and FDA review process for JTX-2011, JTX-4014 and any other future product candidates, while complying with our contractual obligations to contractors and other third parties; and
- improving our operational, financial and management controls, reporting systems and procedures.

Our future financial performance and our ability to commercialize JTX-2011, JTX-4014 and any other future product candidates will depend, in part, on our ability to effectively expand our organization by hiring new employees and expand our groups of consultants and contractors and manage any future growth, and our management may also have to divert a disproportionate amount of its attention away from day-to-day activities in order to devote a substantial amount of time to managing these growth activities.

We currently rely, and for the foreseeable future will continue to rely, in substantial part on certain independent organizations, advisors and consultants to provide certain services, including substantially all aspects of marketing approval, clinical management, and manufacturing. We cannot assure stockholders that we can effectively manage our outsourced activities.

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

Our ability to compete in the highly competitive biotechnology and pharmaceutical industries depends upon our ability to attract, motivate and retain highly qualified managerial, scientific and medical personnel. We are highly dependent on our management, particularly our chief executive officer, Richard Murray, and our scientific and medical personnel. The loss of the services of any of our executive officers, key employees, and scientific and medical advisors, and our inability to find suitable replacements, could result in delays in product development and harm our business.

We conduct our operations at our facility in Cambridge, Massachusetts, in a region that is home to many other biopharmaceutical companies and many academic and research institutions. Competition for skilled personnel is intense and the turnover rate can be high, which may limit our ability to hire and retain highly qualified personnel on acceptable terms or at all. We expect that we will need to recruit talent from outside of our region, and doing so may be costly and difficult.

To induce valuable employees to remain at our Company, in addition to salary and cash incentives, we have provided restricted stock and stock option grants that vest over time. The value to employees of these equity grants

that vest over time may be significantly affected by movements in our stock price that are beyond our control, and may at any time be insufficient to counteract more lucrative offers from other companies. Although we have employment agreements with our key employees, these employment agreements provide for at-will employment, meaning that such employees could leave our employment at any time, with or without notice. We do not maintain "key man" insurance policies on the lives of all of these individuals or the lives of any of our other employees.

If we fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could have a material adverse effect on the success of our business.

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

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

Our internal computer systems, or those used by our CROs or other collaborators, may fail or suffer security breaches and cyber-attacks, which could compromise our intellectual property or other sensitive information and could result in a material disruption of our business.

Despite the implementation of security measures, our internal computer systems are vulnerable to damage from computer viruses and unauthorized access. While we have not to our knowledge experienced any such material system failure or security breach to date, if such an event were to occur, it could result in a material disruption of our business operations. Likewise, we rely on third parties for many aspects of our business, including manufacturing product candidates and conducting clinical trials. The secure maintenance of this information is critical to our business and reputation. We believe that companies have been increasingly subject to a wide variety of security incidents, cyber-attacks and other attempts to gain unauthorized access. These threats can come from a variety of sources, ranging in sophistication from an individual hacker to a state-sponsored attack. Cyber threats may be generic, or they may be custom-crafted against our information systems. Over the past few years, cyber-attacks have become more prevalent and much harder to detect and defend against.

Our network and storage applications and those of our CROs, collaborators and vendors may be subject to unauthorized access by hackers or breached due to operator error, malfeasance or other system disruptions. It is often difficult to anticipate or immediately detect such incidents and the damage caused by them. These data breaches and any unauthorized access or disclosure of our information or intellectual property could compromise our intellectual property and expose sensitive business information. A data security breach could also lead to public exposure of personal information of our employees. Cyber-attacks could cause us to incur significant remediation costs, disrupt key business operations and divert attention of management and key information technology resources. Our network security and data recovery measures and those of our CROs, collaborators and vendors may not be adequate to protect against such security breaches and disruptions. To the extent that any disruption, security breach or cyber-attack 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.

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

Natural disasters could severely disrupt our operations and have a material adverse effect on our business. If a natural disaster, power outage or other event occurred that damaged critical infrastructure, such as our headquarters or the manufacturing facilities of our third-party contract manufacturers, or that otherwise disrupted operations, it may be difficult or, in certain cases, impossible for us to continue our business for a substantial period of time. The disaster recovery and business continuity plans we have in place may prove inadequate in the event of a serious disaster or similar event. We may incur substantial expenses as a result of the limited nature of our disaster recovery and business continuity plans, which, could have a material adverse effect on our business.

Our employees, independent contractors, vendors, principal investigators, CROs and consultants may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements and insider trading.

We are exposed to the risk that our employees, independent contractors, vendors, principal investigators, CROs and consultants may engage in fraudulent conduct or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to us that violate the regulations of the FDA and comparable foreign regulatory authorities, including those laws requiring the reporting of true, complete and accurate information to such authorities; healthcare fraud and abuse laws and regulations in the United States and abroad; or laws that require the reporting of financial information or data accurately. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. We have adopted a code of conduct applicable to all of our employees, but it is not always possible to identify and deter misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. Additionally, we are subject to the risk that a person could allege such fraud or other misconduct, even if none occurred. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could result in significant penalties and could have a material adverse effect on our ability to operate our business and our results of operations.

If we engage in future acquisitions or strategic partnerships, this may increase our capital requirements, dilute our stockholders, cause us to incur debt or assume contingent liabilities, and subject us to other risks.

We may evaluate various acquisitions and additional strategic partnerships, including licensing or acquiring complementary products, intellectual property rights, technologies, or businesses. Any potential acquisition or strategic partnership may entail numerous risks, including:

- increased operating expenses and cash requirements;
- the assumption of additional indebtedness or contingent liabilities;
- the issuance of our equity securities;
- assimilation of operations, intellectual property and products of an acquired company, including difficulties associated with integrating new personnel;
- the diversion of our management's attention from our existing product programs and initiatives in pursuing such a strategic merger or acquisition;
- retention of key employees, the loss of key personnel, and uncertainties in our ability to maintain key business relationships;
- risks and uncertainties associated with the other party to such a transaction, including the prospects of that party and their existing products or product candidates and marketing approvals; and
- our inability to generate revenue from acquired technology and/or products sufficient to meet our objectives in undertaking the acquisition or even to offset the associated acquisition and maintenance costs.

In addition, if we undertake acquisitions, we may issue dilutive securities, assume or incur debt obligations, incur large one-time expenses and acquire intangible assets that could result in significant future amortization expense.

Moreover, we may not be able to locate suitable acquisition opportunities and this inability could impair our ability to grow or obtain access to technology or products that may be important to the development of our business.

Unstable market and economic conditions may have serious adverse consequences on our business, financial condition and stock price.

Our general business strategy may be adversely affected by any economic downturn, volatile business environment or unpredictable and unstable conditions in global credit and financial markets. We cannot assure stockholders that deterioration of the global credit and financial markets would not negatively impact our stock price, our current portfolio of cash equivalents or investments, or our ability to meet our financing objectives. If the current equity and credit markets deteriorate, it may make any necessary debt or equity financing more difficult, more costly, and more dilutive. Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on our growth strategy, financial performance and stock price and could require us to delay or abandon clinical development plans.

Risks Related to our Common Stock

Our ability to utilize our net operating loss carryforwards and certain other tax attributes has been limited by "ownership changes" and may be further limited.

Under Section 382 of the Internal Revenue Code of 1986, as amended, or the IRC, if a corporation undergoes an "ownership change" (generally defined as a greater than 50% change (by value) in the ownership of its equity over a three-year period), the corporation's ability to use its pre-change net operating loss, or NOL, carryforwards and certain other pre-change tax attributes to offset its post-change income may be limited. An IRC Section 382 study, completed in August 2016, identified three previous ownership changes for purposes of IRC Section 382. As a result of these ownership changes, our net operating loss and tax credit carryforwards allocable to the periods preceding each such ownership change are subject to limitations under IRC Section 382. We may experience ownership changes in the future as a result subsequent shifts in our stock ownership, some of which are outside our control, which may also be subject to limitations by "ownership changes" in the future, which could result in increased tax liability to us.

The price of our common stock may be volatile and fluctuate substantially, which could result in substantial losses for purchasers of our common stock.

Our stock price is likely to be volatile. The stock market in general and the market for biopharmaceutical companies in particular have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. The market price for our common stock may be influenced by many factors, including:

- the success of competitive products or technologies;
- results of our clinical trials or those of our competitors;
- 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 our product candidates or clinical development programs;
- the results of our efforts to discover, develop, acquire or in-license additional product candidates or drugs;
- actual or anticipated changes in estimates as to financial results, development timelines or recommendations by securities analysts;
- variations in our financial results or those of companies that are perceived to be similar to us;
- 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.

An active trading market for our common stock may not be sustained.

Our shares of common stock began trading on the Nasdaq Global Select Market on January 27, 2017. Given the limited trading history of our common stock, there is a risk that an active trading market for our shares will not be sustained, which could put downward pressure on the market price of our common stock and thereby affect the ability of our stockholders to sell their shares.

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

We currently anticipate that we will retain future earnings for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. Any return to stockholders will therefore be limited to the appreciation of their stock.

Our executive officers, directors, principal stockholders and their affiliates will continue to exercise control over our Company, which will limit your ability to influence corporate matters and could delay or prevent a change in corporate control.

As of December 31, 2017, our executive officers and directors, combined with our stockholders who owned more than 5% of our outstanding common stock, and their affiliates, beneficially owned approximately 77% of our outstanding common stock. As a result, these stockholders, if they act together, will be able to control the outcome of matters submitted to our stockholders for approval, including the election of directors and any sale, merger, consolidation, or sale of all or substantially all of our assets. In addition, this concentration of ownership might adversely affect the market price of our common stock by:

- delaying, deferring or preventing a change of control;
- impeding a merger, consolidation, takeover or other business combination; or
- discouraging a potential acquiror from making a tender offer or otherwise attempting to obtain control.

We are incurring and will continue to incur significantly increased costs as a result of operating as a public company, and our management is now required to devote substantial time to new compliance initiatives.

As a public company, we are incurring and will continue to incur significant legal, accounting and other expenses that we did not incur as a private company. We are subject to the reporting requirements of the Exchange Act, as well as various requirements imposed by the Sarbanes-Oxley Act, rules subsequently adopted by the SEC and Nasdaq to implement provisions of the Sarbanes-Oxley Act, and the Dodd-Frank Wall Street Reform and Consumer Protection Act. Stockholder activism, the current political environment and the current high level of government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations, which may lead to additional compliance costs and impact the manner in which we operate our business in ways we cannot currently anticipate.

We expect the rules and regulations applicable to public companies to substantially increase our legal and financial compliance costs and to make some activities more time-consuming and costly. For example, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to incur substantial costs to maintain the same or similar coverage. We also expect that we will need to hire additional accounting, finance and other personnel in connection with 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. We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as executive officers.

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

Certain stockholders hold a substantial number of shares of our common stock. If such stockholders sell, or indicate an intention to sell, substantial amounts of our common stock in the public market, the trading price of our common stock could decline.

In addition, shares of common stock that are either subject to outstanding options or reserved for future issuance under our stock incentive plans will become eligible for sale in the public market extent permitted by the provisions of various vesting schedules and Rule 144 and Rule 701 under the Securities Act of 1933, as amended, or the

Securities Act, and, in any event, we have filed a registration statement permitting shares of common stock issued on exercise of options to be freely sold in the public market. If these additional shares of common stock are sold, or if it is perceived that they will be sold, in the public market, the trading price of our common stock could decline.

Certain holders of our common stock are entitled to rights with respect to the registration of their shares under the Securities Act. Registration of these shares under the Securities Act would result in the shares becoming freely tradable without restriction under the Securities Act, except for shares held by affiliates. Any sales of securities by these stockholders who have exercised registration rights could have a material adverse effect on the trading price of our common stock.

Our operating results may fluctuate significantly, which makes our future operating results difficult to predict and could cause our operating results to fall below expectations or our guidance.

Our quarterly and annual operating results may fluctuate significantly, which makes it difficult for us to predict our future operating results. From time to time, we may enter into license or collaboration agreements with other companies that include development funding and significant upfront and milestone payments and/or royalties, which may become an important source of our revenue. Accordingly, our revenue may depend on development funding and the achievement of development and clinical milestones under current and any potential future license and collaboration agreements and sales of our products, if approved. These upfront and milestone payments may vary significantly from period to period and any such variance could cause a significant fluctuation in our operating results from one period to the next.

Furthermore, our operating results may fluctuate due to a variety of other factors, many of which are outside of our control and may be difficult to predict, including the following:

- the timing and cost of, and level of investment in, research and development activities relating to our current and any future product candidates, which will change from time to time;
- our ability to enroll patients in clinical trials and the timing of enrollment;
- the cost of manufacturing our current and any future product candidates, which may vary depending on FDA guidelines and requirements, the quantity of production and the terms of our agreements with manufacturers;
- expenditures that we will or may incur to acquire or develop additional product candidates and technologies;
- the timing and outcomes of clinical studies for JTX-2011, JTX-4014 and any other future product candidates or competing product candidates;
- competition from existing and future products that may compete with JTX-2011, JTX-4014 and any other future product candidates, and changes in the competitive landscape of our industry, including consolidation among our competitors or partners;
- any delays in regulatory review or approval of JTX-2011, JTX-4014 or any other future product candidates;
- the level of demand for JTX-2011, JTX-4014 and any other future product candidates, if approved, which may fluctuate significantly and be difficult to predict;
- our ability to commercialize JTX-2011, JTX-4014 and any other future product candidates, if approved;
- the success of our collaboration with Celgene and our ability to establish and maintain other collaborations, licensing or other arrangements;
- our ability to adequately support future growth;
- potential unforeseen business disruptions that increase our costs or expenses;
- future accounting pronouncements or changes in our accounting policies; and
- the changing and volatile global economic environment.

The cumulative effect of these factors could result in large fluctuations and unpredictability in our quarterly and annual operating results. As a result, comparing our operating results on a period-to-period basis may not be meaningful. Investors should not rely on our past results as an indication of our future performance. If our revenue or operating results fall below the expectations of analysts or investors or below any forecasts we may provide to the market, or if the forecasts we provide to the market are below the expectations of analysts or investors, the

price of our common stock could decline substantially. Such a stock price decline could occur even when we have met any previously publicly stated revenue and/or earnings guidance we may provide.

Moreover, securities class action litigation has often been brought against a company following a decline in the market price of its securities. This risk is especially relevant for us as pharmaceutical companies have experienced significant stock price volatility in recent years. If we face such litigation, it could result in substantial costs and a diversion of management's attention and resources.

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. 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.

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of us, which may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our current management.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws may delay or prevent an acquisition of us or a change in our management. These provisions include a classified board of directors, a prohibition on actions by written consent of our stockholders and the ability of our board of directors to issue preferred stock without stockholder approval. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which limits the ability of stockholders owning in excess of 15% of our outstanding voting stock to merge or combine with us. Although we believe these provisions collectively provide for an opportunity to obtain greater value for stockholders by requiring potential acquirors to negotiate with our board of directors, they would apply even if an offer rejected by our board were considered beneficial by some stockholders. In addition, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management.

Our bylaws designate the Court of Chancery of the State of Delaware as the sole and 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 bylaws, provide that, unless we consent in writing to an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers and employees to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or our bylaws, or (iv) any action asserting a claim that is governed by the internal affairs doctrine, in each case subject to the Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein. Any person purchasing or otherwise acquiring any interest in any shares of our capital stock shall be deemed to have notice of and to have consented to this provision of our bylaws. 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 employees, which may discourage such lawsuits against us and our directors, officers and employees even though an action, if successful, might benefit our stockholders. Stockholders who do bring a claim in the Court of Chancery could face additional litigation costs in pursuing any such claim, particularly if they do not reside in or near the State of Delaware. The Court of Chancery may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments or results may be more favorable to us than to our stockholders. Alternatively, if a court were to find this provision 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, which could have a material adverse effect on our business, financial condition or results of operations.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 2. Properties

We lease a facility containing our research and development, laboratory and office space, which consists of approximately 51,000 square feet located at 780 Memorial Drive, Cambridge, Massachusetts. Our lease expires on March 31, 2025. This facility is our corporate headquarters. We believe that our facilities are sufficient to meet our current needs.

Item 3. Legal Proceedings

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

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock trades on the Nasdaq Global Select Market under the symbol "JNCE". Trading of our common stock commenced on January 27, 2017 in connection with our initial public offering, or IPO. Prior to that time, there was no established public trading market for our common stock. As a result, we have not set forth quarterly information with respect to the high and low prices for our common stock prior to that time. The following table sets forth the high and low sale prices per share for our common stock as reported on the Nasdaq Global Select Market for the periods indicated:

	Market Price	
2017	**High**	**Low**
First Quarter (beginning January 27, 2017)	$26.75	$16.33
Second Quarter	$29.29	$13.75
Third Quarter	$17.95	$11.05
Fourth Quarter	$17.90	$12.43

Holders

As of February 28, 2018, we had approximately 30 holders of record of our common stock. This number does not include beneficial owners whose shares were held by nominees in street name.

Dividend Policy

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all available funds and any future earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Any future determination to pay dividends will be made at the discretion of our board of directors and will depend on various factors, including applicable laws, our results of operations, financial condition, future prospects, then applicable contractual restrictions and any other factors deemed relevant by our board of directors. Investors should not purchase our common stock with the expectation of receiving cash dividends.

Recent Sales of Unregistered Securities

Between January 1, 2017 and January 26, 2017, we issued an aggregate of 1,743 shares of common stock and received aggregate cash consideration of $1,551 upon the exercise of stock options.

We deemed these exercises of stock options as exempt pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended, or the Securities Act, or in reliance on Rule 701 of the Securities Act as offers and sales of securities under compensatory benefit plans and contracts relating to compensation in compliance with Rule 701. Each of the recipients of securities in any transaction exempt from registration either received or had adequate access, through employment, business or other relationships, to information about us. On January 27, 2017, we filed a registration statement on Form S-8 under the Securities Act to register all of the shares of our common stock subject to outstanding options and all shares of our common stock otherwise issuable pursuant to our equity compensation plans.

Purchase of Equity Securities

We did not purchase any of our registered equity securities during the period covered by this Annual Report on Form 10-K.

Use of Proceeds from Registered Securities

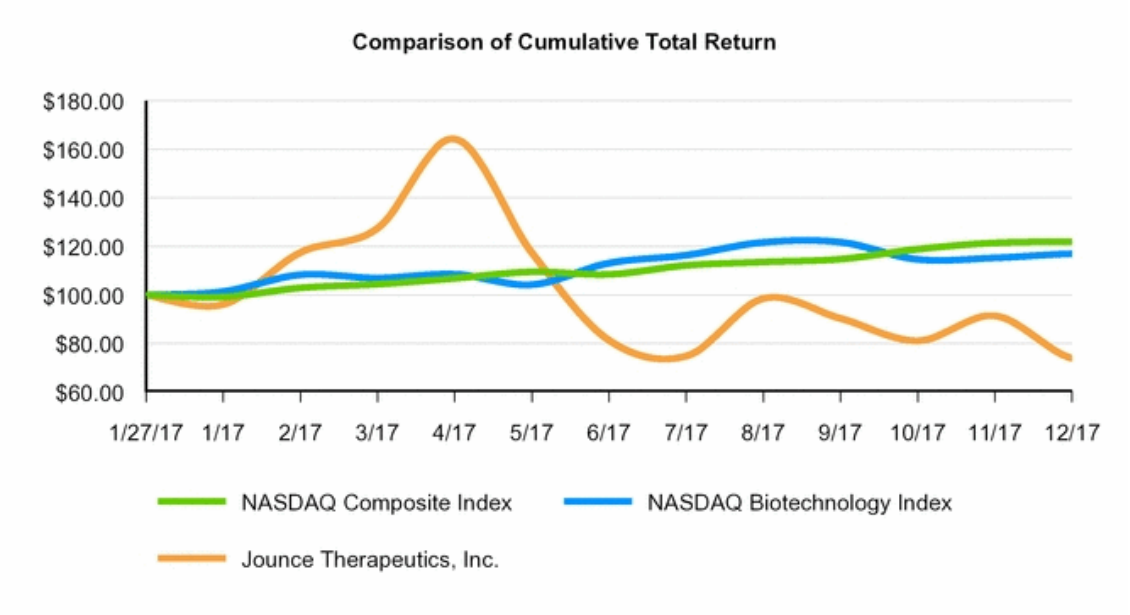
On February 1, 2017, we completed our IPO. The offer and sale of the shares in the IPO were registered under the Securities Act pursuant to a registration statement on Form S-1 (File No. 333-215372), which was filed on December 30, 2016 and amended subsequently and declared effective on January 26, 2017. Following the sale of the shares in connection with the closing of our IPO, the offering terminated. We received aggregate net proceeds from the IPO of approximately $106.4 million, after deducting underwriting discounts and commissions and other offering expenses paid by us. No offering expenses were paid directly or indirectly to any of our directors or officers (or their associates) or persons owning ten percent or more of any class of our equity securities or to any other affiliates.

As of December 31, 2017, we had used substantially all of the net proceeds received from the IPO, primarily in advancing JTX-2011 through Phase I/II clinical trials, to manufacture pre-commercial clinical trial and preclinical study materials, conducting IND-enabling activities for JTX-4014 and for working capital and general corporate purposes. There was no material change in the use of proceeds from our IPO from the planned use as described in our final prospectus filed with the Securities and Exchange Commission, or the SEC, pursuant to Rule 424(b)(4) on January 27, 2017.

Performance Graph

The following performance graph and related information shall not be deemed to be “soliciting material” or to be “filed” with the SEC for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, or otherwise subject to the liabilities under that Section, nor shall such information be incorporated by reference into any future filing under the Exchange Act or the Securities Act, except to the extent that we specifically incorporate it by reference into such filing.

The following graph compares the performance of our common stock to the NASDAQ Composite Index and to the NASDAQ Biotechnology Index from January 27, 2017 (the first date on which shares of our common stock were publicly traded) through December 31, 2017. The comparison assumes $100 was invested in our common stock after the market closed on January 27, 2017 in each of the foregoing indices, and it assumes reinvestment of dividends, if any. The stock price performance included in this graph is not necessarily indicative of future stock price performance.



Item 6. Selected Financial Data

You should read the following selected consolidated financial data together with our consolidated financial statements and accompanying notes appearing elsewhere in this Annual Report on Form 10-K and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of this Annual Report on Form 10-K. We have derived the consolidated statement of operations data for the years ended December 31, 2017, 2016 and 2015 and the consolidated balance sheet data as of December 31, 2017 and 2016 from our audited consolidated financial statements included elsewhere in this Annual Report on Form 10-K. We have derived the consolidated statement of operations data from the year ended December 31, 2014 and consolidated balance sheet data as of December 31, 2015 and 2014 from our audited consolidated financial statements not included in this Annual Report on Form 10-K. Our historical results for any prior period are not necessarily indicative of the results that may be expected in any future period.

	Year Ended December 31,			
(in thousands, except per share data)	**2017**	**2016**	**2015**	**2014**
Consolidated Statements of Operations Data:				
Revenue:				
Collaboration revenue—related party	$ 71,644	$ 37,197	$ —	$ —
Operating expenses:				
Research and development	67,798	34,904	22,130	11,243
General and administrative	23,061	16,759	8,266	4,969
Total operating expenses	90,859	51,663	30,396	16,212
Operating loss	(19,215)	(14,466)	(30,396)	(16,212)
Other income, net:				
Other income, net	2,808	763	5	185
Other financing income, net	—	—	1,859	5,511
Total other income, net	2,808	763	1,864	5,696
Loss before provision for income taxes	(16,407)	(13,703)	(28,532)	(10,516)
Provision for income taxes	36	—	—	—
Net loss	$ (16,443)	$ (13,703)	$ (28,532)	$ (10,516)
Accrued dividends on convertible preferred stock and accretion of redeemable convertible preferred stock to redemption value (1)	(794)	(9,435)	(8,971)	(2,434)
Net loss attributable to common stockholders (1)	$ (17,237)	$ (23,138)	$ (37,503)	$ (12,950)
Net loss per share attributable to common stockholders, basic and diluted (1)	$ (0.57)	$ (11.00)	$ (23.13)	$ (10.93)
Weighted-average common shares outstanding, basic and diluted (1)	30,055	2,103	1,621	1,184

(1) Refer to our consolidated statements of operations as well as Note 2 to our consolidated financial statements for further details on the calculation of net loss per share attributable to common stockholders and the weighted-average common shares outstanding used in the computation.

	December 31,			
(in thousands)	**2017**	**2016**	**2015**	**2014**
Balance Sheet Data:				
Cash, cash equivalents and investments	$ 257,851	$ 257,374	$ 45,161	$ 2,338
Working capital	$ 193,046	$ 61,114	$ 38,989	$ 403
Total assets	$ 296,660	$ 271,312	$ 52,975	$ 7,515
Total deferred revenue—related party	$ 116,160	$ 187,804	$ —	$ —
Convertible preferred stock (2)	$ —	$ 139,038	$ 102,961	$ 27,313
Total stockholders' equity (deficit)	$ 167,109	$ (69,088)	$ (58,760)	$ (28,000)

(2) Upon the completion of our IPO, all outstanding preferred stock was automatically converted into an aggregate of 22,283,690 shares of common stock.

Item 7. 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 together with our consolidated financial statements and related notes appearing elsewhere in this Annual Report on Form 10-K. In addition to historical information, this discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors. We discuss factors that we believe could cause or contribute to these differences below and elsewhere in this Annual Report on Form 10-K, including those factors set forth in the section entitled "Cautionary Note Regarding Forward-Looking Statements and Industry Data" and in the section entitled "Risk Factors" in Part I, Item 1A.

Overview

We are a clinical stage immunotherapy company dedicated to transforming the treatment of cancer by developing therapies that enable the immune system to attack tumors and provide long-lasting benefits to patients. We have developed a suite of integrated technologies that comprise our Translational Science Platform, enabling us to comprehensively interrogate the cellular and molecular composition of tumors. By focusing on specific cell types, both immune and non-immune, within tumors, we can prioritize targets and then identify related biomarkers designed to match the right therapy to the right patient. Through this deep, scientific understanding of the tumor microenvironment, or TME, our goal is to effectively and efficiently identify and develop new cancer immunotherapies designed to benefit patients with tumors across the spectrum from highly inflamed, or "hot," to poorly inflamed, or "cold," and especially those not well served by current therapies.

Our most advanced product candidate, JTX-2011, is a clinical-stage monoclonal antibody that binds to and activates the **I**nducible T cell **CO-S**timulator, or ICOS, a protein on the surface of certain T cells commonly found in many solid tumors. Our preclinical data demonstrates that JTX-2011 stimulates a significant T cell immune response against solid tumors. We submitted our Investigational New Drug Application, or IND, for JTX-2011 to the Food and Drug Administration, or FDA, in July 2016 and began the Phase I portion of our JTX-2011 adaptive Phase I/II clinical trial in patients with solid tumors in August 2016. In June 2017, we presented preliminary safety, pharmacodynamic and pharmacokinetic data from the Phase I portion of this clinical trial as well as the recommended dose for the Phase II monotherapy cohorts at the 2017 American Society of Clinical Oncology Annual Meeting.

In April 2017, we began enrollment in the monotherapy cohorts of the Phase II portion of this clinical trial, which evaluate JTX-2011 as a monotherapy in at least three tumor-specific cohorts, including head and neck squamous cell cancer, or HNSCC, non-small cell lung cancer, or NSCLC, gastric cancer and non-indication specific solid tumors and additional tumor types identified through our Translational Science Platform. In July 2017, we began enrollment in the combination cohorts of the Phase II portion of this clinical trial, which evaluate JTX-2011 in combination with nivolumab in at least six tumor types, including HNSCC, NSCLC, triple negative breast cancer, melanoma, gastric cancer and additional tumor types identified through our Translational Science Platform. We expect to provide preliminary efficacy data in the second quarter of 2018. We believe JTX-2011 has the potential to act both as a single agent and more importantly in combination with other therapies, such as anti-PD-1 antibodies, to offer treatment alternatives to patients who otherwise lack an effective response to currently approved therapies.

We are also conducting IND-enabling studies for JTX-4014, an anti-PD-1 antibody that, assuming continued successful development, we may use in future combinations with JTX-2011 as well as for use in combination with other future product candidates, as we believe combination therapy has the potential to be a mainstay of cancer immunotherapy. We expect to file an IND for JTX-4014 in 2018.

We are discovering and developing immunotherapies beyond the currently approved products targeting T effector cells. To do so, we are leveraging our Translational Science Platform to systematically and comprehensively interrogate cell types within the human tumor microenvironment, or TME, to enable us to develop therapies with the potential to benefit patients with tumors across the spectrum from hot to cold tumor characteristics. This includes focusing on adaptive and innate immune cells, such as B and T regulatory cells, and immunosuppressive macrophages, respectively. Therapies targeting these cell types and cell subsets may have the potential to complement existing approaches that focus on T effector cells and thereby benefit many patients who do not respond to the currently approved T effector cell-focused immunotherapies. In addition, we are discovering and developing multiple approaches, including targeting stromal cells, with the potential to convert cold tumors to hot tumors, thereby making the tumors more amenable to immunotherapy, perhaps in combination approaches.

Immunotherapies are increasingly recognized as a critical component of cancer therapy and are beginning to fundamentally change the paradigm for treating patients. Fewer than half of all cancer patients respond to single agent immunotherapies. Combination therapies are beginning to yield longer-lasting responses than single agent therapies, yet there is still significant unmet medical need among large patient populations across most solid tumor indications. In addition, there is a significant number of patients with tumors that lack, or have low levels of, immune cell infiltrate where additional approaches may be required to fully realize the benefit of immunotherapy agents. We believe targeting novel immune mechanisms in combination with identifying and using predictive biomarkers may best address these areas of unmet need.

Our Translational Science Platform utilizes a suite of integrated technologies to comprehensively profile the cellular and molecular characteristics within thousands of human solid tumors, providing critical information about the TME that we believe will allow us to identify and guide new immunotherapies more efficiently through development. We utilize a systematic approach to match targets to defined patient populations, as well as niche indications and/or niche subsets within indications, which we believe are more likely to benefit from these therapies. By taking this biomarker-driven approach, we believe that we can more efficiently develop cancer immunotherapies and potentially provide greater benefit to patients. We believe that the biomarker results, coordinated to clinical response, will determine the utility of proceeding to the use of a complementary diagnostic and/or companion diagnostic for a given therapy.

In July 2016, we entered into a Master Research and Collaboration Agreement, or the Celgene Collaboration Agreement, and a Series B-1 Preferred Stock Purchase Agreement with Celgene Corporation, or Celgene. Under the terms of these agreements, we received a $225.0 million upfront cash payment and $36.1 million from the sale of 10,448,100 shares of our Series B-1 convertible preferred stock which shares converted into 2,831,463 shares of common stock upon the completion of our initial public offering, or IPO, in 2017.

Under the Celgene Collaboration Agreement, we granted Celgene exclusive options to develop and commercialize our lead product candidate, JTX-2011, and up to four early-stage programs, or the Lead Program and Other Programs, consisting of targets to be selected from a pool of certain B cell, T regulatory cell and tumor-associated macrophage targets. Additionally, Celgene has an exclusive option to develop and commercialize our product candidate JTX-4014, which, upon exercise of such option, will be a shared program that may be used by both parties in and outside of the collaboration. Prior to Celgene exercising any of its options, we are responsible for all research and development activities and costs under the Celgene Collaboration Agreement.

Upon the exercise of each program option, the parties will enter into a co-development and co-commercialization agreement, or the Co-Co Agreements, or, in the case of JTX-4014, a license agreement, or the JTX-4014 License Agreement, that governs the development and commercialization of the applicable program. Although the agreements will not be executed unless and until Celgene exercises an option, the parties have agreed to the terms of the Co-Co Agreements and the JTX-4014 License Agreement as part of the Celgene Collaboration Agreement. Under the Co-Co Agreements and the JTX-4014 License Agreement, we will share with Celgene the United States profits or losses and development costs on such collaboration program.

If Celgene exercises its option for a program other than JTX-4014, we will enter into a Co-Co Agreement pursuant to which Celgene will have the exclusive right to develop and commercialize the products arising out of such collaboration program outside of the United States, and we will be eligible to receive tiered royalties ranging from a high single digit to mid-teen percentage rate on net product sales outside of the United States. Under each Co-Co Agreement, we will also have the right to opt out of profit sharing and instead receive milestones and royalties.

Furthermore, if Celgene exercises its option for JTX-4014, we will enter into the JTX-4014 License Agreement, pursuant to which Celgene and we will each have equal rights to develop and commercialize JTX-4014 in combination with other proprietary molecules in their or our respective pipelines or in combination with products arising out of collaboration programs. Subject to terms specified in the license agreement for JTX-4014, the party owning the proprietary molecule that is combined with JTX-4014, if such molecule does not arise from a collaboration program with Celgene, will be solely responsible for all development and commercialization costs related to such combination. If JTX-4014 is combined with a product arising from a collaboration program, then the parties will share costs and, if co-packaged or co-formulated, profits or losses in accordance with the Co-Co Agreements for such other product.

Celgene may extend the initial four-year research term of the collaboration for up to three additional one-year periods upon payment of an extension fee for each additional year. Additionally, under the terms of the agreement, if Celgene exercises all of its options, all programs meet all milestones, including regulatory approvals in the United States and outside the United States, and Celgene extends the initial four-year research term for three additional

years, we are eligible to earn up to approximately $2.6 billion in clinical, regulatory, and/or commercialization milestone payments, option-exercise fees and research term extension fees.

The development milestones are payable on initiation of certain clinical trials and range from $32.5 million to $105.0 million, per program, with an aggregate total of $290.0 million. The regulatory approval milestones are payable upon regulatory approval in the United States and outside the United States and range from $7.5 million to $50.0 million per milestone, with an aggregate total of $700.0 million. The commercial milestones are payable upon achievement of specified aggregate product sales outside the United States for each program and range from $40.0 million to $200.0 million per milestone, with an aggregate total of $1.270 billion. We are also eligible to receive royalties on product sales outside the United States ranging from a high single digit to mid-teen percentage rate. If Celgene elects to exercise any of the program options, Celgene will pay us an option-exercise fee of $10.0 million to $60.0 million that varies by program, with an aggregate of $182.5 million if Celgene exercises all six program options. The initial research term of the collaboration is four years, which can be extended, at Celgene's option, annually for up to three additional years for additional consideration that ranges from $30.0 million to $45.0 million per year, for an aggregate of $120.0 million if the term is extended for an additional three years. As of December 31, 2017, we had not received any option exercise, research term extension, milestone or royalty payments under the Celgene Collaboration Agreement.

Since inception, our operations have focused on organizing and staffing our company, business planning, raising capital, developing our Translational Science Platform and conducting research, preclinical studies and clinical trials. We do not have any products approved for sale. From inception through December 31, 2017, we have recognized a total of $108.8 million in collaboration revenue under the Celgene Collaboration Agreement relating to the $225.0 million upfront payment received from Celgene in 2016. We are subject to a number of risks comparable to those of other similar companies, including dependence on key individuals; the need to develop commercially viable products; competition from other companies, many of which are larger and better capitalized; and the need to obtain adequate additional financing to fund the development of our products. We have funded our operations through December 31, 2017 primarily through proceeds received from our IPO, the upfront payment received under the Celgene Collaboration Agreement and private placements of our preferred stock.

On February 1, 2017, we closed our IPO of 7,319,750 shares of our common stock at a public offering price of $16.00 per share, including 954,750 shares of our common stock issued upon the full exercise by the underwriters of their option to purchase additional shares. The gross proceeds from the IPO were $117.1 million, and net proceeds were $106.4 million, after deducting underwriting discounts and commissions and other offering expenses paid by us.

Due to our significant research and development expenditures, we have generated substantial operating losses in each annual period since our inception. We have incurred an accumulated deficit of $89.6 million through December 31, 2017. We expect to incur substantial additional losses in the future as we expand our research and development activities.

Financial Operations Overview

Revenue

For the year ended December 31, 2017, we recognized $71.6 million of collaboration revenue under the Celgene Collaboration Agreement related to the $225.0 million upfront payment received from Celgene in 2016. We had $116.2 million of deferred revenue as of December 31, 2017, which is classified as either current or net of current portion in our consolidated balance sheets based on the period over which the revenue is expected to be recognized. As of December 31, 2017, we had not received any option exercise, research term extension, milestone or royalty payments under the Celgene Collaboration Agreement.

In the future, we expect to continue to generate revenue from the Celgene Collaboration Agreement and may generate revenue from product sales or other collaboration agreements, strategic alliances and licensing arrangements. We expect that our revenue will fluctuate from quarter-to-quarter and year-to-year as a result of the timing and amount of license fees, milestones, reimbursement of costs incurred and other payments and product sales, to the extent any are successfully commercialized. If we fail to complete the development of our product candidates in a timely manner or obtain regulatory approval for them, our ability to generate future revenue, and our results of operations and financial position, would be materially adversely affected.

Operating Expenses

Research and Development Expenses

Research and development expenses represent costs incurred by us for the discovery, development and manufacture of JTX-2011, JTX-4014 and our potential future product candidates and include: external research and development expenses incurred under arrangements with third parties, including academic and non-profit institutions and consultants; salaries and personnel-related costs, including non-cash stock-based compensation expense; license fees to acquire in-process technology and other expenses, which include direct and allocated expenses for laboratory, facilities and other costs.

We use our employee and infrastructure resources across multiple research and development programs directed toward developing our Translational Science Platform and for identifying, testing and developing product candidates. We manage certain activities such as contract research and manufacture of JTX-2011, JTX-4014 and our discovery programs through our third-party vendors.

At this time, we cannot reasonably estimate or know the nature, timing and estimated costs of the efforts that will be necessary to complete the development of our product candidates. We are also unable to predict when, if ever, material net cash inflows will commence from sales of our product candidates. This is due to the numerous risks and uncertainties associated with developing such product candidates, including the uncertainty of:

- addition and retention of key research and development personnel;
- establishing an appropriate safety profile with IND-enabling toxicology studies;
- the cost to acquire or make therapies to study in combination with our immunotherapies;
- successful enrollment in and completion of clinical trials;
- establishing agreements with third-party manufacturers for clinical supply for our clinical trials and commercial manufacturing, if our product candidates are approved;
- receipt of marketing approvals from applicable regulatory authorities;
- commercializing products, if and when approved, whether alone or in collaboration with others;
- the cost to develop complementary diagnostics and/or companion diagnostics as needed for each of our development programs;
- the costs associated with the development of any additional product candidates we acquire through third-party collaborations or identify through our Translational Science Platform;
- the terms and timing of any collaboration, license or other arrangement, including the terms and timing of any milestone payments thereunder;
- obtaining and maintaining patent and trade secret protection and regulatory exclusivity for our products if and when approved; and
- continued acceptable safety profiles of the products following approval.

A change in the outcome of any of these variables with respect to the development of any of our product candidates would significantly change the costs, timing and viability associated with the development of that product candidate. We plan to increase our research and development expenses for the foreseeable future as we continue the enhancement of our Translational Science Platform, our collaboration with Celgene and continue to progress our pipeline. Due to the inherently unpredictable nature of preclinical and clinical development and given the early stage of our programs and/or product candidates, we do not track all of our internal research and development expenses on a program-by-program basis as they primarily relate to personnel, early research, and consumable costs, which are deployed across multiple projects under development. Also, due to the early stage of our programs and product candidates, we cannot reasonably estimate the costs we will incur and the timelines that will be required to complete development, obtain marketing approval, and commercialize our products, if and when approved. A portion of our research and development costs are external costs, which we do track on a program-by-program basis following the program's nomination to the development candidate stage. We began incurring such external costs for JTX-2011 in early 2015 and JTX-4014 in early 2016.

Included below are external research and development and external clinical and regulatory costs for JTX-2011, JTX-4014 and our pre-development candidates:

	Year Ended December 31,		
(in thousands)	**2017**	**2016**	**2015**
JTX-2011	$ 21,904	$ 8,887	$ 4,682
JTX-4014	6,460	1,481	—
Pre-development candidates	1,619	1,111	1,409
Total external research and development and clinical and regulatory costs	$ 29,983	$ 11,479	$ 6,091

Research and development activities account for a significant portion of our operating expenses. As we continue to implement our business strategy, we expect our research and development expenses to increase over the next several years. These expenses will increase as we:

- continue our adaptive Phase I/II clinical trial with JTX-2011;
- continue to identify and test potential combination agents to be studied with JTX-2011;
- continue our IND enabling activities for JTX-4014 and advance this program into clinical trials for use in combination with our potential product candidates;
- continue to develop and identify potential predictive biomarkers and complementary diagnostics and/or companion diagnostics for JTX-2011 and other potential product candidates;
- continue to develop and enhance our Translational Science Platform and advance our early stage pipeline of immunotherapy programs including early research activities under our Celgene collaboration into later stages of development; and
- increase our headcount to meet our evolving needs.

Product candidates in later stages of clinical development generally incur higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials.

General and Administrative Expenses

General and administrative expenses consist of salaries and personnel-related costs, including non-cash stock-based compensation expense, for our personnel in executive, business development, legal, finance and accounting, human resources and other administrative functions, consulting fees, facility costs not otherwise included in research and development expenses, fees paid for accounting and tax services and non-litigation legal costs. Non-litigation legal costs include general corporate legal fees, patent legal fees and related costs. We anticipate that our general and administrative expenses will increase in the future to support our continued research and development activities.

Other Income, Net

Other income, net, consists primarily of interest and investment income on our cash, cash equivalents and investments.

Other Financing Income, Net

Other financing income, net, consists primarily of changes in the fair value of tranche rights associated with our Series A convertible preferred stock. These tranche rights were terminated in April 2015.

Critical Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis

for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are described in more detail in the notes to our consolidated financial statements appearing elsewhere in this Annual Report on Form 10-K, we believe the following accounting policies to be most critical to the judgments and estimates used in the preparation of our consolidated financial statements.

Revenue Recognition

We recognize revenue in accordance with Accounting Standards Codification, or ASC, 605, *Revenue Recognition*. Accordingly, revenue is recognized when all of the following criteria are met:

- persuasive evidence of an arrangement exists;
- delivery has occurred or services have been rendered;
- the seller's price to the buyer is fixed or determinable; and
- collectability is reasonably assured.

Amounts received prior to satisfying the revenue recognition criteria are recognized as deferred revenue in our consolidated balance sheets. Amounts expected to be recognized as revenue within the twelve months following the balance sheet date are classified as deferred revenue, current. Amounts not expected to be recognized as revenue within the twelve months following the balance sheet date are classified as deferred revenue, net of current portion.

Multiple-Element Arrangements

Determination of Units of Accounting

When evaluating multiple-element arrangements pursuant to ASC 605-25, *Revenue Recognition—Multiple-Element Arrangements*, we consider whether the deliverables under the arrangement represent separate units of accounting. This evaluation requires subjective determinations and requires management to make judgments about the individual deliverables and whether such deliverables are separable from the other aspects of the contractual relationship. In determining the units of accounting, management evaluates certain criteria, including whether the deliverables have standalone value, based on the consideration of the relevant facts and circumstances for each arrangement. The consideration received is allocated among the separate units of accounting using the relative selling price method, and the applicable revenue recognition criteria are applied to each of the separate units. Deliverables are considered separate units of accounting provided that: (i) the delivered item(s) has value to the customer on a standalone basis and (ii) if the arrangement includes a general right of return relative to the delivered item(s), delivery or performance of the undelivered item(s) is considered probable and substantially in our control. In assessing whether an item has standalone value, we consider factors such as the research, manufacturing and commercialization capabilities of the collaboration partner and the availability of the associated expertise in the general marketplace. In addition, we consider whether the collaboration partner can use the deliverable(s) for their intended purpose without the receipt of the remaining element(s), whether the value of the deliverable is dependent on the undelivered item(s) and whether there are other vendors that can provide the undelivered element(s).

Under multiple-element arrangements, options are considered substantive if, at the inception of the arrangement, we are at risk as to whether the collaboration partner will choose to exercise the option. Factors that we consider in evaluating whether an option is substantive include the overall objective of the arrangement, the benefit the collaborator might obtain from the arrangement without exercising the option, the likelihood the option will be exercised, and the cost to exercise the option. When an option is considered substantive, we do not consider the option or item underlying the option to be a deliverable at the inception of the arrangement and the associated option fees are not included in the allocable arrangement consideration, assuming the option is not priced at a significant and incremental discount. When an option is not considered substantive, we would consider the option, including other deliverables contingent upon the exercise of the option, to be a deliverable at the inception of the arrangement and a corresponding amount would be included in the allocable arrangement consideration. In addition, if the price of the option includes a significant incremental discount, the discount inherent in the option price would be included as a deliverable at the inception of the arrangement.

Allocation of Arrangement Consideration

Arrangement consideration that is fixed or determinable is allocated among the separate units of accounting using the relative selling price method. Then, the applicable revenue recognition criteria in ASC 605-25 are applied to each of the separate units of accounting in determining the appropriate period and pattern of recognition. We determine the selling price of a unit of accounting following the hierarchy of evidence prescribed by ASC 605-25. Accordingly, we determine the estimated selling price for units of accounting within each arrangement using vendor-specific objective evidence, or VSOE, of selling price, if available, third-party evidence, or TPE, of selling price if VSOE is not available, or best estimate of selling price, or BESP, if neither VSOE nor TPE is available. We typically use BESP to estimate the selling price, since we generally do not have VSOE or TPE of selling price for our units of accounting. Determining the BESP for a unit of accounting requires significant judgment. In developing the BESP for a unit of accounting, we consider applicable market conditions and relevant entity-specific factors, including factors that were contemplated in negotiating the agreement with the customer and estimated costs. We validate the BESP for units of accounting by evaluating whether changes in the key assumptions used to determine the BESP will have a significant effect on the allocation of arrangement consideration between multiple units of accounting.

Patterns of Recognition

We recognize arrangement consideration allocated to each unit of accounting when all of the revenue recognition criteria in ASC 605 are satisfied for that particular unit of accounting. We recognize revenue associated with substantive options upon exercise of the option if the underlying license has standalone value from the other deliverables to be provided subsequent to delivery of the license. If the license does not have standalone value, the amounts allocated to the license option will be combined with the related undelivered items as a single unit of accounting.

We recognize the revenue amounts associated with research and development services and other service related deliverables ratably over the associated period of performance. If there is no discernible pattern of performance or objectively measurable performance measures do not exist, then we recognize revenue under the arrangement on a straight-line basis over the period we are expected to complete our performance obligations. If the pattern of performance in which the service is provided to the customer can be determined and objectively measurable performance exists, then we recognize revenue under the arrangement using the proportional performance method. Revenue recognized is limited to the lesser of the cumulative amount of payments received and the cumulative amount of revenue earned, as determined using the straight-line method or proportional performance, as applicable, as of each reporting period.

Recognition of Milestones and Royalties

At the inception of an arrangement that includes milestone payments, we evaluate whether each milestone is substantive and at risk to both parties on the basis of the contingent nature of the milestone. This evaluation includes an assessment of whether (i) the consideration is commensurate with either our performance to achieve the milestone or the enhancement of performance to achieve the milestone, (ii) the consideration relates solely to past performance and (iii) the consideration is reasonable relative to all of the deliverables and payment terms within the arrangement. We evaluate factors such as clinical, regulatory, commercial and other risks that must be overcome to achieve the respective milestone and the level of effort and investment required to achieve the respective milestone in making this assessment. There is considerable judgment involved in determining whether a milestone satisfies all of the criteria required to conclude that a milestone is substantive. In accordance with ASC 605-28, *Revenue Recognition—Milestone Method*, clinical and regulatory milestones that are considered substantive, recognized as revenue in their entirety upon successful accomplishment of the milestone, assuming all other revenue recognition criteria are met. Milestones that are not considered substantive are recognized as revenue over the remaining period of performance, assuming all other revenue recognition criteria are met. Revenue from commercial milestones payments are recorded as revenue upon achievement of the milestone, assuming all other recognition criteria are met.

Accrued Research and Development Expenses

As part of the process of preparing our consolidated financial statements, we are required to estimate our accrued expenses as of each balance sheet date. This process involves reviewing open contracts and purchase orders, communicating with our personnel to identify services that have been performed on our behalf and estimating the level of service performed and the associated cost incurred for the service when we have not yet been invoiced or

otherwise notified of the actual cost. The majority of our service providers invoice us monthly in arrears for services performed or when contractual milestones are met.

We make estimates of our accrued expenses as of each balance sheet date based on facts and circumstances known to us at that time. We periodically confirm the accuracy of our estimates with the service providers and make adjustments if necessary. The significant estimates in our accrued research and development expenses include the costs incurred for services performed by our vendors in connection with research and development activities for which we have not yet been invoiced. We record our expenses related to research and development activities on our estimates of the services received and efforts expended pursuant to quotes and contracts with vendors that conduct research and development on our behalf. The financial terms of these agreements are subject to negotiation, vary from contract to contract and may result in uneven payment flows. 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 research and development expenses. 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 our estimate, we adjust the accrual or prepaid expense accordingly. Non-refundable advance payments for goods and services that will be used in future research and development activities are expensed when the activity has been performed or when the goods have been received rather than when the payment is made.

Although we do not expect our estimates to be materially different from amounts actually incurred, if our estimates of the status and timing of services performed differ from the actual status and timing of services performed, it could result in us reporting amounts that are too high or too low in any particular period. To date, there have been no material differences between our estimates of such expenses and the amounts actually incurred.

Stock-based Compensation

We account for share-based payments in accordance with ASC 718, *Compensation—Stock Compensation*. ASC 718 requires all share-based payments to employees, including grants of employee stock options and restricted stock awards, to be recognized as expense in the consolidated statements of operations based on their grant date fair values. For stock options granted to employees and to members of our board of directors for their services on the board of directors, we estimate the grant date fair value of each stock option using the Black-Scholes option-pricing model. For restricted stock awards granted to employees, we estimate the grant date fair value of each award using intrinsic value, which is based on the value of the underlying common stock less any purchase price. For share-based payments subject to service-based vesting conditions, we recognize stock-based compensation expense equal to the grant date fair value of share-based payment on a straight-line basis over the requisite service period.

In accordance with the provisions of ASC 505-50, *Equity-Based Payments to Non-Employees*, share-based payments issued to non-employees are initially recorded at their grant date fair values, remeasured at each reporting date as they vest and expensed over the related service period.

The Black-Scholes option pricing model requires the input of certain subjective assumptions, including (i) the calculation of expected term of the share-based payment, (ii) the risk-free interest rate, (iii) the expected stock price volatility and (iv) the expected dividend yield. We use the simplified method as prescribed by SEC Staff Accounting Bulletin No. 107 to calculate the expected term for stock options granted to employees as we do not have sufficient historical exercise data to provide a reasonable basis upon which to estimate the expected term. We determine the risk-free interest rate based on a treasury instrument whose term is consistent with the expected term of the stock options. Because there had been no public market for our common stock prior to the IPO, there is a lack of historical and implied volatility data. Accordingly, we base our estimates of expected volatility on the historical volatility of a group of publicly-traded companies with similar characteristics to us, including stage of product development and therapeutic focus within the life sciences industry. Historical volatility is calculated over a period of time commensurate with the expected term of the share-based payment. We use an assumed dividend yield of zero as we have never paid dividends on our common stock, nor do we expect to pay dividends on our common stock in the foreseeable future. We utilize similar Black-Scholes option-pricing model assumptions to value share-based payments issued to non-employees, except the contractual term of the share-based payment is utilized as the basis for the expected term assumption.

For share-based payments subject to performance-based vesting conditions, we record stock-based compensation expense over the remaining service period when we determine that achievement of the performance condition is probable. We evaluate whether the achievement of a performance-based milestone is probable based on the

expected satisfaction of the performance conditions as of the reporting date. Stock-based compensation expense for awards subject to performance-based vesting conditions is recognized using the accelerated attribution method.

We account for forfeitures of all share-based payments when such forfeitures occur.

Determination of Fair Value of Common Stock on Grant Dates prior to our IPO

Due to the absence of an active market for our common stock prior to the commencement of trading of our common stock on the Nasdaq Global Select Market on January 27, 2017 in connection with our IPO, the estimated fair values of our common stock as of the grant dates prior to our IPO were determined using contemporaneous valuations performed in accordance with the guidance outlined in the American Institute of Certified Public Accountants Practice Aid, *Valuation of Privately-Held Company Equity Securities Issued as Compensation*, also known as the Practice Aid. Following our IPO, it is no longer necessary for us to estimate the fair value of our common stock in connection with our accounting for stock options or other equity awards, as the fair value of our common stock can be determined by reference to its closing price on The Nasdaq Global Select Market on the date of the applicable grant.

For financial reporting purposes, we performed common stock valuations, with the assistance of a third-party valuation specialist, as of February 7, 2014, June 30, 2014, November 1, 2014, December 31, 2014, March 31, 2015, April 17, 2015, September 30, 2015, December 31, 2015, January 15, 2016, March 31, 2016, June 30, 2016, September 30, 2016, November 30, 2016 and December 31, 2016 which resulted in valuations of our common stock of $0.63, $0.70, $0.74, $1.07, $1.51, $2.36, $4.02, $5.24, $4.06, $4.21, $8.41, $9.56, $10.63 and $10.77 per share, respectively, as of those dates. The February 7, 2014, June 30, 2014, December 31, 2014, and March 31, 2015 valuations were retrospective. The increase in the fair value of our common stock from March 31, 2016 to June 30, 2016 is primarily attributable to an increase in our estimated future value due to the Celgene Collaboration Agreement which was substantially negotiated and probable of execution as of the June 30, 2016 valuation date. In conducting the valuations, we considered all objective and subjective factors that we believed to be relevant for each valuation conducted, including our best estimate of our business condition, prospects and operating performance at each valuation date. Within the valuations performed, a range of factors, assumptions and methodologies were used. The significant factors included:

- the lack of an active public market for our common and our convertible preferred stock;
- the prices of shares of our convertible preferred stock that we had sold to outside investors in arm's length transactions, and the rights, preferences and privileges of that convertible preferred stock relative to our common stock;
- our results of operations, financial position and the status of our research and preclinical development efforts;
- the material risks related to our business;
- our business strategy;
- the market performance of publicly traded companies in the life sciences and biotechnology sectors;
- the likelihood of achieving a liquidity event for the holders of our common stock, such as an initial public offering given prevailing market conditions; and
- any recent contemporaneous valuation of our common stock prepared in accordance with methodologies outlined in the Practice Aid.

Common Stock Valuation Methods

Our contemporaneous and retrospective valuations were prepared in accordance with the guidelines in the Practice Aid, which prescribes several valuation approaches for determining the value of an enterprise, such as the cost, market and income approaches, and various methodologies for allocating the value of an enterprise to its capital structure and specifically the common stock.

Our common stock valuations as of February 7, 2014, June 30, 2014, November 1, 2014, December 31, 2014, March 31, 2015, and April 17, 2015 were prepared using the back-solve method of the option-pricing method, or OPM, which derives the implied equity value for one type of equity security from a contemporaneous transaction involving another type of security.

Our common stock valuations as of September 30, 2015, December 31, 2015, January 15, 2016 and March 31, 2016 were prepared using the hybrid method. The hybrid method is a hybrid between the probability-weighted expected return method, or PWERM, and OPM, estimating the probability-weighted value across multiple scenarios using the OPM to allocate equity value within at least one of those scenarios. Our hybrid model included an OPM scenario and one IPO scenario.

Our common stock valuations as of June 30, 2016, September 30, 2016, November 30, 2016 and December 31, 2016 were prepared using PWERM. Our PWERM model consisted of three scenarios; a scheduled IPO, a delayed IPO or a deemed liquidation event.

Option Pricing Method

The OPM treats the rights of the holders of convertible preferred and common stock as equivalent to call options on the value of the enterprise above certain break points of value based upon the liquidation preferences of the holders of convertible preferred stock, as well as their rights to participation and conversion. Under this method, the common stock has value only if the funds available for distribution to the stockholders exceed the value of the liquidation preference(s) at the time of the liquidity event. The OPM uses the Black-Scholes option-pricing model. This model defines securities' fair values as functions of the current fair value of a company and uses assumptions, such as the anticipated timing of a potential liquidity event, the estimated applicable risk-free rate and the estimated volatility of the equity securities.

The OPM back-solve approach was used to estimate enterprise value under the OPM. The OPM back-solve approach uses the OPM to derive the implied equity value for one type of equity security from a contemporaneous sale transaction involving another type of our equity securities. In the OPM, the assumed volatility factor was based on the historical trading volatility of our publicly-traded peer companies. At each valuation date, a determination was made by us as to the appropriate volatility to be used, considering such factors as the expected time to a liquidity event and our stage of development.

To derive the fair value of the common stock using the OPM, the proceeds to the common stockholders were calculated based on the preferences and priorities of the convertible preferred stock and common stock. We then applied a discount for lack of marketability to the common stock to account for the lack of access to an active public market.

PWERM

Under the PWERM method, the fair value of our common stock is estimated based upon an analysis of future values for our 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.

Hybrid Model

The hybrid method is a PWERM where the equity value in one of the scenarios is calculated using an OPM. In the hybrid method used by us, two types of future-event scenarios were considered: an IPO and an unspecified liquidity event. The enterprise value for the IPO scenario was determined using the guideline public company, or GPC, method under the market approach. The enterprise value for the unspecified liquidity event scenario was determined using the GPC method or the OPM backsolve method. The relative probability of each type of future-event scenario was determined based on an analysis of market conditions at the time, including then-current IPO valuations of similarly situated companies, and expectations as to the timing and likely prospects of the future-event scenarios.

In our application of the GPC method, we considered preclinical and clinical-stage publicly traded companies that recently completed IPOs as indicators of our estimated future value in an IPO. That future value was discounted back to the valuation date at an appropriate risk-adjusted discount rate. We applied a discount for lack of marketability to the common stock to account for the lack of access to an active public market.

Income Taxes

Income taxes are recorded in accordance with ASC 740, *Income Taxes*, which provides for deferred taxes using an asset and liability approach. We recognize deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements or tax returns. Deferred

tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. A valuation allowance against deferred tax assets is recorded if, based on the weight of the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

We account for uncertain tax positions using a more-likely-than-not threshold for recognizing and resolving uncertain tax positions. The evaluation of uncertain tax positions is based on factors, including, but not limited to, changes in the law, the measurement of tax positions taken or expected to be taken in tax returns, the effective settlement of matters subject to audit, new audit activity and changes in facts or circumstances related to a tax position.

Recent Accounting Pronouncements

See Note 2 to our consolidated financial statements included within Part IV, Item 15 of this Annual Report on Form 10-K for a description of recent accounting pronouncements applicable to our business.

Results of Operations

Comparison of the Years Ended December 31, 2017 and 2016

The following table summarizes our results of operations for the years ended December 31, 2017 and 2016, along with the changes in those items in dollars:

	Year Ended December 31,		
(in thousands)	**2017**	**2016**	**$ Change**
Revenue:			
Collaboration revenue—related party	$ 71,644	$ 37,197	$ 34,447
Operating expenses:			
Research and development	67,798	34,904	32,894
General and administrative	23,061	16,759	6,302
Total operating expenses	90,859	51,663	39,196
Other income, net	2,808	763	2,045
Loss before provision for income taxes	(16,407)	(13,703)	(2,704)
Provision for income taxes	36	—	36
Net loss	$ (16,443)	$ (13,703)	$ (2,740)

Collaboration Revenue

Collaboration revenue for the years ended December 31, 2017 and 2016 was solely related to the recognition of the upfront payment we received under our Celgene Collaboration Agreement that was executed in July 2016.

Research and Development Expenses

The following table summarizes our research and development expenses for years ended December 31, 2017 and 2016:

	Year Ended December 31,		
(in thousands)	**2017**	**2016**	**$ Change**
Employee compensation	$ 18,839	$ 13,569	$ 5,270
External research and development	16,297	7,617	8,680
External clinical and regulatory	13,686	3,862	9,824
Lab consumables	9,364	4,813	4,551
Consulting research	1,096	1,025	71
Facility costs	6,127	2,782	3,345
Other research	2,389	1,236	1,153
Total research and development expenses	$ 67,798	$ 34,904	$ 32,894

Research and development expenses increased by $32.9 million from $34.9 million for the year ended December 31, 2016 to $67.8 million for the year ended December 31, 2017. The increase in research and development expenses was primarily attributable to the following:

- $5.3 million of increased employee compensation costs primarily attributable to increased headcount, offset by $1.3 million of decreased stock-based compensation expense related to the achievement of milestones during the year ended December 31, 2016 which triggered vesting of certain outstanding awards granted to non-employees;
- $8.7 million of increased external research and development costs primarily attributable to the manufacture of pre-commercial clinical trial materials and related activities for JTX-2011, IND enabling activities related to JTX-4014 and external costs associated with our early discovery programs;
- $9.8 million of increased external clinical and regulatory costs related to our JTX-2011 adaptive Phase I/II clinical trial, which commenced enrollment in August 2016;
- $4.6 million of increased lab consumables costs primarily attributable to our increased research and development activities;
- $3.3 million of increased facility costs, including expenses associated with the exit of our previous corporate headquarters, increased rent expense related to our new corporate headquarters, depreciation and maintenance costs; and
- $1.2 million of increased other research costs, including travel-related expenses, software license costs, information technology expenses and achievement of certain development and technical milestones related to our license and collaboration agreements.

General and Administrative Expenses

The following table summarizes our general and administrative expenses for the years ended December 31, 2017 and 2016:

	Year Ended December 31,		
(in thousands)	**2017**	**2016**	**$ Change**
Employee compensation	$ 9,055	$ 6,228	$ 2,827
Consulting	2,257	1,711	546
Legal fees	1,384	2,007	(623)
Facility costs	5,216	2,130	3,086
Other	5,149	2,638	2,511
Write-off of IPO costs	—	2,045	(2,045)
Total general and administrative expenses	$ 23,061	$ 16,759	$ 6,302

General and administrative expenses increased by $6.3 million from $16.8 million for the year ended December 31, 2016 to $23.1 million for the year ended December 31, 2017. The increase in general and administrative expenses was primarily attributable to the following:

- $2.8 million of increased employee compensation costs primarily attributable to increased headcount, of which $1.1 million related to increased stock-based compensation expense, as well as increased recruiting costs;
- $3.1 million of increased facility costs, including expenses associated with the exit of our previous corporate headquarters, increased rent expense related to our new corporate headquarters, depreciation and maintenance costs; and
- $2.5 million of increased other costs primarily attributable to operating as a public company as well as increased headcount.

These increases were offset by the following decreases:

- $0.6 million of decreased legal fees due to non-litigation related legal costs incurred in 2016 in connection with our business development activities; and

- $2.0 million of legal and accounting costs written off during the year ended December 31, 2016 as a result of the postponement of our IPO. The IPO was originally postponed for a period significantly in excess of 90 days, and as a result, the previously-capitalized costs were written off to general and administrative expenses.

Other Income, net

Other income, net, increased by $2.0 million from $0.8 million for the year ended December 31, 2016 to $2.8 million for the year ended December 31, 2017. The change in other income, net is attributable to increased interest and investment income on our cash, cash equivalents and investments as a result of a full year of investment income on the upfront payment received under the Celgene Collaboration Agreement in August 2016, the net proceeds received from our IPO in February 2017 and an overall increased rate of return due to rising interest rates and the short-term nature of our investments.

Comparison of the Years Ended December 31, 2016 and 2015

The following table summarizes our results of operations for the years ended December 31, 2016 and 2015, along with the changes in those items in dollars:

	Year Ended December 31,		
(in thousands)	**2016**	**2015**	**$ Change**
Revenue:			
Collaboration revenue—related party	$ 37,197	$ —	$ 37,197
Operating expenses:			
Research and development	34,904	22,130	12,774
General and administrative	16,759	8,266	8,493
Total operating expenses	51,663	30,396	21,267
Other income, net	763	5	758
Other financing income, net	—	1,859	(1,859)
Net loss	(13,703)	(28,532)	14,829

Collaboration Revenue

Collaboration revenue for the year ended December 31, 2016 was solely related to the recognition of the upfront payment we received under our Celgene Collaboration Agreement that was executed in July 2016.

Research and Development Expenses

The following table summarizes our research and development expenses for years ended December 31, 2016 and 2015:

	Year Ended December 31,		
(in thousands)	2016	2015	$ Change
Employee compensation	$ 13,569	$ 7,259	$ 6,310
External research and development	7,617	6,091	1,526
External clinical and regulatory	3,862	—	3,862
Lab consumables	4,813	4,972	(159)
Consulting research	1,025	1,254	(229)
Facility costs	2,782	1,953	829
Other research	1,236	601	635
Total research and development expenses	$ 34,904	$ 22,130	$ 12,774

Research and development expenses increased by $12.8 million from $22.1 million for the year ended December 31, 2015 to $34.9 million for the year ended December 31, 2016. The increase in research and development expenses was primarily attributable to the following:

- $6.3 million of increased employee compensation costs primarily attributable to increased headcount, including $1.8 million of stock-based compensation expense related to the achievement of milestones during the year ended December 31, 2016 which triggered vesting of certain outstanding awards granted to non-employees;
- $1.5 million of increased external research and development costs primarily attributable to the completion of IND enabling activities for JTX-2011, commencement of IND enabling activities related to JTX-4014 and external costs associated with our early discovery programs;
- $3.9 million of increased external clinical and regulatory costs related to our JTX-2011 Phase I/II clinical trial, which commenced enrollment in August 2016; and
- $0.8 million of increased facility costs, including rent, utilities, depreciation and maintenance costs.

General and Administrative Expenses

The following table summarizes our general and administrative expenses for the years ended December 31, 2016 and 2015:

	Year Ended December 31,		
(in thousands)	**2016**	**2015**	**$ Change**
Employee compensation	$ 6,228	$ 3,779	$ 2,449
Consulting	1,711	771	940
Legal fees	2,007	661	1,346
Facility costs	2,130	1,472	658
Other	2,638	1,583	1,055
Write-off of IPO costs	2,045	—	2,045
Total general and administrative expenses	$ 16,759	$ 8,266	$ 8,493

General and administrative expenses increased by $8.5 million from $8.3 million for the year ended December 31, 2015 to $16.8 million for the year ended December 31, 2016. The increase in general and administrative expenses was primarily attributable to the following:

- $2.4 million of increased employee compensation costs primarily attributable to increased headcount;
- $0.9 million of increased consulting costs, including external recruiting, accounting and tax services;
- $1.3 million of increased legal fees primarily attributable to non-litigation related legal costs incurred in 2016 in connection with our business development activities;
- $0.7 million of increased facility costs, including rent, utilities, depreciation and maintenance costs;

- $1.1 million of increased other costs, including information technology, audit and tax services; and
- $2.0 million of legal and accounting costs written off in 2016 as a result of the postponement of our IPO. The IPO was originally postponed for a period significantly in excess of 90 days, and as a result, the previously-capitalized costs were written off to general and administrative expenses.

Other Income, net

Other income, net, increased by $0.8 million from less than $0.1 million for the year ended December 31, 2015 to $0.8 million for the year ended December 31, 2016. The change in other income, net is attributable to increased interest and investment income on our cash, cash equivalents and investments as a result of the investment of the upfront payment received under the Celgene Collaboration Agreement and the net proceeds received from our IPO.

Other Financing Income, net

Other financing income, net, of $1.9 million during the year ended December 31, 2015 was primarily related to the mark-to-market adjustments recorded on tranche rights associated with our Series A convertible preferred stock. These tranche rights were terminated with the final closing of our Series A convertible preferred stock financing in April 2015.

Liquidity and Capital Resources

Sources of Liquidity

We have funded our operations through December 31, 2017 primarily through gross proceeds from private placements of our convertible preferred stock of $139.1 million, a non-refundable upfront payment of $225.0 million received in connection with the Celgene Collaboration Agreement and net proceeds from our IPO of $106.4 million. As of December 31, 2017, we had cash, cash equivalents and investments of $257.9 million.

Funding Requirements

Our plan of operation is to continue implementing our business strategy, continue the research and development of our lead programs JTX-2011 and JTX-4014, continue to expand our research pipeline and our internal research and development capabilities, including the enhancement of our Translational Science Platform. Due to the inherently unpredictable nature of preclinical and clinical development and given the early stage of our programs and product candidates, we cannot reasonably estimate the costs we will incur and the timelines that will be required to complete development, obtain marketing approval, and commercialize our products, if and when approved. For the same reasons, we are also unable to predict when, if ever, we will generate revenue from product sales or whether, or when, if ever, we may achieve profitability. Clinical and preclinical development timelines, the probability of success, and development costs can differ materially from expectations. In addition, we cannot forecast which products, if and when approved, may be subject to future collaborations, when such arrangements will be secured, if at all, and to what degree such arrangements would affect our development plans and capital requirements.

Due to our significant research and development expenditures, we have generated substantial operating losses since inception. We have incurred an accumulated deficit of $89.6 million through December 31, 2017. We expect to incur substantial additional losses in the future as we expand our research and development activities and continue to advance our programs. Based on our research and development plans, we expect that our existing cash, cash equivalents and investments of $257.9 million will enable us to fund our operating expenses and capital expenditure requirements for at least the next 24 months. However, we have based this estimate on assumptions that may prove to be incorrect, and we could exhaust our capital resources sooner than we expect. The timing and amount of our operating expenditures will depend largely on:

- the timing and progress of preclinical and clinical development activities;
- the cost to access, acquire, or develop therapies to study in combination with our immunotherapies;
- successful enrollment in and completion of clinical trials;
- the cost to develop complementary diagnostics and/or companion diagnostics as needed for each of our development programs;
- our ability to establish agreements with third-party manufacturers for clinical supply for our clinical trials and, if our product candidate is approved, commercial manufacturing;

- the costs associated with the development of any additional product candidates we acquire through acquisition, third-party collaborations or identify through our Translational Science Platform;
- our ability to maintain our current research and development programs and enhancement of our Translational Science Platform;
- addition and retention of key research and development personnel;
- our efforts to enhance operational, financial and information management systems, and hire additional personnel, including personnel to support development of our product candidates;
- the legal patent costs involved in prosecuting patent applications and enforcing patent claims and other intellectual property claims;
- the costs and ongoing investments to in-license or acquire additional technologies, including the in-license of intellectual property related to our potential product candidates, the effectiveness of which is subject to certain conditions; and
- the terms and timing of any collaboration, license or other arrangement, including the terms and timing of any milestone payments thereunder.

A change in the outcome of any of these or other variables with respect to the development of any of our product candidates could significantly change the costs and timing associated with the development of that product candidate. Furthermore, our operating plans may change in the future, and we may need additional funds to meet operational needs and capital requirements associated with such operating plans.

In addition to the variables described above, if and when any of our product candidates successfully complete development, we have incurred and will continue to incur substantial additional costs associated with regulatory filings, marketing approval, post-marketing requirements, maintaining our intellectual property rights, and regulatory protection, in addition to other costs. We cannot reasonably estimate these costs at this time.

Until such time, if ever, as we can generate substantial product revenue, we expect to finance our cash needs through a combination of equity or debt financings and collaboration arrangements including our Celgene Collaboration Agreement. We currently do not have a credit facility or committed sources of capital. To the extent that we raise additional capital through the future sale of equity or debt, the ownership interests of our stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our existing common stockholders. If we raise additional funds through the issuance of debt securities, these securities could contain covenants that would restrict our operations. We may require additional capital beyond our currently anticipated amounts. Additional capital may not be available on reasonable terms, or at all. If we raise additional funds through collaboration arrangements in the future, we may have to relinquish valuable rights to our technologies, future revenue streams or product candidates, or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce, or terminate development or future commercialization efforts, or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

Cash Flows

The following table provides information regarding our cash flows for the years ended December 31, 2017, 2016 and 2015:

	Year Ended December 31,		
(in thousands)	**2017**	**2016**	**2015**
Net cash (used in) provided by:			
Operating activities	$ (90,738)	$ 179,688	$ (25,739)
Investing activities	(38,021)	(215,508)	(2,142)
Financing activities	107,470	35,507	70,704
Net (decrease) increase in cash and cash equivalents	$ (21,289)	$ (313)	$ 42,823

Cash (Used in) Provided by Operating Activities

Net cash used in operating activities for the year ended December 31, 2017 was $90.7 million, compared to net cash provided by operating activities of $179.7 million for the year ended December 31, 2016. This net change of $270.4 million was primarily due to the $225.0 million upfront cash payment received upon the execution of the

Celgene Collaboration Agreement in July 2016, offset by an increase in our operating expenses and income tax payments made during the year ended December 31, 2017. The increase in operating expenses was primarily due to our increased headcount, increased clinical and regulatory costs related to our JTX-2011 adaptive Phase I/II clinical trial and increased external research and development costs.

Net cash provided by operating activities for the year ended December 31, 2016 was $179.7 million, compared to net cash used in operating activities of $25.7 million for the year ended December 31, 2015. This net change of $205.4 million was primarily due to the $225.0 million upfront cash payment received upon the execution of the Celgene Collaboration Agreement in July 2016, offset by an increase in our operating expenses during the year ended December 31, 2016.

Cash Used in Investing Activities

Net cash used in investing activities for the year ended December 31, 2017 was $38.0 million, compared to net cash used in investing activities of $215.5 million for the year ended December 31, 2016. Net cash used in investing activities decreased by $177.5 million primarily due to purchases of investments made during the year ended December 31, 2016 using the $225.0 million upfront cash payment received upon the execution of the Celgene Collaboration Agreement in July 2016. We purchased investments during the year ended December 31, 2017 using the net proceeds received from our IPO. Proceeds received from maturities and sales of investments during the year ended December 31, 2017 were either reinvested or used to fund our operations and to purchase property and equipment associated with our new corporate headquarters.

Net cash used in investing activities for the year ended December 31, 2016 was $215.5 million, compared to net cash used in investing activities of $2.1 million for the year ended December 31, 2015. Net cash used in investing activities increased by $213.4 million primarily due to purchases of investments made during the year ended December 31, 2016 using the $225.0 million upfront cash payment received upon the execution of the Celgene Collaboration Agreement in July 2016.

Cash Provided by Financing Activities

Net cash provided by financing activities for the year ended December 31, 2017 was $107.5 million, compared to net cash provided by financing activities of $35.5 million for the year ended December 31, 2016. Cash provided by financing activities increased by $72.0 million primarily due to the receipt of $106.4 million of net proceeds from our IPO, after deducting underwriting discounts and commissions and other offering expenses paid by us. A portion of these offering expenses were paid during the year ended December 31, 2016. During the years ended December 31, 2016, we received $36.1 million of net proceeds from the sale of Series B-1 convertible preferred stock to Celgene.

Net cash provided by financing activities for the year ended December 31, 2016 was $35.5 million, compared to net cash provided by financing activities of $70.7 million for the year ended December 31, 2015. Net cash provided by financing activities decreased by $35.2 million primarily due to the receipt of $70.8 million of net proceeds from the sale of Series A convertible preferred stock and Series B convertible preferred stock during the year ended December 31, 2015 as compared to the receipt of $36.1 million of net proceeds from the sale of Series B-1 convertible preferred stock to Celgene during the year ended December 31, 2016.

Contractual Obligations

Our contractual obligations as of December 31, 2017 were as follows (in thousands):

(in thousands)	Total	2018	2019 and 2020	2021 and 2022	After 2022
Operating lease obligations (1)	$ 32,971	$ 4,139	$ 8,654	$ 9,182	$ 10,996

(1) Represents future minimum lease payments under our non-cancellable operating lease as of December 31, 2017

We have also entered into license and collaboration agreements with various third parties, all which are in the normal course of business. We have not included these future payments in the table of contractual obligations above since the contracts are cancellable at any time by us, generally upon 30 to 90 days prior written notice. The payment obligations under these license and collaboration agreements are contingent upon future events such as our achievement of specified development, regulatory and commercial milestones, or royalties on net product sales.

Under our license agreements, we could be required to make aggregate technical, clinical development and regulatory milestone payments of up to $13.2 million and low single-digit royalty payments based on a percentage

of net sales of licensed products. As of December 31, 2017, we made $0.2 million in aggregate milestone payments under these license agreements.

Under certain of our collaboration agreements, we could be required to make aggregate technical, clinical development and regulatory milestones payments ranging from $12.5 million to $12.9 million per product candidate and low single-digit royalty payments based on a percentage of net sales on a product-by-product basis. As of December 31, 2017, we made $0.3 million in aggregate milestone payments under these certain collaboration agreements. Under a certain other collaboration agreement, we could be required to make aggregate technical, clinical development and regulatory milestones payments of $0.7 million. As of December 31, 2017, no milestone payments had been made under this certain other collaboration agreement.

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 under applicable SEC rules.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

As of December 31, 2017, we had cash, cash equivalents and investments of $257.9 million. This amount was comprised of cash and cash equivalents of $23.6 million, short-term investments of $212.1 million and long-term investments of $22.2 million. Our cash and cash equivalents consist primarily of money market funds that are invested in U.S. Treasury obligations. Our short-term investments consist of corporate debt securities, U.S. Treasury obligations and government agency securities with an original maturity greater than ninety days and less than one year from the balance sheet date. Our long-term investments consist of corporate debt securities and government agency securities with maturities of greater than one year that are not expected to be used to fund current operations. Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of U.S. interest rates. Due to the short-term nature of our cash equivalents and short-term investments and our conservative long-term investment approach, a sudden change in interest rates would not be expected to have material effect on our business, financial condition or results of operations.

We are not currently exposed to significant market risk related to changes in foreign currency exchange rates; however, we have contracted with and may continue to contract with foreign vendors. Our operations may be subject to fluctuations in foreign currency exchange rates in the future.

Inflation generally affects us by increasing our cost of labor. We do not believe that inflation had a material effect on our business, financial condition or results of operations during the years ended December 31, 2017, 2016 or 2015.

Item 8. Financial Statements and Supplementary Data

The financial statements required to be filed pursuant to this Item 8 are appended to this Annual Report on Form 10-K. An index of those financial statements is found in Part IV, Item 15.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer, who is also our principal executive officer, and Chief Financial Officer, who is also our principal financial and accounting officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2017. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by the company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and

our management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of December 31, 2017, our principal executive officer and principal financial officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act as a process designed by, or under the supervision of, a company's principal executive officer and principal financial officer, or persons performing similar functions, and effected by a company's board of directors, management, and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of a company's assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that a company's receipts and expenditures are being made only in accordance with authorizations of the company's management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision of and with the participation of our principal executive officer and principal financial officer, our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2017 based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control—Integrated Framework (2013). Based on this assessment, management concluded that our internal control over financial reporting was effective as of December 31, 2017.

This Annual Report on Form 10-K does not include an attestation report of our independent registered public accounting firm due to a transition period established by rules of the SEC for newly public companies.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15(d)-15(f) under the Exchange Act) that occurred during the fourth quarter of the year ended December 31, 2017 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this Item 10 will be included in the sections captioned “Corporate Governance,” “Section 16(a) Beneficial Ownership Reporting Compliance” in our definitive Proxy Statement for our 2018 Annual Meeting of Stockholders to be filed with the SEC within 120 days of December 31, 2017, which information is incorporated herein by reference.

We have adopted a written code of business conduct and ethics that applies to our directors, officers, and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A copy of the code is posted on the Corporate Governance section of our website, which is located at www.jouncetx.com. If we make any substantive amendments to, or grant any waivers from, the code of business conduct and ethics for any officer or director, we will disclose the nature of such amendment or waiver on our website or in a current report on Form 8-K. We will provide any person, without charge, a copy of such Code of Business Conduct and Ethics upon written request, which may be mailed to 780 Memorial Drive, Cambridge, MA 02139, Attn: Corporate Secretary.

Item 11. Executive Compensation

The information required by this Item 11 will be included in the section captioned “Executive and Director Compensation” in our definitive Proxy Statement for our 2018 Annual Meeting of Stockholders to be filed with the SEC within 120 days of December 31, 2017, which information is incorporated herein by reference.

Item 12. Security Ownership of Certain of Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item 12 will be included in the section captioned “Principal Stockholders” and “Equity Compensation Plan Information” in our definitive Proxy Statement for our 2018 Annual Meeting of Stockholders to be filed with the SEC within 120 days of December 31, 2017, which information is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions and Director Independence

The information required by this Item 13 will be included in the sections captioned “Corporate Governance” and “Transactions with Related Persons” in our definitive Proxy Statement for our 2018 Annual Meeting of Stockholders to be filed with the SEC within 120 days of December 31, 2017, which information is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

The information required by this Item 14 will be included in the section captioned “Ratification of Selection of Independent Registered Public Accounting Firm” in our definitive Proxy Statement for our 2018 Annual Meeting of Stockholders to be filed with the SEC within 120 days of December 31, 2017, which information is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(1) Financial Statements

The following documents are included on pages F-1 through F-30 attached hereto and are filed as part of this Annual Report on Form 10-K.

(2) Financial Statement Schedules

Schedules have been omitted since they are either not required or not applicable or the information is otherwise included herein.

(3) Exhibits

The exhibits filed or furnished as part of this Annual Report on Form 10-K are listed in the Exhibit Index immediately preceding the signatures, which Exhibit Index is incorporated herein by reference.

Item 16. Form 10-K Summary

None.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of
Jounce Therapeutics, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Jounce Therapeutics, Inc. (the Company) as of December 31, 2017 and 2016, the related consolidated statements of operations, comprehensive loss, convertible preferred stock, contingently redeemable common stock and stockholders' (deficit) equity, and cash flows for each of the three years in the period ended December 31, 2017, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2017, in conformity with U.S. generally accepted accounting principles.

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. 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/ Ernst & Young LLP

We have served as the Company's auditor since 2013.

Boston, Massachusetts
March 8, 2018

Jounce Therapeutics, Inc.
Consolidated Balance Sheets
(amounts in thousands, except par value amounts)

	December 31,	
	2017	2016
Assets:		
Current assets:		
Cash and cash equivalents	$ 23,559	$ 44,848
Short-term investments	212,093	104,410
Prepaid expenses and other current assets	19,945	2,529
Total current assets	255,597	151,787
Property and equipment, net	16,151	7,241
Long-term investments	22,199	108,116
Other non-current assets	2,713	4,168
Total assets	$ 296,660	$ 271,312
Liabilities, convertible preferred stock, contingently redeemable common stock and stockholders' equity (deficit):		
Current liabilities:		
Accounts payable	$ 2,849	$ 3,511
Accrued expenses	8,454	5,855
Deferred rent and lease incentive, current	61	720
Deferred revenue, current—related party	51,142	80,544
Other current liabilities	45	43
Total current liabilities	62,551	90,673
Deferred rent and lease incentive, net of current portion	1,955	1,452
Deferred revenue, net of current portion—related party	65,018	107,260
Other non-current liabilities	27	56
Total liabilities	129,551	199,441
Commitments and contingencies (Note 15)		
Convertible preferred stock (Series A), $0.001 par value: No shares and 47,000 shares authorized, issued and outstanding at December 31, 2017 and 2016, respectively	—	47,112
Convertible preferred stock (Series B), $0.001 par value: No shares and 24,779 shares authorized, issued and outstanding at December 31, 2017 and 2016, respectively	—	55,849
Convertible preferred stock (Series B-1), $0.001 par value: No shares and 10,448 shares authorized, issued and outstanding at December 31, 2017 and 2016, respectively	—	36,077
Contingently redeemable common stock	—	1,921
Stockholders' equity (deficit):		
Preferred stock, $0.001 par value: 5,000 shares and no shares authorized at December 31, 2017 and 2016, respectively; no shares issued or outstanding at December 31, 2017 or 2016	—	—
Common stock, $0.001 par value: 160,000 shares and 29,810 shares authorized at December 31, 2017 and 2016, respectively; 32,265 and 2,518 shares issued at December 31, 2017 and 2016, respectively; 32,249 and 2,424 shares outstanding at December 31, 2017 and 2016, respectively	32	2
Additional paid-in capital	257,101	4,515
Accumulated other comprehensive loss	(409)	(433)
Accumulated deficit	(89,615)	(73,172)
Total stockholders' equity (deficit)	167,109	(69,088)
Total liabilities, convertible preferred stock, contingently redeemable common stock and stockholders' equity (deficit)	$ 296,660	$ 271,312

The accompanying notes are an integral part of these consolidated financial statements.

Jounce Therapeutics, Inc.
Consolidated Statements of Operations
(amounts in thousands, except per share amounts)

	Year Ended December 31,		
	2017	2016	2015
Revenue:			
Collaboration revenue—related party	$ 71,644	$ 37,197	$ —
Operating expenses:			
Research and development	67,798	34,904	22,130
General and administrative	23,061	16,759	8,266
Total operating expenses	90,859	51,663	30,396
Operating loss	(19,215)	(14,466)	(30,396)
Other income, net:			
Other income, net	2,808	763	5
Other financing income, net	—	—	1,859
Total other income, net	2,808	763	1,864
Loss before provision for income taxes	(16,407)	(13,703)	(28,532)
Provision for income taxes	36	—	—
Net loss	$ (16,443)	$ (13,703)	$ (28,532)
Reconciliation of net loss to net loss attributable to common stockholders:			
Net loss	$ (16,443)	$ (13,703)	$ (28,532)
Accretion of convertible preferred stock to redemption value	—	—	(1,011)
Loss on extinguishment of convertible preferred stock	—	—	(2,079)
Accrued dividends on Series A convertible preferred stock	(268)	(3,760)	(2,716)
Accrued dividends on Series B convertible preferred stock	(318)	(4,460)	(3,165)
Accrued dividends on Series B-1 convertible preferred stock	(208)	(1,215)	—
Net loss attributable to common stockholders	$ (17,237)	$ (23,138)	$ (37,503)
Net loss per share attributable to common stockholders, basic and diluted	$ (0.57)	$ (11.00)	$ (23.13)
Weighted-average common shares outstanding, basic and diluted	30,055	2,103	1,621

The accompanying notes are an integral part of these consolidated financial statements.

Jounce Therapeutics, Inc.
Consolidated Statements of Comprehensive Loss
(amounts in thousands)

	Year Ended December 31,		
	2017	2016	2015
Net loss	$ (16,443)	$ (13,703)	$ (28,532)
Other comprehensive income (loss):			
Unrealized gain (loss) on available-for-sale securities	24	(433)	—
Comprehensive loss	$ (16,419)	$ (14,136)	$ (28,532)

The accompanying notes are an integral part of these consolidated financial statements.

Jounce Therapeutics, Inc.
Consolidated Statements of Convertible Preferred Stock, Contingently Redeemable Common Stock and Stockholders' (Deficit) Equity
(amounts in thousands)

	Series A Convertible Preferred Stock		Series B Convertible Preferred Stock		Series B-1 Convertible Preferred Stock		Contingently Redeemable Common Stock	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' (Deficit) Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Amount	Shares	Amount				
Balance at December 31, 2014	32,000	$ 27,313	—	$ —	—	$ —	$ 152	1,414	$ 2	$ 3	$ —	$ (28,005)	$ (28,000)
Issuances of Series A convertible preferred stock, net of issuance costs of $16	15,000	14,984	—	—	—	—	—	—	—	—	—	—	—
Reclassification of tranche rights upon issuance of preferred stock	—	1,725	—	—	—	—	—	—	—	—	—	—	—
Issuance of Series B convertible preferred stock, net of issuance costs of $151	—	—	24,779	55,849	—	—	—	—	—	—	—	—	—
Exercise of common stock options	—	—	—	—	—	—	—	6	—	3	—	—	3
Vesting of restricted common stock	—	—	—	—	—	—	—	413	—	10	—	—	10
Stock-based compensation expense	—	—	—	—	—	—	503	—	—	849	—	—	849
Accretion of preferred stock to redemption value	—	1,011	—	—	—	—	—	—	—	(158)	—	(853)	(1,011)
Extinguishment of Series A convertible preferred stock	—	2,079	—	—	—	—	—	—	—	—	—	(2,079)	(2,079)
Net loss	—	—	—	—	—	—	—	—	—	—	—	(28,532)	(28,532)
Balance at December 31, 2015	47,000	47,112	24,779	55,849	—	—	655	1,833	2	707	—	(59,469)	(58,760)
Issuance of Series B-1 convertible preferred stock, net of issuance costs of $74	—	—	—	—	10,448	36,077	—	—	—	—	—	—	—
Exercise of common stock options	—	—	—	—	—	—	—	53	—	50	—	—	50
Vesting of restricted common stock	—	—	—	—	—	—	—	538	—	35	—	—	35
Stock-based compensation expense	—	—	—	—	—	—	1,266	—	—	3,723	—	—	3,723
Other comprehensive loss	—	—	—	—	—	—	—	—	—	—	(433)	—	(433)
Net loss	—	—	—	—	—	—	—	—	—	—	—	(13,703)	(13,703)
Balance at December 31, 2016	47,000	47,112	24,779	55,849	10,448	36,077	1,921	2,424	2	4,515	(433)	(73,172)	(69,088)
Issuance of common stock from initial public offering, net of issuance costs of $2,529	—	—	—	—	—	—	—	7,320	7	106,381	—	—	106,388
Conversion of convertible preferred stock into common stock upon closing of initial public offering	(47,000)	(47,112)	(24,779)	(55,849)	(10,448)	(36,077)	—	22,284	23	139,015	—	—	139,038
Reclassification of restricted stock awards upon termination of put option	—	—	—	—	—	—	(2,191)	—	—	2,191	—	—	2,191
Exercise of common stock options	—	—	—	—	—	—	—	144	—	462	—	—	462
Vesting of restricted common stock	—	—	—	—	—	—	—	77	—	32	—	—	32
Stock-based compensation expense	—	—	—	—	—	—	270	—	—	4,505	—	—	4,505
Other comprehensive loss	—	—	—	—	—	—	—	—	—	—	24	—	24
Net loss	—	—	—	—	—	—	—	—	—	—	—	(16,443)	(16,443)
Balance at December 31, 2017	—	$ —	—	$ —	—	$ —	$ —	32,249	$ 32	$ 257,101	$ (409)	$ (89,615)	$ 167,109

The accompanying notes are an integral part of these consolidated financial statements.

Jounce Therapeutics, Inc.
Consolidated Statements of Cash Flows
(amounts in thousands)

	Year Ended December 31,		
	2017	2016	2015
Operating activities:			
Net loss	$ (16,443)	$ (13,703)	$ (28,532)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:			
Stock-based compensation expense	4,775	4,989	1,352
Depreciation expense	4,422	1,944	1,470
Change in other financing income, net	—	—	(1,859)
Net amortization of premiums and discounts on investments	1,172	327	—
Loss on disposal of property and equipment	75	—	—
Changes in operating assets and liabilities:			
Prepaid expenses and other current assets	(17,416)	(1,979)	(23)
Other non-current assets	(16)	(527)	(99)
Accounts payable	373	(312)	673
Accrued expenses and other current liabilities	4,120	953	1,929
Deferred revenue—related party	(71,644)	187,804	—
Other non-current liabilities	—	—	(28)
Deferred rent	(156)	192	(622)
Net cash (used in) provided by operating activities	(90,738)	179,688	(25,739)
Investing activities:			
Purchases of investments	(179,874)	(213,286)	—
Proceeds from maturities of investments	141,322	—	—
Proceeds from sales of investments	15,638	—	—
Purchases of property and equipment	(15,107)	(2,222)	(2,202)
Change in restricted cash	—	—	60
Net cash used in investing activities	(38,021)	(215,508)	(2,142)
Financing activities:			
Proceeds from the issuance of Series A convertible preferred stock and Tranche Rights, net of issuance costs	—	—	14,984
Proceeds from the issuance of Series B convertible preferred stock, net of issuance costs	—	—	55,849
Proceeds from the issuance of Series B-1 convertible preferred stock, net of issuance costs	—	36,077	—
Proceeds from initial public offering of common stock, net of issuance costs	107,008	—	—
Proceeds from exercise of stock options and purchases of restricted stock	462	50	112
Cash paid for issuance costs	—	(620)	(241)
Net cash provided by financing activities	107,470	35,507	70,704
Net (decrease) increase in cash and cash equivalents	(21,289)	(313)	42,823
Cash and cash equivalents, beginning of period	44,848	45,161	2,338
Cash and cash equivalents, end of period	$ 23,559	$ 44,848	$ 45,161
Non-cash investing and financing activities:			
Accretion of convertible preferred stock to redemption value	$ —	$ —	$ 1,011
Reclassification of preferred stock tranche liability upon settlement	$ —	$ —	$ 1,725
Purchases of property and equipment in accounts payable and accrued expenses	$ 170	$ 1,870	$ 22
Issuance costs in accounts payable and accrued expenses	$ —	$ 850	$ 1,580
Supplemental cash flow information:			
Cash paid for income taxes	$ 16,750	$ —	$ —

The accompanying notes are an integral part of these consolidated financial statements.

Jounce Therapeutics, Inc.
Notes to Consolidated Financial Statements

1. Nature of Business

Jounce Therapeutics, Inc. (the "Company") is a clinical stage immunotherapy company dedicated to transforming the treatment of cancer by developing therapies that enable the immune system to attack tumors and provide long-lasting benefits to patients. The Company is subject to a number of risks similar to those of other clinical stage immunotherapy companies, including dependence on key individuals; the need to develop commercially viable products; competition from other companies, many of which are larger and better capitalized; and the need to obtain adequate additional financing to fund the development of its products.

The Company's most advanced product candidate, JTX-2011, is a clinical-stage monoclonal antibody that binds to and activates the **I**nducible T cell **CO-S**timulator, or ICOS, a protein on the surface of certain T cells commonly found in many solid tumors. The Company submitted an Investigational New Drug Application for JTX-2011 to the Food and Drug Administration in July 2016 and began the Phase I portion of its JTX-2011 adaptive Phase I/II clinical trial in patients with solid tumors in August 2016. In June 2017, the Company presented preliminary safety, pharmacodynamic and pharmacokinetic data from the Phase I portion of this clinical trial as well as the recommended dose for the Phase II monotherapy cohorts at the 2017 American Society of Clinical Oncology Annual Meeting.

In April 2017, the Company began the monotherapy cohorts of the Phase II portion of this clinical trial, which evaluate JTX-2011 as a monotherapy in at least three tumor-specific cohorts, including head and neck squamous cell cancer ("HNSCC"), non-small cell lung cancer ("NSCLC"), gastric cancer, non-indication specific solid tumors and additional tumor types identified through its Translational Science Platform. In July 2017, the Company began the combination cohorts of the Phase II portion of this clinical trial, which evaluate JTX-2011 in combination with nivolumab in at least six tumor types, including HNSCC, NSCLC, triple negative breast cancer, melanoma, gastric cancer and additional tumor types identified through its Translational Science Platform. The Company expects to provide preliminary efficacy data in the second quarter of 2018.

On February 1, 2017, the Company closed its initial public offering ("IPO") of 7,319,750 shares of the Company's common stock at a public offering price of $16.00 per share, including 954,750 shares of common stock issued upon the full exercise by the underwriters of their option to purchase additional shares. The gross proceeds from the IPO were $117.1 million and net proceeds were $106.4 million, after deducting underwriting discounts and commissions and other offering expenses paid by the Company.

Upon completion of the IPO, all outstanding preferred stock was automatically converted into an aggregate of 22,283,690 shares of common stock. In connection with the IPO, the board of directors and the stockholders of the Company approved a one-for-3.69 reverse stock split of the Company's issued and outstanding common stock. The reverse stock split became effective on January 13, 2017. All share and per share amounts in the consolidated financial statements have been retroactively adjusted for all periods presented to give effect to the reverse stock split, including reclassifying an amount equal to the reduction in par value to additional paid-in capital.

The Company has incurred losses in each annual period since its inception and had an accumulated deficit of $89.6 million as of December 31, 2017. The Company expects to continue to incur significant losses for the foreseeable future. As of December 31, 2017, the Company had cash, cash equivalents, and investments of $257.9 million. The Company expects that its existing cash, cash equivalents, and investments will enable it to fund its expected operating expenses and capital expenditure requirements for at least 24 months from March 8, 2018, the filing date of this Annual Report on Form 10-K. The Company expects to finance its future cash needs through a combination of equity or debt financings and collaboration arrangements, including cash inflows from its Master Research and Collaboration Agreement (the "Celgene Collaboration Agreement") with Celgene Corporation ("Celgene").

2. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and include the accounts of Jounce Therapeutics, Inc. and its wholly-owned subsidiary, Jounce Mass Securities, Inc., which was established in July 2016. All intercompany transactions and balances have been eliminated in consolidation.

Segment Information

Operating segments are defined as components of an enterprise about which separate discrete information is available for evaluation by the chief operating decision-maker in deciding how to allocate resources and assess performance. The Company and the Company's chief operating decision maker, the Company's chief executive officer, views the Company's operations and manages its business as a single operating segment. The Company operates only in the United States.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. On an ongoing basis, the Company's management evaluates its estimates which include, but are not limited to, estimates related to the period of performance for units of accounting identified under the Celgene Collaboration Agreement, accrued research and development expenses, stock-based compensation and income taxes. The Company bases its estimates on historical experience and other market specific or other relevant assumptions it believes to be reasonable under the circumstances. Actual results could differ from those estimates.

Prior to the completion of the IPO, the Company utilized significant estimates and assumptions in determining the fair value of its common stock. The Company determined the estimated fair value of its common stock based on a number of objective and subjective factors, including external market conditions affecting the biotechnology industry sector, the prices at which the Company sold shares of its convertible preferred stock and the superior rights and preferences of the convertible preferred stock in relation to the Company's common stock. The Company utilized various valuation methodologies in accordance with the framework of the American Institute of Certified Public Accountants ("AICPA") *Audit and Accounting Practice Aid Series: Valuation of Privately Held Company Equity Securities Issued as Compensation (*the "AICPA Practice Aid") to estimate the fair value of its common stock. These methodologies included the option pricing method utilizing the backsolve method, which is a form of the market approach defined in the AICPA Practice Aid, and the probability-weighted expected return method based upon the probability of occurrence of certain future liquidity events such as an IPO or sale of the Company. Each valuation methodology included estimates and assumptions that required the Company's judgment. Significant changes to the key assumptions used in the valuations could have resulted in different fair values of the Company's common stock at each valuation date.

Fair Value of Financial Instruments

Accounting Standards Codification ("ASC") 820, *Fair Value Measurement*, establishes a fair value hierarchy for instruments measured at fair value that distinguishes between assumptions based on market data (observable inputs) and the Company's own assumptions (unobservable inputs). Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the inputs that market participants would use in pricing the asset or liability, and are developed based on the best information available in the circumstances.

ASC 820 identifies fair value as the exchange price, or exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As a basis for considering market participant assumptions in fair value measurements, ASC 820 establishes a three-tier fair value hierarchy that distinguishes between the following:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs that reflect the Company's own assumptions about the assumptions market participants would use in pricing the asset or liability. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by

the Company in determining fair value is greatest for instruments categorized in Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Cash Equivalents

Cash equivalents are highly-liquid investments that are readily convertible into cash with original maturities of three months or less when purchased. These assets include investment in money market funds that invests in U.S. Treasury obligations.

Investments

Short-term investments consist of investments with maturities greater than ninety days and less than one year from the balance sheet date. Long-term investments consist of investments with maturities of greater than one year that are not expected to be used to fund current operations. The Company classifies all of its investments as available-for-sale securities. Accordingly, these investments are recorded at fair value. Realized gains and losses, amortization and accretion of discounts and premiums are included in other income, net. Unrealized gains and losses on available-for-sale securities are included in other comprehensive income (loss) as a component of stockholders' equity (deficit) until realized.

Restricted Cash

Restricted cash as of December 31, 2017 and 2016 is comprised of amounts held as security deposits in the form of letters of credit for the Company's leased facilities. If restrictions are expected to be lifted within the next twelve months, the restricted cash account is classified as current.

Property and Equipment, Net

Property and equipment is recorded at cost and consists of laboratory equipment, furniture and office equipment, computer equipment, leasehold improvements, and construction in progress. The Company capitalizes property and equipment that is acquired for research and development activities and that has alternate future use. Expenditures for maintenance and repairs are recorded to expense as incurred, whereas major betterments are capitalized as additions to property and equipment. Leasehold improvements are depreciated over the lesser of their useful life or the term of the lease. Depreciation is calculated over the estimated useful lives of the assets using the straight-line method.

Impairment of Long-lived Assets

The Company reviews its property and equipment whenever events or changes in circumstances indicate that the carrying value of certain assets might not be recoverable and recognizes an impairment loss when it is probable that an asset's realizable value is less than the carrying value.

Deferred Financing Costs

The Company capitalizes deferred financing costs, which primarily consists of direct, incremental legal and accounting fees relating to the Company's financing activities, within other non-current assets. Deferred financing costs are typically offset against financing proceeds received upon the consummation of an offering.

As of the December 31, 2016, the Company had capitalized $1.5 million in deferred financing costs related to its IPO. These deferred financing costs were subsequently reclassified to stockholders' equity (deficit) upon the completion of the IPO in February 2017.

Revenue Recognition

The Company recognizes revenue in accordance with ASC 605, *Revenue Recognition*. Accordingly, revenue is recognized when all of the following criteria are met:

- persuasive evidence of an arrangement exists;
- delivery has occurred or services have been rendered;
- the seller's price to the buyer is fixed or determinable; and

- collectability is reasonably assured.

Amounts received prior to satisfying the revenue recognition criteria are recognized as deferred revenue in the Company's consolidated balance sheets. Amounts expected to be recognized as revenue within the twelve months following the balance sheet date are classified as deferred revenue, current. Amounts not expected to be recognized as revenue within the twelve months following the balance sheet date are classified as deferred revenue, net of current portion.

Multiple-Element Arrangements

Determination of Units of Accounting

When evaluating multiple-element arrangements pursuant to ASC 605-25, *Revenue Recognition—Multiple-Element Arrangements*, the Company considers whether the deliverables under the arrangement represent separate units of accounting. This evaluation requires subjective determinations and requires management to make judgments about the individual deliverables and whether such deliverables are separable from the other aspects of the contractual relationship. In determining the units of accounting, management evaluates certain criteria, including whether the deliverables have standalone value, based on the consideration of the relevant facts and circumstances for each arrangement. The consideration received is allocated among the separate units of accounting using the relative selling price method, and the applicable revenue recognition criteria are applied to each of the separate units. Deliverables are considered separate units of accounting provided that: (i) the delivered item(s) has value to the customer on a standalone basis and (ii) if the arrangement includes a general right of return relative to the delivered item(s), delivery or performance of the undelivered item(s) is considered probable and substantially in the control of the Company. In assessing whether an item has standalone value, the Company considers factors such as the research, manufacturing and commercialization capabilities of the collaboration partner and the availability of the associated expertise in the general marketplace. In addition, the Company considers whether the collaboration partner can use the deliverable(s) for their intended purpose without the receipt of the remaining element(s), whether the value of the deliverable is dependent on the undelivered item(s) and whether there are other vendors that can provide the undelivered element(s).

Under multiple-element arrangements, options are considered substantive if, at the inception of the arrangement, the Company is at risk as to whether the collaboration partner will choose to exercise the option. Factors that the Company considers in evaluating whether an option is substantive include the overall objective of the arrangement, the benefit the collaborator might obtain from the arrangement without exercising the option, the likelihood the option will be exercised, and the cost to exercise the option. When an option is considered substantive, the Company does not consider the option or item underlying the option to be a deliverable at the inception of the arrangement and the associated option fees are not included in the allocable arrangement consideration, assuming the option is not priced at a significant and incremental discount. When an option is not considered substantive, the Company would consider the option, including other deliverables contingent upon the exercise of the option, to be a deliverable at the inception of the arrangement and a corresponding amount would be included in the allocable arrangement consideration. In addition, if the price of the option includes a significant incremental discount, the discount inherent in the option price would be included as a deliverable at the inception of the arrangement.

Allocation of Arrangement Consideration

Arrangement consideration that is fixed or determinable is allocated among the separate units of accounting using the relative selling price method. Then, the applicable revenue recognition criteria in ASC 605-25 are applied to each of the separate units of accounting in determining the appropriate period and pattern of recognition. The Company determines the selling price of a unit of accounting following the hierarchy of evidence prescribed by ASC 605-25. Accordingly, the Company determines the estimated selling price for units of accounting within each arrangement using vendor-specific objective evidence ("VSOE") of selling price, if available, third-party evidence ("TPE") of selling price if VSOE is not available, or best estimate of selling price ("BESP") if neither VSOE nor TPE is available. The Company typically uses BESP to estimate the selling price, since it generally does not have VSOE or TPE of selling price for its units of accounting. Determining the BESP for a unit of accounting requires significant judgment. In developing the BESP for a unit of accounting, the Company considers applicable market conditions and relevant entity-specific factors, including factors that were contemplated in negotiating the agreement with the customer and estimated costs. The Company validates the BESP for units of accounting by evaluating whether

changes in the key assumptions used to determine the BESP will have a significant effect on the allocation of arrangement consideration between multiple units of accounting.

Patterns of Recognition

The Company recognizes arrangement consideration allocated to each unit of accounting when all of the revenue recognition criteria in ASC 605 are satisfied for that particular unit of accounting. The Company recognizes revenue associated with substantive options upon exercise of the option if the underlying license has standalone value from the other deliverables to be provided subsequent to delivery of the license. If the license does not have standalone value, the amounts allocated to the license option will be combined with the related undelivered items as a single unit of accounting.

The Company recognizes the revenue amounts associated with research and development services and other service related deliverables ratably over the associated period of performance. If there is no discernible pattern of performance or objectively measurable performance measures do not exist, then the Company recognizes revenue under the arrangement on a straight-line basis over the period the Company is expected to complete its performance obligations. If the pattern of performance in which the service is provided to the customer can be determined and objectively measurable performance exists, then the Company recognizes revenue under the arrangement using the proportional performance method. Revenue recognized is limited to the lesser of the cumulative amount of payments received and the cumulative amount of revenue earned, as determined using the straight-line method or proportional performance, as applicable, as of each reporting period.

Recognition of Milestones and Royalties

At the inception of an arrangement that includes milestone payments, the Company evaluates whether each milestone is substantive and at risk to both parties on the basis of the contingent nature of the milestone. This evaluation includes an assessment of whether (i) the consideration is commensurate with either the Company's performance to achieve the milestone or the enhancement of performance to achieve the milestone, (ii) the consideration relates solely to past performance and (iii) the consideration is reasonable relative to all of the deliverables and payment terms within the arrangement. The Company evaluates factors such as clinical, regulatory, commercial and other risks that must be overcome to achieve the respective milestone and the level of effort and investment required to achieve the respective milestone in making this assessment. There is considerable judgment involved in determining whether a milestone satisfies all of the criteria required to conclude that a milestone is substantive. In accordance with ASC 605-28, *Revenue Recognition—Milestone Method*, clinical and regulatory milestones that are considered substantive, recognized as revenue in their entirety upon successful accomplishment of the milestone, assuming all other revenue recognition criteria are met. Milestones that are not considered substantive are recognized as revenue over the remaining period of performance, assuming all other revenue recognition criteria are met. Revenue from commercial milestones payments are recorded as revenue upon achievement of the milestone, assuming all other recognition criteria are met.

Research and Development Expenses

Expenditures relating to research and development are expensed as incurred. Research and development expenses include external expenses incurred under arrangements with third parties, academic and non-profit institutions and consultants; salaries and personnel-related costs, including non-cash stock-based compensation expense; license fees to acquire in-process technology and other expenses, which include direct and allocated expenses for laboratory, facilities and other costs.

Intellectual Property Expenses

The Company expenses costs associated with intellectual property-related matters as incurred and classifies such costs as general and administrative expenses within the consolidated statements of operations.

Stock-based Compensation

The Company accounts for share-based payments in accordance with ASC 718, *Compensation—Stock Compensation.* ASC 718 requires all share-based payments to employees, including grants of employee stock options and restricted stock awards, to be recognized as expense in the consolidated statements of operations based on their grant date fair values. For stock options granted to employees and to members of the Company's

Board of Directors for their services on the Board of Directors, the Company estimates the grant date fair value of each stock option using the Black-Scholes option-pricing model. For restricted stock awards granted to employees, the Company estimates the grant date fair value of each award using intrinsic value, which is based on the value of the underlying common stock less any purchase price. For share-based payments subject to service-based vesting conditions, the Company recognizes stock-based compensation expense equal to the grant date fair value of share-based payment on a straight-line basis over the requisite service period.

In accordance with the provisions of ASC 505-50, *Equity-Based Payments to Non-Employees*, share-based payments issued to non-employees are initially recorded at their grant date fair values, remeasured at each reporting date as they vest and expensed over the related service period.

The Black-Scholes option pricing model requires the input of certain subjective assumptions, including (i) the calculation of expected term of the share-based payment, (ii) the risk-free interest rate, (iii) the expected stock price volatility and (iv) the expected dividend yield. The Company uses the simplified method as proscribed by SEC Staff Accounting Bulletin No. 107 to calculate the expected term for stock options granted to employees as the Company does not have sufficient historical exercise data to provide a reasonable basis upon which to estimate the expected term. The Company determines the risk-free interest rate based on a treasury instrument whose term is consistent with the expected term of the stock options. Because there had been no public market for the Company's common stock prior to the IPO, there is a lack of Company-specific historical and implied volatility data. Accordingly, the Company bases its estimates of expected volatility on the historical volatility of a group of publicly-traded companies with similar characteristics to itself, including stage of product development and therapeutic focus within the life sciences industry. Historical volatility is calculated over a period of time commensurate with the expected term of the share-based payment. The Company uses an assumed dividend yield of zero as the Company has never paid dividends on its common stock, nor does it expect to pay dividends on its common stock in the foreseeable future. The Company utilizes similar Black-Scholes option-pricing model assumptions to value share-based payments issued to non-employees, except the contractual term of the share-based payment is utilized as the basis for the expected term assumption.

For share-based payments subject to performance-based vesting conditions, the Company records stock-based compensation expense over the remaining service period when it determines that achievement of the performance condition is probable. The Company evaluates whether the achievement of a performance-based milestone is probable based on the expected satisfaction of the performance conditions as of the reporting date. Stock-based compensation expense for awards subject to performance-based vesting conditions is recognized using the accelerated attribution method.

The Company accounts for forfeitures of all share-based payments when such forfeitures occur.

Income Taxes

Income taxes are recorded in accordance with ASC 740, *Income Taxes*, which provides for deferred taxes using an asset and liability approach. The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements or tax returns. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. A valuation allowance against deferred tax assets is recorded if, based on the weight of the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

The Company accounts for uncertain tax positions using a more-likely-than-not threshold for recognizing and resolving uncertain tax positions. The evaluation of uncertain tax positions is based on factors, including, but not limited to, changes in the law, the measurement of tax positions taken or expected to be taken in tax returns, the effective settlement of matters subject to audit, new audit activity and changes in facts or circumstances related to a tax position.

Comprehensive Loss

Comprehensive loss is comprised of net loss and other comprehensive income (loss). Other comprehensive income (loss) for all periods presented consists solely of unrealized gain (loss) on available-for-sale securities.

Net Loss per Share

Basic net loss per share is calculated by dividing net loss attributable to common stockholders by the weighted average number of share common shares outstanding during the period. Diluted net loss per share is calculated by dividing the net loss attributable to common stockholders by the weighted-average number of common equivalent shares outstanding for the period, including any dilutive effect from convertible preferred stock, outstanding stock options or unvested restricted common stock.

The Company follows the two-class method when computing net loss per share for periods when issued shares that meet the definition of participating securities are outstanding. The two-class method calls for the calculation of net 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 available to common stockholders to be allocated between common and participating securities based upon their respective rights to received dividends as if all income for the period had been distributed. Net losses are not allocated to the Company's preferred stockholders as they do not have an obligation to share in the Company's net losses.

Concentrations of Credit Risk and Off-Balance Sheet Risk

Financial instruments that potentially expose the Company to concentrations of credit risk primarily consist of cash, cash equivalents and investments. The Company maintains its cash and cash equivalent balances with high-quality financial institutions and, consequently, the Company believes that such funds are subject to minimal credit risk. The Company's cash equivalents and investments are comprised of money market funds that are invested in U.S. Treasury obligations, corporate debt securities, U.S. Treasury obligations and government agency securities. Credit risk in these securities is reduced as a result of the Company's investment policy to limit the amount invested in any single issuer and to only invest in securities of a high credit quality.

The Company has no significant off-balance sheet risk such as foreign exchange contracts, option contracts or other foreign hedging arrangements.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes all existing revenue recognition requirements, including most industry-specific guidance. The new standard requires a company to recognize revenue when it transfers goods or services to customers in an amount that reflects the consideration that the company expects to receive for those goods or services. This guidance was originally effective for interim and annual periods beginning after December 15, 2016 and allowed for adoption using a full retrospective method, or a modified retrospective method. Early adoption was originally not permitted. Subsequent to the issuance of ASU 2014-09, the FASB also issued the following updates related to ASC 606, *Revenue from Contracts with Customers*:

- In August 2015, the FASB issued ASU 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date, whereby the effective date for the new revenue standard was deferred by one year. As a result of ASU 2015-14, the new revenue standard is now effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2017, and early adoption is now permitted for annual periods beginning after December 15, 2016, including interim periods within that annual period.
- In March 2016, the FASB issued ASU 2016-08, Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net), to clarify the implementation guidance on principal versus agent considerations.
- In April 2016, the FASB issued ASU 2016-10, Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing, to clarify the principle for determining whether a good or service is "separately identifiable" from other promises in the contract and to clarify the categorization of licenses of intellectual property.
- In May 2016, the FASB issued ASU 2016-12, Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Technical Expedients, to clarify guidance on transition, determining collectability, non-cash consideration and the presentation of sales and other similar taxes.

- In December 2016, the FASB issued ASU 2016-20, Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers, that allows entities not to make qualitative disclosures about remaining performance obligations in certain cases, adds disclosure requirements for entities that elect certain optional exemptions and adds twelve additional technical corrections and improvements to the new revenue standard.

The Company will adopt ASC 606 effective January 1, 2018 under the modified retrospective method. The modified retrospective method requires that the cumulative effect of initially applying ASC 606 be recognized as an adjustment to the opening balance of retained earnings or accumulated deficit of the annual period that includes the date of initial application. Accordingly, during the first quarter of 2018, the Company currently expects to record an increase to the opening balance of accumulated deficit and a corresponding increase to deferred revenue. This cumulative adjustment is primarily attributable to the transition from recognizing revenue on a straight-line basis over the estimated performance period for each unit of accounting under ASC 605 to recognizing revenue on a proportional performance basis under ASC 606. As part of the adoption of ASC 606, the Company has implemented new processes to objectively measure the performance under the Celgene Collaboration Agreement. The Company will complete these processes in the first quarter of 2018, upon adoption of the new standard.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which requires a lessee to recognize assets and liabilities on the balance sheet for operating leases and changes many key definitions, including the definition of a lease. The new standard includes a short-term lease exception for leases with a term of 12 months or less, as part of which a lessee can make an accounting policy election not to recognize lease assets and lease liabilities. Lessees will continue to differentiate between finance leases (previously referred to as capital leases) and operating leases using classification criteria that are substantially similar to the previous guidance. The new standard will be effective beginning January 1, 2019, and early adoption is permitted for public entities. The Company is currently evaluating the potential impact that ASU 2016-02 may have on the consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09, *Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*. The new standard identifies areas for simplification involving several aspects of accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, an option to recognize gross stock-based compensation expense with actual forfeitures recognized as they occur, as well as certain classifications on the consolidated statements of cash flows. The Company adopted ASU 2016-09 effective January 1, 2017, and the Company has elected to apply the simplification guidance related to the accounting for forfeitures. Accordingly, the Company will recognize gross stock-based compensation expense with actual forfeitures recognized as they occur. This simplification guidance related to the accounting for forfeitures is applied using a modified retrospective transition method. As forfeitures previously estimated by the Company through the year ended December 31, 2016 were not material, there was not a material cumulative-effect adjustment to accumulated deficit upon adoption of this guidance. The adoption of ASU 2016-09 also requires all excess tax benefits and tax deficiencies related to share-based payments to be recorded in the consolidated statements of operations. The adoption of ASU 2016-09 did not have a material impact on the Company's consolidated financial statements as the increase in net deferred tax assets is offset by a corresponding increase in the deferred tax asset valuation allowance.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*, which is intended to reduce diversity in practice in how entities present certain types of cash transactions in the statement of cash flows. This guidance also clarifies how the predominance principle should be applied when classifying cash receipts and cash payments that have attributes of more than one class of cash flows. This guidance will be effective for annual reporting periods beginning after December 15, 2017, including interim periods within those annual reporting periods, and early adoption is permitted. An entity that elects early adoption must adopt all of the amendments in the same period. The Company does not anticipate a material impact to the consolidated financial statements as a result of the adoption of this guidance.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*, which will require entities to show the change in the total of cash, cash equivalents, restricted cash and restricted cash equivalents within the statement of cash flows. As a result, entities will no longer separately present transfers between unrestricted cash and restricted cash. This guidance will be effective for annual reporting periods beginning after December 15, 2017, including interim periods within those annual reporting periods, and early

adoption is permitted. The Company does not anticipate a material impact to the consolidated financial statements as a result of the adoption of this guidance.

In May 2017, the FASB issued ASU 2017-09, *Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting*. This guidance is intended to provide clarity and reduce diversity in practice as to when changes to the terms or conditions of share-based payments are accounted for as modifications. Under this new guidance, entities will apply modification accounting if the fair value, vesting conditions or classification of the award changes. This guidance will be effective for annual reporting periods beginning after December 15, 2017, including interim periods within those annual reporting periods, and early adoption is permitted. The guidance per ASU 2017-09 is to be adopted prospectively to an award modified on or after the adoption date. The Company does not anticipate a material impact to the consolidated financial statements as a result of the adoption of this guidance.

3. Celgene Collaboration Agreement

In July 2016, the Company entered into the Celgene Collaboration Agreement. The primary goal of the collaboration is to co-develop and co-commercialize innovative biologic immunotherapies that either activate or suppress the immune system by binding to targets identified by leveraging the Company's Translational Science Platform. Under the Celgene Collaboration Agreement, the Company granted Celgene exclusive options to develop and commercialize the Company's lead product candidate, JTX-2011, and up to four early-stage programs, consisting of targets to be selected from a pool of certain B cell, T regulatory cell and tumor-associated macrophage targets. Additionally, Celgene has an exclusive option to develop and commercialize the Company's product candidate JTX-4014, which, upon exercise of such option, will be a shared program that may be used by both parties in and outside of the collaboration. Prior to Celgene exercising any of its options, the Company is responsible for all research and development activities under the Celgene Collaboration Agreement.

The Company received a non-refundable upfront cash payment of $225.0 million upon the execution of the Celgene Collaboration Agreement. The Company also received $36.1 million from the sale of 10,448,100 shares of Series B-1 convertible preferred stock ("Series B-1 Preferred Stock") upon the execution of a Series B-1 Preferred Stock Purchase Agreement with Celgene, which shares converted into 2,831,463 shares of common stock upon the completion of the IPO. If Celgene elects to exercise any of the program options, Celgene will pay the Company an option-exercise fee of $10.0 million to $60.0 million that varies by program, with an aggregate of $182.5 million if Celgene exercises all six program options. The initial research term of the collaboration is four years, which can be extended, at Celgene's option, annually for up to three additional years for additional consideration that ranges from $30.0 million to $45.0 million per year, for an aggregate of $120.0 million if the term is extended for an additional three years.

Worldwide Development Cost and U.S. Operating Profit and Loss Sharing

Upon the exercise of each program option, the parties will enter into a co-development and co-commercialization agreement ("Co-Co Agreements") or, in the case of JTX-4014, a license agreement ("JTX-4014 License Agreement") that governs the development and commercialization of the applicable program. Although the agreements will not be executed unless and until Celgene exercises an option, the parties have agreed to the terms of the Co-Co Agreements and the JTX-4014 License Agreement as part of the Celgene Collaboration Agreement.

Under the Co-Co Agreements and the JTX-4014 License Agreement, the Company will share with Celgene the U.S. profits or losses and development costs on such collaboration program as follows:

- The Company will retain 60 percent of the U.S. operating profits or losses arising from commercialization of JTX-2011, with 40 percent allocated to Celgene.
- The Company will retain 25 percent of the U.S. operating profits or losses arising from commercialization of the first program (the "Lead Program"), other than JTX-2011 or JTX-4014, for which an IND application is filed under the collaboration, with 75 percent allocated to Celgene. Celgene has a one-time right to substitute and swap the economics and governance of this program with that of another program for which it exercises an option (other than JTX-2011 and JTX-4014).
- The Company and Celgene will equally share U.S. operating profits or losses arising from commercialization of up to three additional programs (other than JTX-2011, JTX-4014 or the Lead Program) (the "Other Programs").

- The Company and Celgene will share all development costs, other than for JTX-4014, in accordance with the applicable Co-Co Agreements, of which Celgene's portion of the costs range from 67 percent to 85 percent.

If Celgene exercises its option for a program other than JTX-4014, the Company will enter into a Co-Co Agreement, pursuant to which Celgene will have the exclusive right to develop and commercialize the products arising out of such collaboration program outside of the United States, and the Company will be eligible to receive tiered royalties ranging from a high single digit to mid-teen percentage rate on net product sales outside of the United States. Under each Co-Co Agreement, the Company will also have the right to opt out of profit sharing and instead receive milestones and royalties.

Furthermore, if Celgene exercises its option for JTX-4014, the Company will enter into the JTX-4014 License Agreement, pursuant to which Celgene and the Company will each have equal rights to develop and commercialize JTX-4014 in combination with other proprietary molecules in their or the Company's respective pipelines or in combination with products arising out of collaboration programs. Subject to terms specified in the license agreement for JTX-4014, the party owning the proprietary molecule that is combined with JTX-4014, if such molecule does not arise from a collaboration program with Celgene, will be solely responsible for all development and commercialization costs related to such combination. If JTX-4014 is combined with a product arising from a collaboration program, then the parties will share costs and, if co-packaged or co-formulated, profits or losses in accordance with the Co-Co Agreements for such other product.

Milestones and Royalties

Under the Co-Co Agreements and the JTX-4014 License Agreement, Celgene is required to pay the Company for specified development, regulatory and commercial milestones, if achieved, up to approximately $2.3 billion, across all collaboration programs. The development milestones are payable on initiation of certain clinical trials and range from $32.5 million to $105.0 million, per program, with an aggregate total of $290.0 million. The regulatory approval milestones are payable upon regulatory approval in the United States and outside the United States and range from $7.5 million to $50.0 million per milestone, with an aggregate total of $700.0 million. The commercial milestones are payable upon achievement of specified aggregate product sales outside the United States for each program and range from $40.0 million to $200.0 million per milestone, with an aggregate total of $1.270 billion. The Company is also eligible to receive royalties on product sales outside the United States ranging from high single digit to mid-teen royalties.

Exercise of Options

Celgene may exercise its option for a program at any time until the expiration of an option term for that program. For each program, the option term ends 45 to 60 days following Celgene's receipt of a data package that includes certain information relating to the program's research and development activities. The data package for a program may be delivered to Celgene after the applicable development milestone for such program has been achieved. Depending on the program, the applicable development milestone is (i) IND acceptance, (ii) availability of certain Phase 1a data, or (iii) availability of certain Phase I/II data. If Celgene fails to exercise its option during the option term for a program, the Company will continue to retain all rights to such program. If Celgene exercises its option for a program other than JTX-4014, then the Company will enter into a Co-Co Agreement with Celgene for such program in substantially the form attached to the agreement as an exhibit.

Under the co-development and co-commercialization agreement for JTX-2011 and one additional program for which Celgene opts in that is not JTX-4014, the Company will be responsible for leading development and commercialization activities in the United States and Celgene will be responsible for development and commercialization activities outside the United States. For all other additional programs for which Celgene opts in, other than JTX-4014, Celgene will lead development and commercialization activities worldwide.

If Celgene exercises its option for JTX-4014, the Company and Celgene will enter into a license agreement, in substantially the form attached to the agreement as an exhibit, pursuant to which the Company and Celgene will both be able to equally access JTX-4014 for combinations within each other's portfolios and with other molecules that are subject to the agreement, subject to joint governance. Once Celgene opts in with respect to a given program, Celgene and the Company must each use commercially reasonable efforts to develop and commercialize the corresponding product in the United States.

Termination

At any point during the Celgene Collaboration Agreement, including during the research, development and clinical trial process, or during the term of the applicable co-development and co-commercialization or license agreement, respectively, Celgene can terminate the applicable agreement with the Company in its entirety, or with respect to any program under the Celgene Collaboration Agreement, upon 120 days' notice and can terminate the entire agreement with the Company in connection with a material breach of the agreement by the Company that remains uncured for 90 days.

Exclusivity

During the Celgene Collaboration Agreement's research term (i.e., for four years plus up to three one-year extensions that Celgene may elect), the Company may not alone, or with a third party, research, develop, manufacture or commercialize a biologic that binds to a defined pool of B cell, T regulatory cell or tumor-associated macrophage targets that meet certain criteria, termed an exclusive target, and inhibit, activate or otherwise modulate the activity of such exclusive target. In addition, if Celgene exercises its option for a program within the Celgene Collaboration Agreement, other than JTX-4014, then until termination or expiration of the applicable Co-Co Agreement for such program, the Company may not directly or indirectly research, develop, manufacture or commercialize, outside of the Celgene Collaboration Agreement, any biologic with specified activity against that program's collaboration target.

Accounting Analysis

The Celgene Collaboration Agreement includes six deliverables: (i) research and development services for the product candidate, JTX-2011 ("JTX-2011 Research Services") (ii) research and development services for the product candidate, JTX-4014 ("JTX-4014 Research Services") (iii) research and development services associated with the Lead Program and Other Programs ("Lead and Other Programs Research Services"), (iv) research and development services associated with target screening ("Target Screening Services"), (v) non-transferable, sub-licensable and non-exclusive licenses to use the Company's intellectual property and collaboration intellectual property to conduct research activities, on a program by program basis ("Research Licenses"), and (vi) participation in the joint steering committee ("JSC").

The six program options are considered substantive as the Company is at risk with regard to whether Celgene will exercise the options as a result of the significant uncertainties related to drug discovery, research and development as all options are for targets that have significant development risk. Additionally, there is also significant uncertainty regarding Celgene's exercise of the option for JTX-4014 because, although not a novel immunotherapy agent, it has significant development risk associated with the Company's ability to advance its development in a commercially viable manner in a short time frame. The research term extensions are also considered substantive options based upon the risk that Celgene will exercise the research term extension. In addition, there are substantial option exercise payments payable by Celgene upon exercise of each option that are not priced at a significant and incremental discount. Accordingly, the substantive options are not considered deliverables at the inception of the arrangement and the associated option exercise payments are not included in allocable arrangement consideration. The Company has also determined that any obligations which are contingent upon the exercise of a substantive option are not considered deliverables at the outset of the arrangement.

The Target Screening Services and participation in the JSC deliverables each have standalone value from the other undelivered elements and therefore are separate units of accounting. The Company determined that the research licenses for the JTX-2011 and JTX-4014 programs do not have value to Celgene on a standalone basis primarily as a result of the fact that the research licenses allow Celgene to evaluate the results of the research and development services performed by the Company and the right to perform its duties under the agreement, but do not provide Celgene with any commercialization rights. Therefore, the research licenses do not have value to Celgene without the performance of the JTX-2011 Research Services and JTX-4014 Research Services and therefore are not separable from the JTX-2011 Research Services and JTX-4014 Research Services. The JTX-2011 Research Services are separate and distinct from the JTX-4014 Research Services, and therefore, the research license and the JTX-2011 Research Services are a separate combined unit of accounting and the research license and the JTX-4014 Research Services are a separate combined unit of accounting. The Lead and Other Programs Research Services deliverable does not include separate and distinct services and Celgene can use the Lead and Other Programs Research Services for its intended purpose without receipt of the research licenses that could be

delivered for the Lead Program and Other Programs. The Lead and Other Programs Research Services therefore have been combined with the licenses that could be delivered for the Lead Program and Other Programs, which have an insignificant value, as a separate combined unit of accounting.

The allocable arrangement consideration consists of the upfront fee of $225.0 million. As described above, Celgene also purchased 10,448,100 shares of Series B-1 convertible preferred stock for gross proceeds of $36.1 million, which shares converted into 2,831,463 shares of common stock upon the completion of the IPO. The Company determined the shares of Series B-1 convertible preferred stock were sold at fair value. Therefore, the proceeds from the issuance of Series B-1 convertible preferred stock did not impact the arrangement consideration to be allocated to the units of accounting. The Company has allocated the allocable arrangement consideration based on the relative selling price of each unit of accounting. For all units of accounting, the Company determined the selling price using the best estimate of selling price ("BESP"). The Company determined the BESP based on internal estimates of the costs to perform the services, including expected internal and external costs for services and supplies, adjusted to reflect a reasonable profit margin. The total cost of the research and development services reflects the nature of the services to be performed and the Company's best estimate of the length of time required to perform the services. The Company determined that the BESP of the participation in the JSC was insignificant and therefore no consideration was allocated to this unit of accounting. Similarly, given the limited use of the research licenses, which is only required in the event Celgene performs research activities under the Celgene Collaboration Agreement which is not expected to be significant, the Company determined the estimated selling price for the research licenses were also insignificant. Therefore, the total allocable arrangement consideration has been allocated to the JTX-2011 Research Services, the JTX-4014 Research Services, the Lead and Other Programs Research Services and the Target Screening Services.

The Company is recognizing the consideration allocated to each unit of accounting on a straight-line basis, as there is no discernible pattern or objective measure of performance of the services, over the estimated performance period. The estimated performance period reflects the Company's estimate of the period over which it will perform the separate and distinct research and development services to deliver a pre-defined data package to Celgene for each program subject to an option. The performance periods for each unit of accounting range from twelve months to four years.

The Company evaluated the milestones in the Celgene Collaboration Agreement, the Co-Co agreements, and the JTX-4014 License Agreement to determine if they are substantive. In evaluating if a milestone is substantive, the Company assesses whether: (i) the consideration is commensurate with either the Company's performance to achieve the milestone or the enhancement of the value of the delivered item(s) as a result of a specific outcome resulting from the Company performance to achieve the milestone, (ii) the consideration relates solely to past performance and (iii) the consideration is reasonable relative to all of the deliverables and payment terms within the arrangement. All development and regulatory milestones in the Celgene Collaboration Agreement, the Co-Co agreements, and the JTX-4014 License Agreement are considered substantive on the basis of the contingent nature of the milestone, specifically reviewing factors such as the scientific, clinical, regulatory, and other risks that must be overcome to achieve the milestone as well as the level of effort and investment required. Accordingly, such amounts will be recognized in the period in which the associated milestone is achieved, assuming all other revenue recognition criteria are met. All commercial milestones will be accounted for in the same manner as royalties and recorded as revenue upon achievement of the milestone, assuming all other revenue recognition criteria are met.

During the years ended December 31, 2017 and 2016, the Company recognized as revenue $71.6 million and $37.2 million, respectively, of the $225.0 million upfront payment received under the Celgene Collaboration Agreement. As of December 31, 2017, the Company has $116.2 million of deferred revenue, which is classified as either current or net of current portion in the accompanying consolidated balance sheets based on the period over which the revenue is expected to be recognized.

4. Fair Value Measurements

The Company measures the fair value of money market funds, U.S. Treasuries and government agency securities based on quoted prices in active markets for identical securities. Investments also include corporate debt securities which are valued either based on recent trades of securities in inactive markets or based on quoted market prices of similar instruments and other significant inputs derived from or corroborated by observable market data.

The carrying amounts reflected in the consolidated balance sheets for cash, prepaid expenses and other current assets, accounts payable and accrued expenses approximate their fair values, due to their short-term nature.

Assets measured at fair value on a recurring basis as of December 31, 2017 were as follows (in thousands):

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds, included in cash equivalents	$ 21,059	$ 21,059	$ —	$ —
Investments:				
Corporate debt securities	65,173	—	65,173	—
U.S. Treasuries	110,948	110,948	—	—
Government agency securities	58,171	58,171	—	—
Totals	$ 255,351	$ 190,178	$ 65,173	$ —

Assets measured at fair value on a recurring basis as of December 31, 2016 were as follows (in thousands):

	December 31, 2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds, included in cash equivalents	$ 44,848	$ 44,848	$ —	$ —
Investments:				
Corporate debt securities	92,408	—	92,408	—
U.S. Treasuries	120,118	120,118	—	—
Totals	$ 257,374	$ 164,966	$ 92,408	$ —

There were no changes in valuation techniques or transfers between the fair value measurement levels during the years ended December 31, 2017 or 2016. There were no liabilities measured at fair value on a recurring basis as of December 31, 2017 or 2016.

5. Investments

Short-term investments consist of investments with maturities greater than ninety days and less than one year from the balance sheet date. Long-term investments consist of investments with maturities of greater than one year that are not expected to be used to fund current operations. The Company classifies all of its investments as available-for-sale securities. Accordingly, these investments are recorded at fair value. Realized gains and losses, amortization and accretion of discounts and premiums are included in other income, net. Unrealized gains and losses on available-for-sale securities are included in other comprehensive income (loss) as a component of stockholders' equity (deficit) until realized.

Cash equivalents, short-term investments and long-term investments as of December 31, 2017 were comprised as follows (in thousands):

	December 31, 2017			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Cash equivalents and short-term investments:				
Money market funds, included in cash equivalents	$ 21,059	$ —	$ —	$ 21,059
Corporate debt securities	58,136	—	(64)	58,072
U.S. Treasuries	111,049	—	(101)	110,948
Government agency securities	43,204	—	(131)	43,073
Total cash equivalents and short-term investments	233,448	—	(296)	233,152
Long-term investments:				
Corporate debt securities	7,117	—	(16)	7,101
Government agency securities	15,195	—	(97)	15,098
Total long-term investments	22,312	—	(113)	22,199
Total cash equivalents and investments	$ 255,760	$ —	$ (409)	$ 255,351

Cash equivalents, short-term investments and long-term investments as of December 31, 2016 were comprised as follows (in thousands):

	December 31, 2016			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Cash equivalents and short-term investments:				
Money market funds, included in cash equivalents	$ 44,848	$ —	$ —	$ 44,848
Corporate debt securities	92,549	—	(141)	92,408
U.S. Treasuries	12,020	—	(18)	12,002
Total cash equivalents and short-term investments	149,417	—	(159)	149,258
Long-term investments:				
U.S. Treasuries	108,390	—	(274)	108,116
Total long-term investments	108,390	—	(274)	108,116
Total cash equivalents and investments	$ 257,807	$ —	$ (433)	$ 257,374

As of December 31, 2017 and 2016, the aggregate fair value of securities that were in an unrealized loss position for less than twelve months was $113.9 million and $192.3 million, respectively. As of December 31, 2017, the aggregate fair value of securities that were in an unrealized loss position for more than twelve months was $107.9 million. The Company did not hold any securities in an unrealized loss position for more than twelve months as of December 31, 2016. As of December 31, 2017, the Company did not intend to sell, and would not be more likely than not required to sell, the securities in an unrealized loss position before recovery of their amortized cost bases. Furthermore, the Company determined that there was no material change in the credit risk of these securities. As a result, the Company determined it did not hold any securities with any other-than-temporary impairment as of December 31, 2017.

There were no realized gains or losses on available-for-sale securities during the years ended December 31, 2016 or 2015. There were immaterial realized gains and losses on available-for-sale securities during the year ended December 31, 2017.

6. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets as of December 31, 2017 and 2016 were comprised as follows (in thousands):

	December 31,	
	2017	2016
Prepaid expenses	$ 2,196	$ 1,310
Taxes receivable	16,737	—
Interest receivable on investments	969	709
Other current assets	43	510
Total prepaid expenses and other current assets	$ 19,945	$ 2,529

Taxes receivable as of December 31, 2017 were comprised of federal and state income tax payments for which the Company expects to be refunded during the year ended December 31, 2018.

7. Restricted Cash

As of December 31, 2017 and 2016, the Company maintained non-current restricted cash of $1.3 million and $1.5 million, respectively. Such amounts were comprised of letters of credit for the Company's leased facilities.

8. Property and Equipment, Net

Property and equipment, net as of December 31, 2017 and 2016 was comprised as follows (in thousands):

	Estimated Useful Life (in Years)	December 31,	
		2017	2016
Laboratory equipment	5	$ 9,409	$ 6,275
Furniture and office equipment	4	1,038	226
Computer equipment	3	1,380	492
Leasehold improvements	Shorter of useful life or remaining lease term	8,498	3,997
Construction in progress		—	1,048
Total property and equipment, gross		20,325	12,038
Less: accumulated depreciation		(4,174)	(4,797)
Total property and equipment, net		$ 16,151	$ 7,241

Depreciation expense for the years ended December 31, 2017, 2016 and 2015 was $4.4 million, $1.9 million and $1.5 million, respectively.

9. Accrued Expenses

Accrued expenses as of December 31, 2017 and 2016 were comprised as follows (in thousands):

	December 31,	
	2017	2016
Employee compensation and benefits	$ 3,683	$ 2,651
External research and professional services	4,647	1,923
Lab consumables and other	124	1,281
Total accrued expenses	$ 8,454	$ 5,855

10. Common Stock

The Company is authorized to issue 160,000,000 shares of common stock. Holders of common stock are entitled to one vote per share. Holders of common stock are entitled to receive dividends, if and when declared by the Board of Directors.

As of December 31, 2017 and 2016, the Company had reserved for future issuance the following number of shares of common stock (in thousands):

	December 31,	
	2017	2016
Shares reserved for Series A convertible preferred stock outstanding	—	12,737
Shares reserved for Series B convertible preferred stock outstanding	—	6,715
Shares reserved for Series B-1 convertible preferred stock outstanding	—	2,831
Shares reserved for vesting of restricted stock awards	16	94
Shares reserved for exercises of outstanding stock options	4,868	4,290
Shares reserved for future issuances under the 2017 Stock Incentive Plan	1,032	244
Total shares reserved for future issuance	5,916	26,911

11. Preferred Stock

Series A Preferred Stock

At various closing dates during the years ended December 31, 2015, 2014 and 2013, the Company issued 47,000,000 shares of Series A convertible preferred stock ("Series A Preferred Stock") for $1.00 per share. The shares were issued in exchange for cash proceeds of $44.6 million, net of issuance costs of $0.1 million, and the exchange of approximately $2.3 million in outstanding convertible promissory notes, including accrued interest.

Tranche Rights Issued with Series A Preferred Stock

Included in the terms of the Series A Preferred Stock Purchase Agreement were certain tranche rights (the "Tranche Rights"). The Tranche Rights obligated the investors in Series A Preferred Stock to purchase, and the Company to sell, an additional 10,000,000 shares of Series A Preferred Stock at $1.00 per share contingent upon the initiation of certain research and development programs and initiation of translational science ("Tranche Right I"). In addition, the investors were obligated to purchase, and the Company was obligated to sell, an additional 20,000,000 shares of Series A Preferred Stock upon developing product candidates and achieving certain clinical milestones ("Tranche Right II"). In addition, the Tranche Rights provided the investors with the ability to purchase these additional shares at their option at any time. The Tranche Rights were transferable by the investors, subject to approval by the Company's Board of Directors.

The Company concluded that the Tranche Rights met the definition of a freestanding financial instrument, as the Tranche Rights were legally detachable and separately exercisable from the Series A Preferred Stock. Therefore, the Company allocated the net proceeds between the Tranche Rights and the Series A Preferred Stock. Since the Series A Preferred Stock was contingently redeemable upon the occurrence of a deemed liquidation event, the Tranche Rights were classified as an asset or liability under ASC 480, *Distinguishing Liabilities from Equity*, and were initially recorded at fair value. The Tranche Rights were measured at fair value at each reporting period. Since the Tranche Rights were subject to fair value accounting, the Company allocated the proceeds to the Tranche Rights based on the fair value at the date of issuance with the remaining proceeds being allocated to the Series A Preferred Stock. The estimated fair value of the Tranche Rights was determined using a probability-weighted present value model that considered the probability of closing a tranche, the estimated future value of Series A Preferred Stock at each closing and the investment required at each closing. Future values were converted to present value using a discount rate appropriate for probability-adjusted cash flows.

Tranche Right I was initially recorded as an asset of $1.2 million as the purchase price of the additional shares was greater than the estimated value of the Series A Preferred Stock at the expected settlement date. Conversely, Tranche Right II was initially recorded as a liability of $6.5 million as the purchase price of the additional shares was less than the estimated price of the Series A Preferred Stock at the expected settlement date.

In February 2014, the Company amended the Tranche Rights, which changed the amount and timing of the subsequent closings related to Tranche Right I and Tranche Right II. The shares associated with Tranche Right I were increased by 5,000,000 to 15,000,000, and the shares associated with Tranche Right II were decreased by 5,000,000 to 15,000,000. The purchase price per share remained unchanged at $1.00. Additionally, upon the

achievement of the specified milestones, Tranche Right I and Tranche Right II would each be closed in two separate transactions whereby 50% of the commitment would be closed upon the achievement of the milestones and the remaining 50% commitment would be closed within six months of achieving the milestones. As a result of these modified Tranche Rights, the Company recognized income of $3.4 million related to the mark-to-market adjustment at the time of the amendment.

The Company issued 15,000,000 additional shares under Tranche Right I in two separate closings during the year ended December 31, 2014 for total proceeds of $15.0 million, net of issuance costs. Prior to each closing, any changes in the value of Tranche Right I were recorded as other financing income, net. The fair value of the portion of the Tranche Right I settled at each closing was reclassified to Series A Preferred Stock.

In January 2015 and April 2015, Tranche Right II was settled in two separate closings, prior to achieving the contingent milestones. The Company recognized income of $1.9 million related to the mark-to-market of Tranche Right II during the year ended December 31, 2015, which was recorded within other financing income, net. The fair value of the Tranche Right II settled at closing was reclassified to Series A Preferred Stock. The initial carrying amount of the Series A Preferred Stock issued upon the closing of Tranche Right II amounted to approximately $16.7 million, which exceeded the redemption value of $15.0 million. Therefore, the carrying value was not subsequently adjusted until such time as the redemption value exceeded the initial carrying amount.

Series A Preferred Stock Extinguishment

In April 2015, in connection with the issuance of shares of Series B convertible preferred stock (“Series B Preferred Stock”), the rights and preferences of the Series A Preferred Stock were modified and resulted in two primary changes. First, the right at the election of the holder to redeem the Series A Preferred Stock beginning in February 2020 was removed, and the right to participate in liquidating distributions with the common stock holders on a pro rata basis was also removed. The removal of these two features resulted in a fundamental change to the nature of the Series A Preferred Stock. As a result, the Company recognized a loss on extinguishment of the Series A Preferred Stock in the amount of $2.1 million during the year ended December 31, 2015, which caused the Series A Preferred Stock’s carrying value to equal its fair value of $47.1 million after the modification. As the amended Series A Preferred Stock was no longer redeemable at the option of the holder beginning in February 2020, and was only contingently redeemable upon the occurrence of a deemed liquidation event, the Company did not subsequently adjust the carrying value of the Series A Preferred Stock until such time that it was probable that the Series A preferred stock would be redeemed.

Series B Preferred Stock

During the year ended December 31, 2015, the Company issued 24,778,761 shares of Series B Preferred Stock for $2.26 per share. This issuance resulted in cash proceeds of $55.8 million, net of issuance costs of $0.2 million.

Series B-1 Preferred Stock

During the year ended December 31, 2016, the Company issued 10,448,100 shares of Series B-1 Preferred Stock to Celgene for $3.46 per share. This issuance resulted in cash proceeds of $36.1 million, net of issuance costs of $0.1 million.

Conversion of Preferred Stock Upon IPO

Prior to the Company’s IPO, the holders of the Company’s Series A Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock had certain voting rights, dividend rights, liquidation preferences and conversion privileges. Upon completion of the Company’s IPO, all shares of outstanding convertible preferred stock were automatically converted into an aggregate of 22,283,690 shares of common stock. All rights, preferences and privileges associated with the outstanding convertible preferred stock were terminated upon this conversion.

The Company is now authorized to issue 5,000,000 shares of undesignated preferred stock in one or more series. As of December 31, 2017, no shares of preferred stock were issued or outstanding.

12. Stock-based Compensation

2013 Stock Option and Grant Plan

In February 2013, the Company's Board of Directors adopted and the Company's stockholders approved the 2013 Stock Option and Grant Plan (the "2013 Plan"), as amended and restated, under which it could grant incentive stock options ("ISOs"), non-qualified stock options and restricted stock awards to eligible employees, officers, directors, and consultants. The 2013 Plan was subsequently amended in January 2015, April 2015, July 2015, March 2016 and October 2016 to allow for the issuance of additional shares of common stock.

2017 Stock Option and Incentive Plan

In January 2017, the Company's Board of Directors adopted and the Company's stockholders approved the 2017 Stock Option and Incentive Plan (the "2017 Plan"), which became effective immediately prior to the effectiveness of the Company's IPO. Upon the adoption of the 2017 Plan, no further awards will be granted under the 2013 Plan.

The 2017 Plan provides for the grant of ISOs, non-qualified stock options, restricted stock awards, restricted stock units, stock appreciation rights and other stock-based awards. The Company's employees, officers, directors and consultants and advisors are eligible to receive awards under the 2017 Plan. The terms of stock options and restricted stock awards, including vesting requirements, are determined by the Board of Directors, subject to the provisions of the 2017 Plan.

The Company registered on a Registration Statement on Form S-8 1,753,758 shares of common stock under the 2017 Plan, which is comprised of (i) 1,510,000 shares of common stock reserved for issuance under the 2017 Plan, plus (ii) 243,758 shares of common stock originally reserved for issuance under the 2013 Plan that became available for issuance under the 2017 Plan upon the completion of the Company's IPO. The 2017 Plan also provides that an additional number of shares will automatically be added to the shares authorized for issuance under the 2017 Plan on January 1, 2018 and each January 1 thereafter. The number of shares added each year will be equal to the lesser of (i) 4% of the outstanding shares on the immediately preceding December 31st or (ii) such amount as determined by the Compensation Committee of the Board of Directors.

As of December 31, 2017, there were 1,032,252 shares available for future issuance under the 2017 Plan.

2017 Employee Stock Purchase Plan

In January 2017, the Board of Directors adopted and the Company's stockholders approved the 2017 Employee Stock Purchase Plan (the "2017 ESPP"), which became effective upon the closing of the Company's IPO. The Company reserved 302,000 shares of common stock for future issuance under the 2017 ESPP. No offering periods under the 2017 ESPP had been initiated as of December 31, 2017.

Founder Awards

From December 2012 to February 2013, the Company issued 1,395,659 shares of restricted stock to non-employee founders (the "Founders"). Of the total restricted stock awarded to the Founders, 1,043,357 shares vested over one to four years, based on each Founder's continued service relationship with the Company in varying capacities as advisors, as prescribed by the grantee's individual restricted stock purchase agreements. The remaining 352,302 shares vested upon the determination by the Board of Directors of a Founder's achievement of certain performance objectives, as set forth in the agreements. These performance criteria were linked to certain milestones specific to the Company's research and development goals, including but not limited to preclinical and clinical development milestones related to the Company's product candidates. As of December 31, 2017, all restricted stock awards issued to Founders were vested.

Restricted stock awards granted to two Founders originally contained options that enabled the Founders to sell their vested shares back to the Company at fair value upon both (i) the termination of the consulting agreement between the Founder and the Company for any reason and (ii) the determination by the Founder's employer that the ownership of the restricted stock is in violation of the employer's conflict of interest policy. The occurrence of these events was determined to be outside of the Founders' and the Company's control. As such, these restricted stock awards were previously recorded on the consolidated balance sheet as contingently redeemable common stock, residing in temporary equity, in accordance with the classification guidance of ASC 718, *Compensation—Stock*

Compensation and ASC 480, *Distinguishing Liabilities from Equity*. In June 2017, the restricted stock purchase agreements related to the two Founders were amended such that these options expired on July 26, 2017. Accordingly, these restricted stock awards were reclassified from contingently redeemable common stock to additional paid-in capital as of that date.

Stock-based Compensation Expense

Total stock-based compensation expense recognized in the consolidated statements of operations for the years ended December 31, 2017, 2016 and 2015 was as follows (in thousands):

	Year Ended December 31,		
	2017	2016	2015
Research and development	$ 2,840	$ 4,161	$ 269
General and administrative	1,935	828	1,083
Total stock-based compensation expense	$ 4,775	$ 4,989	$ 1,352

Restricted Stock Activity

Pursuant to restricted stock agreements originally issued under the terms of the 2013 Plan, the Company, at its discretion, has the option to repurchase unvested shares of restricted stock at the initial purchase price if the employees or non-employees terminate their service relationship with the Company. The shares are recorded in stockholders' equity (deficit) as they vest.

No shares of restricted stock were issued during the years ended December 31, 2017 or 2016. During the year ended December 31, 2015, the Company issued 27,099 shares of restricted stock to a member of the Board of Directors at an original purchase price of $4.02 per share.

The following table summarizes changes in unvested restricted stock for the year ended December 31, 2017 (in thousands, except per share amounts):

	Shares	Weighted-Average Grant Date Fair Value per Share
Unvested restricted stock as of December 31, 2016	94	$ 0.07
Issued	—	$ —
Vested	(77)	$ 0.08
Repurchased	(1)	$ 0.37
Unvested restricted stock as of December 31, 2017	16	$ —

The aggregate fair value of restricted stock awards that vested during the years ended December 31, 2017, 2016 and 2015, based upon the fair values of the stock underlying the restricted stock awards on the day of vesting, was $1.3 million, $3.9 million and $1.1 million, respectively.

Stock Option Activity

The fair value of stock options granted to employees and directors during the years ended December 31, 2017, 2016 and 2015 was calculated on the date of grant using the following weighted-average assumptions:

	Year Ended December 31,		
	2017	2016	2015
Risk-free interest rate	2.1%	1.4%	1.8%
Expected dividend yield	—%	—%	—%
Expected term (in years)	6.1	6.1	6.1
Expected volatility	70.1%	71.9%	67.0%

Using the Black-Scholes option pricing model, the weighted-average grant date fair value of stock options granted to employees and directors during the years ended December 31, 2017, 2016 and 2015 was $10.96, $5.10 and $1.70 per share, respectively.

No stock options were granted to non-employees during the years ended December 31, 2017 or 2016. During the year ended December 31, 2015, the Company granted 12,195 stock options to non-employees at a weighted-average grant date fair value of $0.85 per share. This weighted-average grant date fair value was calculated using the Black-Scholes option pricing model and a weighted-average risk-free interest rate of 2.0%, a weighted-average expected dividend yield of 0.0%, a weighted-average expected term of 9.8 years and a weighted-average expected volatility of 68.7%.

The following table summarizes changes in stock option activity during the year ended December 31, 2017 (in thousands, except per share amounts):

	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding at December 31, 2016	4,290	$ 3.95	8.7	$ 29,269
Granted	983	$ 17.19		
Exercised	(144)	$ 3.20		
Cancelled or forfeited	(261)	$ 10.71		
Outstanding at December 31, 2017	4,868	$ 6.28	7.9	$ 35,178
Exercisable at December 31, 2017	2,217	$ 2.79	7.2	$ 22,170

The aggregate intrinsic value of stock options exercised during the years ended December 31, 2017, 2016 and 2015 was $1.9 million, $0.3 million and less than $0.1 million, respectively.

As of December 31, 2017, there was unrecognized stock-based compensation expense related to unvested stock options of $13.8 million, which the Company expects to recognize over a weighted-average period of approximately 2.4 years.

13. Income Taxes

The provision for income taxes for the years ended December 31, 2017, 2016 and 2015 was comprised as follows (in thousands):

	Year Ended December 31,		
	2017	2016	2015
Current taxes:			
Federal	$ —	$ —	$ —
State	36	—	—
Total current taxes	36	—	—
Deferred taxes:			
Federal	—	—	—
State	—	—	—
Total deferred taxes	—	—	—
Total provision for income taxes	$ 36	$ —	$ —

The Tax Cuts and Jobs Act (the “Tax Act”) was enacted on December 22, 2017 and introduced significant changes to United States income tax law. Among these changes, the federal statutory tax rate was reduced to 21% and net operating loss (“NOL”) carrybacks are no longer permitted.

In December 2017, the Securities and Exchange Commission staff issued Staff Accounting Bulletin No. 118 (“SAB 118”) to address the application of GAAP in situations when a registrant does not have the necessary information available, prepared, or analyzed (including computations) in reasonable detail to complete the accounting for certain

income tax effects of the Tax Act. Due to the timing of the enactment and the complexity involved in applying the provisions of the Tax Act, the Company has made reasonable estimates of the effects and recorded provisional amounts in its consolidated financial statements as of and for the year ended December 31, 2017. In accordance with SAB 118, the Company has determined that the revaluation of its deferred tax assets and associated valuation allowance reduction of $9.4 million are provisional amounts as of December 31, 2017. The ultimate impact may differ from these provisional amounts, possibly materially, due to, among other things, additional analysis, changes in interpretations and assumptions the Company has made, additional regulatory guidance that may be issued and actions the Company may take as a result of the Tax Act. The accounting for the tax effects of the Tax Act will be completed during the year ended December 31, 2018.

A reconciliation of the federal statutory income tax rate to the Company's effective tax rate is as follows:

	Year Ended December 31,		
	2017	2016	2015
Income tax computed at federal statutory tax rate	34.0 %	34.0 %	34.0 %
Deferred tax effects from the Tax Act	(57.2)%	— %	— %
State taxes, net of federal benefit	4.7 %	3.1 %	5.3 %
Tax credit carryforwards	26.8 %	11.7 %	4.5 %
Non-deductible income (expense)	(4.9)%	(11.1)%	0.7 %
Change in valuation allowance	(1.8)%	(39.4)%	(44.5)%
Other	(1.8)%	1.7 %	— %
Effective tax rate	(0.2)%	— %	— %

The principal components of the Company's deferred tax assets and liabilities as of December 31, 2017 and 2016 were comprised as follows (in thousands):

	December 31,	
	2017	2016
Deferred tax assets:		
Net operating loss carryforwards	$ 26,926	$ 24,435
Tax credit carryforwards	8,432	4,039
Deferred revenue	31,735	—
Deferred lease incentive	120	553
Deferred rent	431	426
Intangibles	237	187
Accrued expenses and other	995	1,018
Unrealized loss on available-for-sale securities	112	169
Stock-based compensation	713	293
Total deferred tax assets	69,701	31,120
Less: valuation allowance	(30,850)	(30,548)
Net deferred tax assets	38,851	572
Deferred tax liabilities:		
Section 481(a) method change	(38,481)	—
Depreciation	(370)	(572)
Total deferred tax liabilities	(38,851)	(572)
Net deferred taxes	$ —	$ —

The Company has incurred NOLs since inception. As of December 31, 2017, the Company had federal and state NOL carryforwards of $98.5 million and $98.6 million, respectively, which expire at various dates from 2032 through 2037. As of December 31, 2017, the Company had federal research and development tax credit carryforwards of $6.0 million which expire at various dates from 2032 through 2037. In addition, as of December 31, 2017, the Company had state research and development and investment tax credit carryforwards of $2.6 million and $0.5

million, respectively. The state research and development tax credit carryforwards expire at various dates from 2027 through 2032 and the state investment tax credit carryforwards expire at various dates from 2019 through 2020.

Management has evaluated the positive and negative evidence bearing upon the realizability of its deferred tax assets, which are principally comprised of NOL carryforwards, tax credit carryforwards, deferred lease incentives and deferred rent. Management has determined that it is more likely than not that the Company will not realize the benefits of its deferred tax assets, and as a result, a valuation allowance of $30.9 million has been established at December 31, 2017. The increase in the valuation allowance of $0.3 million during the year ended December 31, 2017 was primarily due to the additional operating loss generated by the Company.

NOL and tax credit carryforwards are subject to review and possible adjustment by the Internal Revenue Service ("IRS") and may become subject to an annual limitation in the event of certain cumulative changes in the ownership interest of significant shareholders over a three-year period in excess of 50% as defined under Sections 382 and 383 in the Internal Revenue Code ("IRC"). This could limit the amount of tax attributes that can be utilized annually to offset future taxable income or tax liabilities. The amount of the annual limitation is determined based on the Company's value immediately prior to the ownership change. An IRC Section 382 study, completed in August 2016, identified three previous ownership changes for purposes of IRC Section 382. As a result of these ownership changes, the Company's NOL and tax credit carryforwards allocable to the periods preceding each such ownership change are subject to limitations under IRC Section 382. Subsequent ownership changes may further affect the limitation in future years.

The Company had no unrecognized tax benefits as of either December 31, 2017 or 2016. During the year ended December 31, 2017, the Company completed a study of its research and development credit carryforwards generated during the years ended December 31, 2016 and 2015. The Company has not conducted a study of its research and development credit carryforwards generated during the year ended December 31, 2017. This study may result in an adjustment to the Company's research and development credit carryforwards; however, until a study is completed and any adjustment is known, no amounts are being presented as an uncertain tax position. A full valuation allowance has been provided against the Company's research and development credit carryforwards, and if an adjustment is required, this adjustment would be offset by an adjustment to the valuation allowance. Thus, there would be no impact to the consolidated statements of operations if an adjustment were required.

Interest and penalty charges, if any, related to income taxes would be classified as a component of the provision for income taxes in the consolidated statements of operations. As of December 31, 2017, the Company has not incurred any interest or penalty charges.

The Company files income tax returns in the United States federal tax jurisdiction and the Massachusetts state tax jurisdiction. Since the Company is in a loss carryforward position, it is generally subject to examination by federal and state tax authorities for all tax years in which a loss carryforward is available.

14. Related-party Transactions

In July 2016, the Company entered into the Celgene Collaboration Agreement and a Series B-1 Preferred Stock Purchase Agreement with Celgene. Under the Celgene Collaboration Agreement, the Company received a non-refundable upfront payment of $225.0 million. Under the Series B-1 Preferred Stock Purchase Agreement, Celgene purchased 10,448,100 shares of Series B-1 preferred stock for $36.1 million. These shares of Series B-1 preferred stock converted into 2,831,463 shares of common stock upon the completion of the Company's IPO. In addition, an affiliate of Celgene purchased 625,000 shares of the Company's common stock in the January 2017 IPO at the public offering price of $16.00 per share for a total of $10.0 million.

15. Commitments and Contingencies

Operating Leases

In November 2016, the Company entered into an operating lease agreement to occupy 51,000 square feet of laboratory and office space in Cambridge, Massachusetts. This facility serves as the Company's current corporate headquarters. The lease term began on November 1, 2016 and extends to March 31, 2025. The Company has the option to extend the lease term for one consecutive five-year period, at the market rate, by giving the landlord written notice of its election to exercise the extension at least twelve months prior to the original expiration of the

lease term. The Company is recording rent expense on a straight-line basis through the end of the lease term and has recorded deferred rent on the consolidated balance sheets. The lease also provided the Company with a tenant improvement allowance of $0.5 million. The Company recorded the tenant improvement allowance as a deferred lease incentive and is amortizing the deferred lease incentive through a reduction of rent expense ratably over the lease term. Leasehold improvements related to this facility are being amortized over the shorter of their useful life or the lease term. The Company provided the landlord with a security deposit in the form of a letter of credit in the amount of $1.3 million, which is recorded as restricted cash in other non-current assets in the consolidated balance sheets.

As of December 31, 2017, the future minimum lease payments due under the operating lease for the Company's corporate headquarters are as follows (in thousands):

Years Ended December 31,	Minimum Lease Payments
2018	$ 4,139
2019	4,263
2020	4,391
2021	4,523
2022	4,659
2023 and thereafter	10,996
Total future minimum lease payments	$ 32,971

The Company leased its former corporate headquarters under an operating lease that was originally set to expire on October 15, 2018. The Company had the option to extend the term of the lease for an additional three-year period, at the market rate, by giving the landlord written notice of its election to exercise the extension at least nine months prior to the original expiration of the lease term. The Company recorded rent expense on a straight-line basis through the end of the lease term and recorded deferred rent on the consolidated balance sheets. The lease also provided the Company with a tenant improvement allowance of $2.8 million. The Company recorded the tenant improvement allowance as a deferred lease incentive and amortized the deferred lease incentive through a reduction of rent expense ratably over the lease term. In March 2015, the Company entered into a three-year sublease agreement to lease additional lab and office facilities at the same location as its former corporate headquarters.

On May 19, 2017, the Company entered into a Lease Termination Agreement and a Sublease Termination Agreement (collectively, the "Lease Termination Agreements") with its landlord related to the leases for its former corporate headquarters. As a result of the Lease Termination Agreements, rental payments for the Company's former corporate headquarters ceased on May 31, 2017, with the exception of certain space that was utilized through August 31, 2017. The Lease Termination Agreements required the Company to pay an aggregate early termination fee of $0.7 million, which was paid in the second quarter of 2017. This early termination fee was recorded as a component of rent expense.

During the years ended December 31, 2017, 2016 and 2015, the Company recorded total rent expense of $3.5 million, $1.8 million and $0.9 million, respectively.

License and Collaboration Agreements

The Company has entered into various license agreements for certain technology. The Company could be required to make aggregate technical, clinical development and regulatory milestone payments of up to $13.2 million and low single-digit royalty payments based on a percentage of net sales of licensed products. As of December 31, 2017, the Company made $0.2 million in aggregate milestone payments under these license agreements. The Company may cancel these agreements at any time by providing 30 to 90 days notice to the licensors, and all payments not previously due would no longer be owed.

The Company has also entered into collaboration agreements with various third parties for research services and access to proprietary technology platforms. Under certain of these collaboration agreements, the Company could be required to make aggregate technical, clinical development and regulatory milestones payments ranging from $12.5 million to $12.9 million per product candidate and low single-digit royalty payments based on a percentage of net sales on a product-by-product basis. As of December 31, 2017, the Company made $0.3 million in aggregate milestone payments under these certain collaboration agreements. Under a certain other collaboration agreement, the Company could be required to make aggregate technical, clinical development and regulatory milestones

payments of $0.7 million. As of December 31, 2017, the Company made no milestone payments under this certain other collaboration agreement.

16. 401(k) Savings Plan

The Company has a defined-contribution savings plan under Section 401(k) of the IRC (the "401(k) Plan"). The 401(k) Plan covers all employees who meet defined minimum age and service requirements and allows participants to defer a portion of their annual compensation on a pretax basis. As of December 31, 2017, the Company was not required to make any contributions to the 401(k) Plan, nor did it make any contributions to the 401(k) Plan through December 31, 2017.

17. Net Loss per Share

For purposes of the diluted loss per share calculation, convertible preferred stock, outstanding stock options and unvested restricted common stock are considered to be potentially dilutive securities, however the following common stock equivalents have been excluded from the calculation of diluted net loss per share because their effect would be anti-dilutive (in thousands):

	Year Ended December 31,		
	2017	2016	2015
Series A convertible preferred stock	—	12,737	12,737
Series B convertible preferred stock	—	6,715	6,715
Series B-1 convertible preferred stock	—	2,831	—
Outstanding stock options	4,868	4,290	2,960
Unvested restricted common stock	16	94	748
Total	4,884	26,667	23,160

18. Selected Quarterly Financial Data (Unaudited)

The following tables contain selected quarterly financial information for the years ended December 31, 2017 and 2016. The Company believes that the following information reflects all normal recurring adjustments necessary for a fair statement of the information for the periods presented. The operating results for any quarter are not necessarily indicative of results for any future period.

	2017			
(in thousands, except per share data)	**First Quarter**	**Second Quarter**	**Third Quarter**	**Fourth Quarter**
Collaboration revenue—related party	$ 20,289	$ 20,289	$ 18,077	$ 12,989
Total operating expenses	20,536	23,317	22,465	24,541
Operating loss	(247)	(3,028)	(4,388)	(11,552)
Total other income, net	632	752	721	703
Provision for (benefit from) income taxes	—	1,104	417	(1,485)
Net income (loss)	$ 385	$ (3,380)	$ (4,084)	$ (9,364)
Net loss attributable to common stockholders	$ (409)	$ (3,380)	$ (4,084)	$ (9,364)
Net loss per share attributable to common stockholders, basic and diluted	$ (0.02)	$ (0.11)	$ (0.13)	$ (0.29)

	2016			
(in thousands, except per share data)	**First Quarter**	**Second Quarter**	**Third Quarter**	**Fourth Quarter**
Collaboration revenue—related party	$ —	$ —	$ 16,908	$ 20,289
Total operating expenses	10,901	12,362	13,093	15,307
Operating (loss) income	(10,901)	(12,362)	3,815	4,982
Total other income, net	11	14	254	484
Net (loss) income	$ (10,890)	$ (12,348)	$ 4,069	$ 5,466
Net (loss) income attributable to common stockholders	$ (12,934)	$ (14,392)	$ 138	$ 258
Net (loss) income per share attributable to common stockholders, basic	$ (6.81)	$ (7.23)	$ 0.06	$ 0.11
Net (loss) income per share attributable to common stockholders, diluted	$ (6.81)	$ (7.23)	$ 0.03	$ 0.05

EXHIBIT INDEX

Exhibit No.	Description of Exhibit
3.1*	Fourth Amended and Restated Certificate of Incorporation of the Registrant
3.2*	Amended and Restated Bylaws of the Registrant
4.1	Specimen Common Stock Certificate (incorporated by reference to Exhibit 4.1 of the Registrant's Registration Statement on Form S-1 (File No. 333-215372) filed December 30, 2016)
4.2	Amended and Restated Investors' Rights Agreement by and among the Registrant and certain of its stockholders, dated April 17, 2015 as amended (incorporated by reference to Exhibit 4.2 of the Registrant's Registration Statement on Form S-1 (File No. 333-215372) filed December 30, 2016)
10.1#	2017 Stock Option and Grant Plan and forms of award agreements thereunder (incorporated by reference to Exhibit 10.1 of the Registrant's Registration Statement on Form S-1/A (File No. 333-215372) filed January 17, 2017)
10.2*#	2013 Stock Option and Grant Plan and forms of award agreements thereunder
10.3#	2017 Employee Stock Purchase Plan, As Amended (incorporated by reference to Exhibit 10.1 of the Registrant's Quarterly Report on Form 10-Q (File No. 001-37998) filed November 13, 2017)
10.4#	Amended and Restated Non-Employee Director Compensation Policy (incorporated by reference to Exhibit 10.2 of the Registrant's Quarterly Report on Form 10-Q (File No. 001-37998) filed November 13, 2017)
10.5#	Amended and Restated Employment Agreement between Richard Murray and the Registrant, dated January 6, 2016 (incorporated by reference to Exhibit 10.4 of the Registrant's Registration Statement on Form S-1/A (File No. 333-215372) filed January 17, 2017)
10.6#	Amended and Restated Employment Agreement between Kim Drapkin and the Registrant, dated November 12, 2015 (incorporated by reference to Exhibit 10.5 of the Registrant's Registration Statement on Form S-1/A (File No. 333-215372) filed January 17, 2017)
10.7#	Amended and Restated Employment Agreement between Elizabeth Trehu and the Registrant, dated November 3, 2015 (incorporated by reference to Exhibit 10.6 of the Registrant's Registration Statement on Form S-1/A (File No. 333-215372) filed January 17, 2017)
10.8*#	Employment Agreement between Hugh Cole and the Registrant, dated August 14, 2017
10.9#	Form of Director Indemnification Agreement (incorporated by reference to Exhibit 10.12 of the Registrant's Registration Statement on Form S-1 (File No. 333-215372) filed December 30, 2016)
10.10#	Form of Officer Indemnification Agreement (incorporated by reference to Exhibit 10.13 of the Registrant's Registration Statement on Form S-1/A (File No. 333-215372) filed January 17, 2017)
10.11#	Senior Executive Cash Incentive Bonus Plan (incorporated by reference to Exhibit 10.14 of the Registrant's Registration Statement on Form S-1/A (File No. 333-215372) filed January 17, 2017)
10.12#	Lease Agreement between ARE-770/784/790 Memorial Drive, LLC and the Registrant, dated November 1, 2016 (incorporated by reference to Exhibit 10.11 of the Registrant's Registration Statement on Form S-1 (File No. 333-215372) filed December 30, 2016)
10.13	Lease Termination Agreement by and between Cambridge 1030 Mass Ave, LLC (as successor in interest to HCP/LFREP Ventures I, LLC) and the Registrant, dated May 19, 2017 (incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K (File No. 001-37998) filed May 23, 2017)
10.14	Sublease Termination Agreement by and between Manus Biosynthesis, Inc. and the Registrant, dated May 19, 2017 (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 001-37998) filed May 23, 2017)
10.15†	Amended and Restated Exclusive License Agreement between Sloan Kettering Institute for Cancer Research, Memorial Sloan Kettering Cancer Center and Memorial Hospital for Cancer and the Registrant, dated September 28, 2015 (incorporated by reference to Exhibit 10.9 of the Registrant's Registration Statement on Form S-1 (File No. 333-215372) filed December 30, 2016)
10.16†	Master Research and Collaboration Agreement between Celgene Corporation, Celgene Rivot LLC and the Registrant, dated July 18, 2016 (incorporated by reference to Exhibit 10.10 of the Registrant's Registration Statement on Form S-1 (File No. 333-215372) filed December 30, 2016)
21.1*	List of Subsidiaries of the Registrant
23.1*	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1+	Certifications of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101*	The following materials from the Company's Annual Report on Form 10-K for the year ended December 31, 2017, formatted in eXtensible Business Reporting Language (XBRL): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Loss, (iv) Consolidated Statements of Convertible Preferred Stock, Contingently Redeemable Common Stock and Stockholders' (Deficit) Equity, (v) Consolidated Statements of Cash Flows and (vi) Notes to Consolidated Financial Statements

* Filed herewith

\+ Furnished herewith

\# Indicates a management contract or any compensatory plan, contract or arrangement

† Confidential treatment granted as to portions of the exhibit. Confidential materials omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

JOUNCE THERAPEUTICS, INC.

Date: March 8, 2018

By: /s/ Richard Murray
Richard Murray, Ph.D.
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Richard Murray Richard Murray, Ph.D.	President, Chief Executive Officer and Director (Principal Executive Officer)	March 8, 2018
/s/ Kim C. Drapkin Kim C. Drapkin	Treasurer and Chief Financial Officer (Principal Financial and Accounting Officer)	March 8, 2018
/s/ Perry A. Karsen Perry A. Karsen	Chairman of the Board of Directors	March 8, 2018
/s/ Barbara Duncan Barbara Duncan	Director	March 8, 2018
/s/ Cary G. Pfeffer Cary G. Pfeffer, M.D.	Director	March 8, 2018
/s/ J. Duncan Higgons J. Duncan Higgons	Director	March 8, 2018
/s/ Robert Kamen Robert Kamen, Ph.D.	Director	March 8, 2018
/s/ Robert Tepper Robert Tepper, M.D.	Director	March 8, 2018
/s/ Luis A. Diaz, Jr. Luis A. Diaz, Jr., M.D.	Director	March 8, 2018

Exhibit 3.1

FOURTH AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION

OF

JOUNCE THERAPEUTICS, INC.

Jounce Therapeutics, Inc., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), hereby certifies as follows:

1. The name of the Corporation is Jounce Therapeutics, Inc. The date of the filing of its original Certificate of Incorporation with the Secretary of State of the State of Delaware was March 22, 2012 (the "Original Certificate").

2. This Fourth Amended and Restated Certificate of Incorporation (the "Certificate") amends, restates and integrates the provisions of the Third Amended and Restated Certificate of Incorporation that was filed with the Secretary of State of the State of Delaware on August 1, 2016 and subsequently amended on September 23, 2016 and subsequently amended again on January 13, 2017 (as amended, the "Amended and Restated Certificate"), and was duly adopted in accordance with the provisions of Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware (the "DGCL").

3. The text of the Amended and Restated Certificate is hereby amended and restated in its entirety to provide as herein set forth in full.

ARTICLE I

The name of the Corporation is Jounce Therapeutics, Inc.

ARTICLE II

The address of the Corporation's registered office in the State of Delaware is c/o The Corporation Trust Company, 1209 Orange Street in the City of Wilmington, County of New Castle, 19801. The name of its registered agent at such address is The Corporation Trust Company.

ARTICLE III

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the DGCL.

ARTICLE IV

CAPITAL STOCK

The total number of shares of capital stock which the Corporation shall have authority to issue is One Hundred Sixty-Five Million (165,000,000) shares, of which (i) One Hundred Sixty Million (160,000,000) shares shall be a class designated as common stock, par value $0.001 per share (the "Common Stock"), and (ii) Five Million (5,000,000) shares shall be a class designated as undesignated preferred stock, par value $0.001 per share (the "Undesignated Preferred Stock").

Except as otherwise provided in any certificate of designations of any series of Undesignated Preferred Stock, the number of authorized shares of the class of Common Stock or Undesignated Preferred Stock may from time to time be increased or decreased (but not below the number of shares of such class outstanding) by the affirmative vote of the holders of a majority in voting power of the outstanding shares of capital stock of the Corporation irrespective of the provisions of Section 242(b)(2) of the DGCL.

The powers, preferences and rights of, and the qualifications, limitations and restrictions upon, each class or series of stock shall be determined in accordance with, or as set forth below in, this Article IV.

A. COMMON STOCK

Subject to all the rights, powers and preferences of the Undesignated Preferred Stock and except as provided by law or in this Certificate (or in any certificate of designations of any series of Undesignated Preferred Stock):

(a) the holders of the Common Stock shall have the exclusive right to vote for the election of directors of the Corporation (the "Directors") and on all other matters requiring stockholder action, each outstanding share entitling the holder thereof to one vote on each matter properly submitted to the stockholders of the Corporation for their vote; provided, however, that, except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to this Certificate (or on any amendment to a certificate of designations of any series of Undesignated Preferred Stock) that alters or changes the powers, preferences, rights or other terms of one or more outstanding series of Undesignated Preferred Stock if the holders of such affected series of Undesignated Preferred Stock are entitled to vote, either separately or together with the holders of one or more other such series, on such amendment pursuant to this Certificate (or pursuant to a certificate of designations of any series of Undesignated Preferred Stock) or pursuant to the DGCL;

(b) dividends may be declared and paid or set apart for payment upon the Common Stock out of any assets or funds of the Corporation legally available for the payment of dividends, but only when and as declared by the Board of Directors or any authorized committee thereof; and

(c) upon the voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the net assets of the Corporation shall be distributed pro rata to the holders of the Common Stock.

B. UNDESIGNATED PREFERRED STOCK

The Board of Directors or any authorized committee thereof is expressly authorized, to the fullest extent permitted by law, to provide by resolution or resolutions for, out of the unissued shares of Undesignated Preferred Stock, the issuance of the shares of Undesignated Preferred Stock in one or more series of such stock, and by filing a certificate of designations pursuant to applicable law of the State of Delaware, to establish or change from time to time the number of shares of each such series, and to fix the designations, powers, including voting powers, full or limited, or no voting powers, preferences and the relative, participating, optional or other special rights of the shares of each series and any qualifications, limitations and restrictions thereof.

ARTICLE V

STOCKHOLDER ACTION

1. Action without Meeting. Any action required or permitted to be taken by the stockholders of the Corporation at any annual or special meeting of stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders and may not be taken or effected by a written consent of stockholders in lieu thereof.

2. Special Meetings. Except as otherwise required by statute and subject to the rights, if any, of the holders of any series of Undesignated Preferred Stock, special meetings of the stockholders of the Corporation may be called only by the Board of Directors acting pursuant to a resolution approved by the affirmative vote of a majority of the Directors then in office, and special meetings of stockholders may not be called by any other person or persons. Only those matters set forth in the notice of the special meeting may be considered or acted upon at a special meeting of stockholders of the Corporation.

ARTICLE VI

DIRECTORS

1. General. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors except as otherwise provided herein or required by law.

2. Election of Directors. Election of Directors need not be by written ballot unless the By-laws of the Corporation (the "By-laws") shall so provide.

3. Number of Directors; Term of Office. The number of Directors of the Corporation shall be fixed solely and exclusively by resolution duly adopted from time to time by the Board of Directors. The Directors, other than those who may be elected by the holders of any series of Undesignated Preferred Stock, shall be classified, with respect to the term for which they severally hold office, into three classes. The initial Class I Directors of the Corporation shall be Duncan Higgons and Robert Tepper; the initial Class II Directors of the Corporation shall be Barbara Duncan and Robert Kamen; and the initial Class III Directors of the Corporation shall be Cary Pfeffer, Perry Karsen and Richard Murray. The initial Class I Directors shall serve for a term expiring at the annual meeting of stockholders to be held in 2018, the initial Class II Directors shall serve for a term expiring at the annual meeting of stockholders to be held in 2019, and the initial Class III Directors shall serve for a term expiring at the annual meeting of stockholders to be held in 2020. At each annual meeting of stockholders, Directors elected to succeed those Directors whose terms expire shall be elected for a term of office to expire at the third succeeding annual meeting of stockholders after their election. Notwithstanding the foregoing, the Directors elected to each class shall hold office until their successors are duly elected and qualified or until their earlier resignation, death or removal.

Notwithstanding the foregoing, whenever, pursuant to the provisions of Article IV of this Certificate, the holders of any one or more series of Undesignated Preferred Stock shall have the right, voting separately as a series or together with holders of other such series, to elect Directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of this Certificate and any certificate of designations applicable to such series.

4. Vacancies. Subject to the rights, if any, of the holders of any series of Undesignated Preferred Stock to elect Directors and to fill vacancies in the Board of Directors relating thereto, any and all vacancies in the Board of Directors, however occurring, including, without limitation, by reason of an increase in the size of the Board of Directors, or the death, resignation, disqualification or removal of a Director, shall be filled solely and exclusively by the affirmative vote of a majority of the remaining Directors then in office, even if less than a quorum of the Board of Directors, and not by the stockholders. Any Director appointed in accordance with the preceding sentence shall hold office for the remainder of the full term of the class of Directors in which the new directorship was created or the vacancy occurred and until such Director's successor shall have been duly elected and qualified or until his or her earlier resignation, death or removal. Subject to the rights, if any, of the holders of any series of Undesignated Preferred Stock to elect Directors, when the number of Directors is increased or decreased, the Board of Directors shall, subject to Article VI.3 hereof, determine the class or classes to which the increased or decreased number of Directors shall be apportioned; provided, however, that no decrease in the number of Directors shall shorten the term of any incumbent Director. In the event of a vacancy in the Board of Directors, the remaining Directors, except as otherwise provided by law, shall exercise the powers of the full Board of Directors until the vacancy is filled.

5. Removal. Subject to the rights, if any, of any series of Undesignated Preferred Stock to elect Directors and to remove any Director whom the holders of any such series have

the right to elect, any Director (including persons elected by Directors to fill vacancies in the Board of Directors) may be removed from office (i) only with cause and (ii) only by the affirmative vote of the holders of 75% or more of the outstanding shares of capital stock then entitled to vote at an election of Directors. At least forty-five (45) days prior to any annual or special meeting of stockholders at which it is proposed that any Director be removed from office, written notice of such proposed removal and the alleged grounds thereof shall be sent to the Director whose removal will be considered at the meeting.

ARTICLE VII

LIMITATION OF LIABILITY

A Director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a Director, except for liability (a) for any breach of the Director's duty of loyalty to the Corporation or its stockholders, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) under Section 174 of the DGCL or (d) for any transaction from which the Director derived an improper personal benefit. If the DGCL is amended after the effective date of this Certificate to authorize corporate action further eliminating or limiting the personal liability of Directors, then the liability of a Director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

Any amendment, repeal or modification of this Article VII by either of (i) the stockholders of the Corporation or (ii) an amendment to the DGCL, shall not adversely affect any right or protection existing at the time of such amendment, repeal or modification with respect to any acts or omissions occurring before such amendment, repeal or modification of a person serving as a Director at the time of such amendment, repeal or modification.

ARTICLE VIII

AMENDMENT OF BY-LAWS

1. Amendment by Directors. Except as otherwise provided by law, the By-laws of the Corporation may be amended or repealed by the Board of Directors by the affirmative vote of a majority of the Directors then in office.

2. Amendment by Stockholders. The By-laws of the Corporation may be amended or repealed at any annual meeting of stockholders, or special meeting of stockholders called for such purpose, by the affirmative vote of at least 75% of the outstanding shares of capital stock entitled to vote on such amendment or repeal, voting together as a single class; provided, however, that if the Board of Directors recommends that stockholders approve such amendment or repeal at such meeting of stockholders, such amendment or repeal shall only require the affirmative vote of the majority of the outstanding shares of capital stock entitled to vote on such amendment or repeal, voting together as a single class.

ARTICLE IX

AMENDMENT OF CERTIFICATE OF INCORPORATION

The Corporation reserves the right to amend or repeal this Certificate in the manner now or hereafter prescribed by statute and this Certificate, and all rights conferred upon stockholders herein are granted subject to this reservation. Whenever any vote of the holders of capital stock of the Corporation is required to amend or repeal any provision of this Certificate, and in addition to any other vote of holders of capital stock that is required by this Certificate or by law, such amendment or repeal shall require the affirmative vote of the majority of the outstanding shares of capital stock entitled to vote on such amendment or repeal, and the affirmative vote of the majority of the outstanding shares of each class entitled to vote thereon as a class, at a duly constituted meeting of stockholders called expressly for such purpose; provided, however, that the affirmative vote of not less than 75% of the outstanding shares of capital stock entitled to vote on such amendment or repeal, and the affirmative vote of not less than 75% of the outstanding shares of each class entitled to vote thereon as a class, shall be required to amend or repeal any provision of Article V, Article VI, Article VII, Article VIII or Article IX of this Certificate.

THIS FOURTH AMENDED AND RESTATED CERTIFICATE OF INCORPORATION is executed as of this 1st day of February, 2017.

JOUNCE THERAPEUTICS, INC.

By: /s/ Richard Murray
Name: Richard Murray
Title: President and Chief Executive Officer

Exhibit 3.2

AMENDED AND RESTATED

BY-LAWS

OF

JOUNCE THERAPEUTICS, INC.

(the "Corporation")

ARTICLE I

Stockholders

SECTION 1. Annual Meeting. The annual meeting of stockholders (any such meeting being referred to in these By-laws as an "Annual Meeting") shall be held at the hour, date and place within or without the United States which is fixed by the Board of Directors, which time, date and place may subsequently be changed at any time by vote of the Board of Directors. If no Annual Meeting has been held for a period of thirteen (13) months after the Corporation's last Annual Meeting, a special meeting in lieu thereof may be held, and such special meeting shall have, for the purposes of these By-laws or otherwise, all the force and effect of an Annual Meeting. Any and all references hereafter in these By-laws to an Annual Meeting or Annual Meetings also shall be deemed to refer to any special meeting(s) in lieu thereof.

SECTION 2. Notice of Stockholder Business and Nominations.

(a) Annual Meetings of Stockholders.

(1) Nominations of persons for election to the Board of Directors of the Corporation and the proposal of other business to be considered by the stockholders may be brought before an Annual Meeting (i) by or at the direction of the Board of Directors or (ii) by any stockholder of the Corporation who was a stockholder of record at the time of giving of notice provided for in this By-law, who is entitled to vote at the meeting, who is present (in person or by proxy) at the meeting and who complies with the notice procedures set forth in this By-law as to such nomination or business. For the avoidance of doubt, the foregoing clause (ii) shall be the exclusive means for a stockholder to bring nominations or business properly before an Annual Meeting (other than matters properly brought under Rule 14a-8 (or any successor rule) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), and such stockholder must comply with the notice and other procedures set forth in Article I, Section 2(a)(2) and (3) of this By-law to bring such nominations or business properly before an Annual Meeting. In addition to the other requirements set forth in this By-law, for any proposal of business to be considered at an Annual Meeting, it must be a proper subject for action by stockholders of the Corporation under Delaware law.

(2) For nominations or other business to be properly brought before an Annual Meeting by a stockholder pursuant to clause (ii) of Article I, Section 2(a)(1) of this By-law, the stockholder must (i) have given Timely Notice (as defined below) thereof in

writing to the Secretary of the Corporation, (ii) have provided any updates or supplements to such notice at the times and in the forms required by this By-law and (iii) together with the beneficial owner(s), if any, on whose behalf the nomination or business proposal is made, have acted in accordance with the representations set forth in the Solicitation Statement (as defined below) required by this By-law. To be timely, a stockholder's written notice shall be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the ninetieth (90th) day nor earlier than the close of business on the one hundred twentieth (120th) day prior to the one-year anniversary of the preceding year's Annual Meeting; provided, however, that in the event the Annual Meeting is first convened more than thirty (30) days before or more than sixty (60) days after such anniversary date, or if no Annual Meeting were held in the preceding year, notice by the stockholder to be timely must be received by the Secretary of the Corporation not later than the close of business on the later of the ninetieth (90th) day prior to the scheduled date of such Annual Meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made (such notice within such time periods shall be referred to as "Timely Notice"). Notwithstanding anything to the contrary provided herein, for the first Annual Meeting following the initial public offering of common stock of the Corporation, a stockholder's notice shall be timely if received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the later of the ninetieth (90th) day prior to the scheduled date of such Annual Meeting or the tenth (10th) day following the day on which public announcement of the date of such Annual Meeting is first made or sent by the Corporation. Such stockholder's Timely Notice shall set forth:

(A) as to each person whom the stockholder proposes to nominate for election or reelection as a director, all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected);

(B) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting, and any material interest in such business of each Proposing Person (as defined below);

(C) (i) the name and address of the stockholder giving the notice, as they appear on the Corporation's books, and the names and addresses of the other Proposing Persons (if any) and (ii) as to each Proposing Person, the following information: (a) the class or series and number of all shares of capital stock of the Corporation which are, directly or indirectly, owned beneficially or of record by such Proposing Person or any of its affiliates or associates (as such terms are defined in Rule 12b-2 promulgated under the Exchange Act), including any shares of any class or series of capital stock of the Corporation as to which such Proposing Person or any of its affiliates or associates has a right to acquire beneficial ownership at any time in the future, (b) all Synthetic Equity Interests (as defined below) in which such Proposing Person or any of its affiliates or associates, directly

or indirectly, holds an interest including a description of the material terms of each such Synthetic Equity Interest, including without limitation, identification of the counterparty to each such Synthetic Equity Interest and disclosure, for each such Synthetic Equity Interest, as to (x) whether or not such Synthetic Equity Interest conveys any voting rights, directly or indirectly, in such shares to such Proposing Person, (y) whether or not such Synthetic Equity Interest is required to be, or is capable of being, settled through delivery of such shares and (z) whether or not such Proposing Person and/or, to the extent known, the counterparty to such Synthetic Equity Interest has entered into other transactions that hedge or mitigate the economic effect of such Synthetic Equity Interest, (c) any proxy (other than a revocable proxy given in response to a public proxy solicitation made pursuant to, and in accordance with, the Exchange Act), agreement, arrangement, understanding or relationship pursuant to which such Proposing Person has or shares a right to, directly or indirectly, vote any shares of any class or series of capital stock of the Corporation, (d) any rights to dividends or other distributions on the shares of any class or series of capital stock of the Corporation, directly or indirectly, owned beneficially by such Proposing Person that are separated or separable from the underlying shares of the Corporation, and (e) any performance-related fees (other than an asset based fee) that such Proposing Person, directly or indirectly, is entitled to based on any increase or decrease in the value of shares of any class or series of capital stock of the Corporation or any Synthetic Equity Interests (the disclosures to be made pursuant to the foregoing clauses (a) through (e) are referred to, collectively, as "Material Ownership Interests") and (iii) a description of the material terms of all agreements, arrangements or understandings (whether or not in writing) entered into by any Proposing Person or any of its affiliates or associates with any other person for the purpose of acquiring, holding, disposing or voting of any shares of any class or series of capital stock of the Corporation;

(D) (i) a description of all agreements, arrangements or understandings by and among any of the Proposing Persons, or by and among any Proposing Persons and any other person (including with any proposed nominee(s)), pertaining to the nomination(s) or other business proposed to be brought before the meeting of stockholders (which description shall identify the name of each other person who is party to such an agreement, arrangement or understanding), and (ii) identification of the names and addresses of other stockholders (including beneficial owners) known by any of the Proposing Persons to support such nominations or other business proposal(s), and to the extent known the class and number of all shares of the Corporation's capital stock owned beneficially or of record by such other stockholder(s) or other beneficial owner(s); and

(E) a statement whether or not the stockholder giving the notice and/or the other Proposing Person(s), if any, will deliver a proxy statement and form of proxy to holders of, in the case of a business proposal, at least the percentage of voting power of all of the shares of capital stock of the Corporation required under applicable law to approve the proposal or, in the case of a nomination or nominations, at least the percentage of voting power of all of the shares of capital stock of the Corporation reasonably believed by such Proposing Person to be

sufficient to elect the nominee or nominees proposed to be nominated by such stockholder (such statement, the "Solicitation Statement").

For purposes of this Article I of these By-laws, the term "Proposing Person" shall mean the following persons: (i) the stockholder of record providing the notice of nominations or business proposed to be brought before a stockholders' meeting, and (ii) the beneficial owner(s), if different, on whose behalf the nominations or business proposed to be brought before a stockholders' meeting is made. For purposes of this Section 2 of Article I of these By-laws, the term "Synthetic Equity Interest" shall mean any transaction, agreement or arrangement (or series of transactions, agreements or arrangements), including, without limitation, any derivative, swap, hedge, repurchase or so-called "stock borrowing" agreement or arrangement, the purpose or effect of which is to, directly or indirectly: (a) give a person or entity economic benefit and/or risk similar to ownership of shares of any class or series of capital stock of the Corporation, in whole or in part, including due to the fact that such transaction, agreement or arrangement provides, directly or indirectly, the opportunity to profit or avoid a loss from any increase or decrease in the value of any shares of any class or series of capital stock of the Corporation, (b) mitigate loss to, reduce the economic risk of or manage the risk of share price changes for, any person or entity with respect to any shares of any class or series of capital stock of the Corporation, (c) otherwise provide in any manner the opportunity to profit or avoid a loss from any decrease in the value of any shares of any class or series of capital stock of the Corporation, or (d) increase or decrease the voting power of any person or entity with respect to any shares of any class or series of capital stock of the Corporation.

(3) A stockholder providing Timely Notice of nominations or business proposed to be brought before an Annual Meeting shall further update and supplement such notice, if necessary, so that the information (including, without limitation, the Material Ownership Interests information) provided or required to be provided in such notice pursuant to this By-law shall be true and correct as of the record date for the meeting and as of the date that is ten (10) business days prior to such Annual Meeting, and such update and supplement shall be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the fifth (5th) business day after the record date for the Annual Meeting (in the case of the update and supplement required to be made as of the record date), and not later than the close of business on the eighth (8th) business day prior to the date of the Annual Meeting (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting).

(4) Notwithstanding anything in the second sentence of Article I, Section 2(a)(2) of this By-law to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the Corporation at least ten (10) days before the last day a stockholder may deliver a notice of nomination in accordance with the second sentence of Article I, Section 2(a)(2), a stockholder's notice required by this By-law shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be received by the Secretary of the Corporation not later than

the close of business on the tenth (10th) day following the day on which such public announcement is first made by the Corporation.

(b) General.

(1) Only such persons who are nominated in accordance with the provisions of this By-law shall be eligible for election and to serve as directors and only such business shall be conducted at an Annual Meeting as shall have been brought before the meeting in accordance with the provisions of this By-law or in accordance with Rule 14a-8 under the Exchange Act. The Board of Directors or a designated committee thereof shall have the power to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the provisions of this By-law. If neither the Board of Directors nor such designated committee makes a determination as to whether any stockholder proposal or nomination was made in accordance with the provisions of this By-law, the presiding officer of the Annual Meeting shall have the power and duty to determine whether the stockholder proposal or nomination was made in accordance with the provisions of this By-law. If the Board of Directors or a designated committee thereof or the presiding officer, as applicable, determines that any stockholder proposal or nomination was not made in accordance with the provisions of this By-law, such proposal or nomination shall be disregarded and shall not be presented for action at the Annual Meeting.

(2) Except as otherwise required by law, nothing in this Article I, Section 2 shall obligate the Corporation or the Board of Directors to include in any proxy statement or other stockholder communication distributed on behalf of the Corporation or the Board of Directors information with respect to any nominee for director or any other matter of business submitted by a stockholder.

(3) Notwithstanding the foregoing provisions of this Article I, Section 2, if the nominating or proposing stockholder (or a qualified representative of the stockholder) does not appear at the Annual Meeting to present a nomination or any business, such nomination or business shall be disregarded, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Article I, Section 2, to be considered a qualified representative of the proposing stockholder, a person must be authorized by a written instrument executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such written instrument or electronic transmission, or a reliable reproduction of the written instrument or electronic transmission, to the presiding officer at the meeting of stockholders.

(4) For purposes of this By-law, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(5) Notwithstanding the foregoing provisions of this By-law, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and

regulations thereunder with respect to the matters set forth in this By-law. Nothing in this By-law shall be deemed to affect any rights of (i) stockholders to have proposals included in the Corporation's proxy statement pursuant to Rule 14a-8 (or any successor rule), as applicable, under the Exchange Act and, to the extent required by such rule, have such proposals considered and voted on at an Annual Meeting or (ii) the holders of any series of Undesignated Preferred Stock to elect directors under specified circumstances.

SECTION 3. Special Meetings. Except as otherwise required by statute and subject to the rights, if any, of the holders of any series of Undesignated Preferred Stock, special meetings of the stockholders of the Corporation may be called only by the Board of Directors acting pursuant to a resolution approved by the affirmative vote of a majority of the Directors then in office. The Board of Directors may postpone or reschedule any previously scheduled special meeting of stockholders. Only those matters set forth in the notice of the special meeting may be considered or acted upon at a special meeting of stockholders of the Corporation. Nominations of persons for election to the Board of Directors of the Corporation and stockholder proposals of other business shall not be brought before a special meeting of stockholders to be considered by the stockholders unless such special meeting is held in lieu of an annual meeting of stockholders in accordance with Article I, Section 1 of these By-laws, in which case such special meeting in lieu thereof shall be deemed an Annual Meeting for purposes of these By-laws and the provisions of Article I, Section 2 of these By-laws shall govern such special meeting.

SECTION 4. Notice of Meetings; Adjournments.

(a) A notice of each Annual Meeting stating the hour, date and place, if any, of such Annual Meeting and the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, shall be given not less than ten (10) days nor more than sixty (60) days before the Annual Meeting, to each stockholder entitled to vote thereat by delivering such notice to such stockholder or by mailing it, postage prepaid, addressed to such stockholder at the address of such stockholder as it appears on the Corporation's stock transfer books. Without limiting the manner by which notice may otherwise be given to stockholders, any notice to stockholders may be given by electronic transmission in the manner provided in Section 232 of the Delaware General Corporation Law ("DGCL").

(b) Notice of all special meetings of stockholders shall be given in the same manner as provided for Annual Meetings, except that the notice of all special meetings shall state the purpose or purposes for which the meeting has been called.

(c) Notice of an Annual Meeting or special meeting of stockholders need not be given to a stockholder if a waiver of notice is executed, or waiver of notice by electronic transmission is provided, before or after such meeting by such stockholder or if such stockholder attends such meeting, unless such attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened.

(d) The Board of Directors may postpone and reschedule any previously scheduled Annual Meeting or special meeting of stockholders and any record date with respect thereto,

regardless of whether any notice or public disclosure with respect to any such meeting has been sent or made pursuant to Section 2 of this Article I of these By-laws or otherwise. In no event shall the public announcement of an adjournment, postponement or rescheduling of any previously scheduled meeting of stockholders commence a new time period for the giving of a stockholder's notice under this Article I of these By-laws.

(e) When any meeting is convened, the presiding officer may adjourn the meeting if (i) no quorum is present for the transaction of business, (ii) the Board of Directors determines that adjournment is necessary or appropriate to enable the stockholders to consider fully information which the Board of Directors determines has not been made sufficiently or timely available to stockholders, or (iii) the Board of Directors determines that adjournment is otherwise in the best interests of the Corporation. When any Annual Meeting or special meeting of stockholders is adjourned to another hour, date or place, notice need not be given of the adjourned meeting other than an announcement at the meeting at which the adjournment is taken of the hour, date and place, if any, to which the meeting is adjourned and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting; provided, however, that if the adjournment is for more than thirty (30) days from the meeting date, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting shall be given to each stockholder of record entitled to vote thereat and each stockholder who, by law or under the Certificate of Incorporation of the Corporation (as the same may hereafter be amended and/or restated, the "Certificate") or these By-laws, is entitled to such notice.

SECTION 5. Quorum. A majority of the shares entitled to vote, present in person or represented by proxy, shall constitute a quorum at any meeting of stockholders. If less than a quorum is present at a meeting, the holders of voting stock representing a majority of the voting power present at the meeting or the presiding officer may adjourn the meeting from time to time, and the meeting may be held as adjourned without further notice, except as provided in Section 4 of this Article I. At such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally noticed. The stockholders present at a duly constituted meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

SECTION 6. Voting and Proxies. Stockholders shall have one vote for each share of stock entitled to vote owned by them of record according to the stock ledger of the Corporation as of the record date, unless otherwise provided by law or by the Certificate. Stockholders may vote either (i) in person, (ii) by written proxy or (iii) by a transmission permitted by Section 212(c) of the DGCL. Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission permitted by Section 212(c) of the DGCL may be substituted for or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission. Proxies shall be filed in accordance with the procedures established for the meeting of stockholders. Except as otherwise limited therein or as otherwise provided by law, proxies authorizing a person to vote at a specific meeting shall entitle the persons authorized thereby to

vote at any adjournment of such meeting, but they shall not be valid after final adjournment of such meeting. A proxy with respect to stock held in the name of two or more persons shall be valid if executed by or on behalf of any one of them unless at or prior to the exercise of the proxy the Corporation receives a specific written notice to the contrary from any one of them.

SECTION 7. Action at Meeting. When a quorum is present at any meeting of stockholders, any matter before any such meeting (other than an election of a director or directors) shall be decided by a majority of the votes properly cast for and against such matter, except where a larger vote is required by law, by the Certificate or by these By-laws. Any election of directors by stockholders shall be determined by a plurality of the votes properly cast on the election of directors.

SECTION 8. Stockholder Lists. The Secretary or an Assistant Secretary (or the Corporation's transfer agent or other person authorized by these By-laws or by law) shall prepare and make, at least ten (10) days before every Annual Meeting or special meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for a period of at least ten (10) days prior to the meeting in the manner provided by law. The list shall also be open to the examination of any stockholder during the whole time of the meeting as provided by law.

SECTION 9. Presiding Officer. The Board of Directors shall designate a representative to preside over all Annual Meetings or special meetings of stockholders, provide that if the Board of Directors does not so designate such a presiding officer, then the Chairman of the Board, if one is elected, shall preside over such meetings. If the Board of Directors does not so designate such a presiding officer and there is no Chairman of the Board or the Chairman of the Board is unable to so preside or is absent, then the Chief Executive Officer, if one is elected, shall preside over such meetings, provided further that if there is no Chief Executive Officer or the Chief Executive Officer is unable to so preside or is absent, then the President shall preside over such meetings. The presiding officer at any Annual Meeting or special meeting of stockholders shall have the power, among other things, to adjourn such meeting at any time and from time to time, subject to Sections 4 and 5 of this Article I. The order of business and all other matters of procedure at any meeting of the stockholders shall be determined by the presiding officer.

SECTION 10. Inspectors of Elections. The Corporation shall, in advance of any meeting of stockholders, appoint one or more inspectors to act at the meeting and make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the presiding officer shall appoint one or more inspectors to act at the meeting. Any inspector may, but need not, be an officer, employee or agent of the Corporation. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall perform such duties as are required by the DGCL, including the counting of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of the duties of the inspectors. The presiding officer may review all determinations made by the inspectors, and in so doing the presiding officer shall be entitled to exercise his or her sole judgment and discretion and he or she shall not be bound by any

determinations made by the inspectors. All determinations by the inspectors and, if applicable, the presiding officer, shall be subject to further review by any court of competent jurisdiction.

ARTICLE II

Directors

SECTION 1. Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors except as otherwise provided by the Certificate or required by law.

SECTION 2. Number and Terms. The number of directors of the Corporation shall be fixed solely and exclusively by resolution duly adopted from time to time by the Board of Directors. The directors shall hold office in the manner provided in the Certificate.

SECTION 3. Qualification. No director need be a stockholder of the Corporation.

SECTION 4. Vacancies. Vacancies in the Board of Directors shall be filled in the manner provided in the Certificate.

SECTION 5. Removal. Directors may be removed from office only in the manner provided in the Certificate.

SECTION 6. Resignation. A director may resign at any time by giving written notice to the Chairman of the Board, if one is elected, the President or the Secretary. A resignation shall be effective upon receipt, unless the resignation otherwise provides.

SECTION 7. Regular Meetings. The regular annual meeting of the Board of Directors shall be held, without notice other than this Section 7, on the same date and at the same place as the Annual Meeting following the close of such meeting of stockholders. Other regular meetings of the Board of Directors may be held at such hour, date and place as the Board of Directors may by resolution from time to time determine and publicize by means of reasonable notice given to any director who is not present at the meeting at which such resolution is adopted.

SECTION 8. Special Meetings. Special meetings of the Board of Directors may be called, orally or in writing, by or at the request of a majority of the directors, the Chairman of the Board, if one is elected, or the President. The person calling any such special meeting of the Board of Directors may fix the hour, date and place thereof.

SECTION 9. Notice of Meetings. Notice of the hour, date and place of all special meetings of the Board of Directors shall be given to each director by the Secretary or an Assistant Secretary, or in case of the death, absence, incapacity or refusal of such persons, by the Chairman of the Board, if one is elected, Chief Executive Officer or the President or such other officer designated by the Chairman of the Board, if one is elected. Notice of any special meeting of the Board of Directors shall be given to each director in person, by telephone, or by facsimile, electronic mail or other form of electronic communication, sent to his or her business or home address, at least twenty-four (24) hours in advance of the meeting, or by written notice mailed to his or her business or home address, at least forty-eight (48) hours in advance of the meeting. Such

notice shall be deemed to be delivered when hand-delivered to such address, read to such director by telephone, deposited in the mail so addressed, with postage thereon prepaid if mailed, dispatched or transmitted if sent by facsimile transmission or by electronic mail or other form of electronic communications. A written waiver of notice signed before or after a meeting by a director and filed with the records of the meeting shall be deemed to be equivalent to notice of the meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because such meeting is not lawfully called or convened. Except as otherwise required by law, by the Certificate or by these By-laws, neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

SECTION 10. Quorum. At any meeting of the Board of Directors, a majority of the total number of directors shall constitute a quorum for the transaction of business, but if less than a quorum is present at a meeting, a majority of the directors present may adjourn the meeting from time to time, and the meeting may be held as adjourned without further notice. Any business which might have been transacted at the meeting as originally noticed may be transacted at such adjourned meeting at which a quorum is present. For purposes of this section, the total number of directors includes any unfilled vacancies on the Board of Directors.

SECTION 11. Action at Meeting. At any meeting of the Board of Directors at which a quorum is present, the vote of a majority of the directors present shall constitute action by the Board of Directors, unless otherwise required by law, by the Certificate or by these By-laws.

SECTION 12. Action by Consent. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all members of the Board of Directors consent thereto in writing or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the records of the meetings of the Board of Directors. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form. Such consent shall be treated as a resolution of the Board of Directors for all purposes.

SECTION 13. Manner of Participation. Directors may participate in meetings of the Board of Directors by means of conference telephone or other communications equipment by means of which all directors participating in the meeting can hear each other, and participation in a meeting in accordance herewith shall constitute presence in person at such meeting for purposes of these By-laws.

SECTION 14. Presiding Director. The Board of Directors shall designate a representative to preside over all meetings of the Board of Directors, provided that if the Board of Directors does not so designate such a presiding director or such designated presiding director is unable to so preside or is absent, then the Chairman of the Board, if one is elected, shall preside over all meetings of the Board of Directors. If both the designated presiding director, if one is so designated, and the Chairman of the Board, if one is elected, are unable to preside or are absent, the Board of Directors shall designate an alternate representative to preside over a meeting of the Board of Directors.

SECTION 15. Committees. The Board of Directors, by vote of a majority of the directors then in office, may elect one or more committees, including, without limitation, a Compensation Committee, a Nominating & Corporate Governance Committee and an Audit Committee, and may delegate thereto some or all of its powers except those which by law, by the Certificate or by these By-laws may not be delegated. Except as the Board of Directors may otherwise determine, any such committee may make rules for the conduct of its business, but unless otherwise provided by the Board of Directors or in such rules, its business shall be conducted so far as possible in the same manner as is provided by these By-laws for the Board of Directors. All members of such committees shall hold such offices at the pleasure of the Board of Directors. The Board of Directors may abolish any such committee at any time. Any committee to which the Board of Directors delegates any of its powers or duties shall keep records of its meetings and shall report its action to the Board of Directors.

SECTION 16. Compensation of Directors. Directors shall receive such compensation for their services as shall be determined by a majority of the Board of Directors, or a designated committee thereof, provided that directors who are serving the Corporation as employees and who receive compensation for their services as such, shall not receive any salary or other compensation for their services as directors of the Corporation.

ARTICLE III

Officers

SECTION 1. Enumeration. The officers of the Corporation shall consist of a President, a Treasurer, a Secretary and such other officers, including, without limitation, a Chairman of the Board of Directors, a Chief Executive Officer and one or more Vice Presidents (including Executive Vice Presidents or Senior Vice Presidents), Assistant Vice Presidents, Assistant Treasurers and Assistant Secretaries, as the Board of Directors may determine.

SECTION 2. Election. At the regular annual meeting of the Board of Directors following the Annual Meeting, the Board of Directors shall elect the President, the Treasurer and the Secretary. Other officers may be elected by the Board of Directors at such regular annual meeting of the Board of Directors or at any other regular or special meeting.

SECTION 3. Qualification. No officer need be a stockholder or a director. Any person may occupy more than one office of the Corporation at any time.

SECTION 4. Tenure. Except as otherwise provided by the Certificate or by these By-laws, each of the officers of the Corporation shall hold office until the regular annual meeting of the Board of Directors following the next Annual Meeting and until his or her successor is elected and qualified or until his or her earlier resignation or removal.

SECTION 5. Resignation. Any officer may resign by delivering his or her written resignation to the Corporation addressed to the President or the Secretary, and such resignation shall be effective upon receipt, unless the resignation otherwise provides.

SECTION 6. Removal. Except as otherwise provided by law, the Board of Directors may remove any officer with or without cause by the affirmative vote of a majority of the directors then in office.

SECTION 7. Absence or Disability. In the event of the absence or disability of any officer, the Board of Directors may designate another officer to act temporarily in place of such absent or disabled officer.

SECTION 8. Vacancies. Any vacancy in any office may be filled for the unexpired portion of the term by the Board of Directors.

SECTION 9. President. The President, if one is elected, shall have such powers and shall perform such duties as the Board of Directors may from time to time designate.

SECTION 10. Chairman of the Board. The Chairman of the Board, if one is elected, shall have such powers and shall perform such duties as the Board of Directors may from time to time designate.

SECTION 11. Chief Executive Officer. The Chief Executive Officer, if one is elected, shall have such powers and shall perform such duties as the Board of Directors may from time to time designate.

SECTION 12. Vice Presidents and Assistant Vice Presidents. Any Vice President (including any Executive Vice President or Senior Vice President) and any Assistant Vice President shall have such powers and shall perform such duties as the Board of Directors or the Chief Executive Officer may from time to time designate.

SECTION 13. Treasurer and Assistant Treasurers. The Treasurer shall, subject to the direction of the Board of Directors and except as the Board of Directors or the Chief Executive Officer may otherwise provide, have general charge of the financial affairs of the Corporation and shall cause to be kept accurate books of account. The Treasurer shall have custody of all funds, securities, and valuable documents of the Corporation. He or she shall have such other duties and powers as may be designated from time to time by the Board of Directors or the Chief Executive Officer. Any Assistant Treasurer shall have such powers and perform such duties as the Board of Directors or the Chief Executive Officer may from time to time designate.

SECTION 14. Secretary and Assistant Secretaries. The Secretary shall record all the proceedings of the meetings of the stockholders and the Board of Directors (including committees of the Board of Directors) in books kept for that purpose. In his or her absence from any such meeting, a temporary secretary chosen at the meeting shall record the proceedings thereof. The Secretary shall have charge of the stock ledger (which may, however, be kept by any transfer or other agent of the Corporation). The Secretary shall have custody of the seal of the Corporation, and the Secretary, or an Assistant Secretary shall have authority to affix it to any instrument requiring it, and, when so affixed, the seal may be attested by his or her signature or that of an Assistant Secretary. The Secretary shall have such other duties and powers as may be designated from time to time by the Board of Directors or the Chief Executive Officer. In the absence of the Secretary, any Assistant Secretary may perform his or her duties and responsibilities. Any

Assistant Secretary shall have such powers and perform such duties as the Board of Directors or the Chief Executive Officer may from time to time designate.

SECTION 15. Other Powers and Duties. Subject to these By-laws and to such limitations as the Board of Directors may from time to time prescribe, the officers of the Corporation shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as from time to time may be conferred by the Board of Directors or the Chief Executive Officer.

ARTICLE IV

Capital Stock

SECTION 1. Certificates of Stock. Each stockholder shall be entitled to a certificate of the capital stock of the Corporation in such form as may from time to time be prescribed by the Board of Directors. Such certificate shall be signed by the Chairman of the Board, the President or a Vice President and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary. The Corporation seal and the signatures by the Corporation's officers, the transfer agent or the registrar may be facsimiles. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed on such certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the time of its issue. Every certificate for shares of stock which are subject to any restriction on transfer and every certificate issued when the Corporation is authorized to issue more than one class or series of stock shall contain such legend with respect thereto as is required by law. Notwithstanding anything to the contrary provided in these Bylaws, the Board of Directors of the Corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares (except that the foregoing shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation), and by the approval and adoption of these Bylaws the Board of Directors has determined that all classes or series of the Corporation's stock may be uncertificated, whether upon original issuance, re-issuance, or subsequent transfer.

SECTION 2. Transfers. Subject to any restrictions on transfer and unless otherwise provided by the Board of Directors, shares of stock that are represented by a certificate may be transferred on the books of the Corporation by the surrender to the Corporation or its transfer agent of the certificate theretofore properly endorsed or accompanied by a written assignment or power of attorney properly executed, with transfer stamps (if necessary) affixed, and with such proof of the authenticity of signature as the Corporation or its transfer agent may reasonably require. Shares of stock that are not represented by a certificate may be transferred on the books of the Corporation by submitting to the Corporation or its transfer agent such evidence of transfer and following such other procedures as the Corporation or its transfer agent may require.

SECTION 3. Record Holders. Except as may otherwise be required by law, by the Certificate or by these By-laws, the Corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with respect thereto, regardless of any transfer, pledge or other

disposition of such stock, until the shares have been transferred on the books of the Corporation in accordance with the requirements of these By-laws.

SECTION 4. Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date: (a) in the case of determination of stockholders entitled to vote at any meeting of stockholders, shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting and (b) in the case of any other action, shall not be more than sixty (60) days prior to such other action. If no record date is fixed: (i) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; and (ii) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

SECTION 5. Replacement of Certificates. In case of the alleged loss, destruction or mutilation of a certificate of stock of the Corporation, a duplicate certificate may be issued in place thereof, upon such terms as the Board of Directors may prescribe.

ARTICLE V

Indemnification

SECTION 1. Definitions. For purposes of this Article:

(a) "Corporate Status" describes the status of a person who is serving or has served (i) as a Director of the Corporation, (ii) as an Officer of the Corporation, (iii) as a Non-Officer Employee of the Corporation, or (iv) as a director, partner, trustee, officer, employee or agent of any other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan, foundation, association, organization or other legal entity which such person is or was serving at the request of the Corporation. For purposes of this Section 1(a), a Director, Officer or Non-Officer Employee of the Corporation who is serving or has served as a director, partner, trustee, officer, employee or agent of a Subsidiary shall be deemed to be serving at the request of the Corporation. Notwithstanding the foregoing, "Corporate Status" shall not include the status of a person who is serving or has served as a director, officer, employee or agent of a constituent corporation absorbed in a merger or consolidation transaction with the Corporation with respect to such person's activities prior to said transaction, unless specifically authorized by the Board of Directors or the stockholders of the Corporation;

(b) "Director" means any person who serves or has served the Corporation as a director on the Board of Directors of the Corporation;

(c) "Disinterested Director" means, with respect to each Proceeding in respect of which indemnification is sought hereunder, a Director of the Corporation who is not and was not a party to such Proceeding;

(d) "Expenses" means all attorneys' fees, retainers, court costs, transcript costs, fees of expert witnesses, private investigators and professional advisors (including, without limitation, accountants and investment bankers), travel expenses, duplicating costs, printing and binding costs, costs of preparation of demonstrative evidence and other courtroom presentation aids and devices, costs incurred in connection with document review, organization, imaging and computerization, telephone charges, postage, delivery service fees, and all other disbursements, costs or expenses of the type customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, settling or otherwise participating in, a Proceeding;

(e) "Liabilities" means judgments, damages, liabilities, losses, penalties, excise taxes, fines and amounts paid in settlement;

(f) "Non-Officer Employee" means any person who serves or has served as an employee or agent of the Corporation, but who is not or was not a Director or Officer;

(g) "Officer" means any person who serves or has served the Corporation as an officer of the Corporation appointed by the Board of Directors of the Corporation;

(h) "Proceeding" means any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, inquiry, investigation, administrative hearing or other proceeding, whether civil, criminal, administrative, arbitrative or investigative; and

(i) "Subsidiary" shall mean any corporation, partnership, limited liability company, joint venture, trust or other entity of which the Corporation owns (either directly or through or together with another Subsidiary of the Corporation) either (i) a general partner, managing member or other similar interest or (ii) (A) fifty percent (50%) or more of the voting power of the voting capital equity interests of such corporation, partnership, limited liability company, joint venture or other entity, or (B) fifty percent (50%) or more of the outstanding voting capital stock or other voting equity interests of such corporation, partnership, limited liability company, joint venture or other entity.

SECTION 2. Indemnification of Directors and Officers.

(a) Subject to the operation of Section 4 of this Article V of these By-laws, each Director and Officer shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), and to the extent authorized in this Section 2.

(1) Actions, Suits and Proceedings Other than By or In the Right of the Corporation. Each Director and Officer shall be indemnified and held harmless by the Corporation against any and all Expenses and Liabilities that are incurred or paid by such

Director or Officer or on such Director's or Officer's behalf in connection with any Proceeding or any claim, issue or matter therein (other than an action by or in the right of the Corporation), which such Director or Officer is, or is threatened to be made, a party to or participant in by reason of such Director's or Officer's Corporate Status, if such Director or Officer acted in good faith and in a manner such Director or Officer reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful.

(2) Actions, Suits and Proceedings By or In the Right of the Corporation. Each Director and Officer shall be indemnified and held harmless by the Corporation against any and all Expenses that are incurred by such Director or Officer or on such Director's or Officer's behalf in connection with any Proceeding or any claim, issue or matter therein by or in the right of the Corporation, which such Director or Officer is, or is threatened to be made, a party to or participant in by reason of such Director's or Officer's Corporate Status, if such Director or Officer acted in good faith and in a manner such Director or Officer reasonably believed to be in or not opposed to the best interests of the Corporation; provided, however, that no indemnification shall be made under this Section 2(a)(2) in respect of any claim, issue or matter as to which such Director or Officer shall have been finally adjudged by a court of competent jurisdiction to be liable to the Corporation, unless, and only to the extent that, the Court of Chancery or another court in which such Proceeding was brought shall determine upon application that, despite adjudication of liability, but in view of all the circumstances of the case, such Director or Officer is fairly and reasonably entitled to indemnification for such Expenses that such court deems proper.

(3) Survival of Rights. The rights of indemnification provided by this Section 2 shall continue as to a Director or Officer after he or she has ceased to be a Director or Officer and shall inure to the benefit of his or her heirs, executors, administrators and personal representatives.

(4) Actions by Directors or Officers. Notwithstanding the foregoing, the Corporation shall indemnify any Director or Officer seeking indemnification in connection with a Proceeding initiated by such Director or Officer only if such Proceeding (including any parts of such Proceeding not initiated by such Director or Officer) was authorized in advance by the Board of Directors of the Corporation, unless such Proceeding was brought to enforce such Officer's or Director's rights to indemnification or, in the case of Directors, advancement of Expenses under these By-laws in accordance with the provisions set forth herein.

SECTION 3. Indemnification of Non-Officer Employees. Subject to the operation of Section 4 of this Article V of these By-laws, each Non-Officer Employee may, in the discretion of the Board of Directors of the Corporation, be indemnified by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended, against any or all Expenses and Liabilities that are incurred by such Non-Officer Employee or on such Non-Officer Employee's behalf in connection with any threatened, pending or completed Proceeding, or any claim, issue or matter therein, which such Non-Officer Employee is, or is threatened to be made, a party to or participant in by reason of such Non-Officer Employee's Corporate Status, if such Non-Officer Employee acted in good faith and in a manner such Non-Officer Employee reasonably

believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The rights of indemnification provided by this Section 3 shall exist as to a Non-Officer Employee after he or she has ceased to be a Non-Officer Employee and shall inure to the benefit of his or her heirs, personal representatives, executors and administrators. Notwithstanding the foregoing, the Corporation may indemnify any Non-Officer Employee seeking indemnification in connection with a Proceeding initiated by such Non-Officer Employee only if such Proceeding was authorized in advance by the Board of Directors of the Corporation.

SECTION 4. Determination. Unless ordered by a court, no indemnification shall be provided pursuant to this Article V to a Director, to an Officer or to a Non-Officer Employee unless a determination shall have been made that such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal Proceeding, such person had no reasonable cause to believe his or her conduct was unlawful. Such determination shall be made by (a) a majority vote of the Disinterested Directors, even though less than a quorum of the Board of Directors, (b) a committee comprised of Disinterested Directors, such committee having been designated by a majority vote of the Disinterested Directors (even though less than a quorum), (c) if there are no such Disinterested Directors, or if a majority of Disinterested Directors so directs, by independent legal counsel in a written opinion, or (d) by the stockholders of the Corporation.

SECTION 5. Advancement of Expenses to Directors Prior to Final Disposition.

(a) The Corporation shall advance all Expenses incurred by or on behalf of any Director in connection with any Proceeding in which such Director is involved by reason of such Director's Corporate Status within thirty (30) days after the receipt by the Corporation of a written statement from such Director requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by such Director and shall be preceded or accompanied by an undertaking by or on behalf of such Director to repay any Expenses so advanced if it shall ultimately be determined that such Director is not entitled to be indemnified against such Expenses. Notwithstanding the foregoing, the Corporation shall advance all Expenses incurred by or on behalf of any Director seeking advancement of expenses hereunder in connection with a Proceeding initiated by such Director only if such Proceeding (including any parts of such Proceeding not initiated by such Director) was (i) authorized by the Board of Directors of the Corporation, or (ii) brought to enforce such Director's rights to indemnification or advancement of Expenses under these By-laws.

(b) If a claim for advancement of Expenses hereunder by a Director is not paid in full by the Corporation within thirty (30) days after receipt by the Corporation of documentation of Expenses and the required undertaking, such Director may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and if successful in whole or in part, such Director shall also be entitled to be paid the expenses of prosecuting such claim. The failure of the Corporation (including its Board of Directors or any committee thereof, independent legal counsel, or stockholders) to make a determination concerning the permissibility of such advancement of Expenses under this Article V shall not be a defense to an action brought by a Director for recovery of the unpaid amount of an advancement claim and shall not create a

presumption that such advancement is not permissible. The burden of proving that a Director is not entitled to an advancement of expenses shall be on the Corporation.

(c) In any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that the Director has not met any applicable standard for indemnification set forth in the DGCL.

SECTION 6. Advancement of Expenses to Officers and Non-Officer Employees Prior to Final Disposition.

(a) The Corporation may, at the discretion of the Board of Directors of the Corporation, advance any or all Expenses incurred by or on behalf of any Officer or any Non-Officer Employee in connection with any Proceeding in which such person is involved by reason of his or her Corporate Status as an Officer or Non-Officer Employee upon the receipt by the Corporation of a statement or statements from such Officer or Non-Officer Employee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by such Officer or Non-Officer Employee and shall be preceded or accompanied by an undertaking by or on behalf of such person to repay any Expenses so advanced if it shall ultimately be determined that such Officer or Non-Officer Employee is not entitled to be indemnified against such Expenses.

(b) In any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that the Officer or Non-Officer Employee has not met any applicable standard for indemnification set forth in the DGCL.

SECTION 7. Contractual Nature of Rights.

(a) The provisions of this Article V shall be deemed to be a contract between the Corporation and each Director and Officer entitled to the benefits hereof at any time while this Article V is in effect, in consideration of such person's past or current and any future performance of services for the Corporation. Neither amendment, repeal nor modification of any provision of this Article V nor the adoption of any provision of the Certificate inconsistent with this Article V shall eliminate or reduce any right conferred by this Article V in respect of any act or omission occurring, or any cause of action or claim that accrues or arises or any state of facts existing, at the time of or before such amendment, repeal, modification or adoption of an inconsistent provision (even in the case of a proceeding based on such a state of facts that is commenced after such time), and all rights to indemnification and advancement of Expenses granted herein or arising out of any act or omission shall vest at the time of the act or omission in question, regardless of when or if any proceeding with respect to such act or omission is commenced. The rights to indemnification and to advancement of expenses provided by, or granted pursuant to, this Article V shall continue notwithstanding that the person has ceased to be a director or officer of the Corporation and shall inure to the benefit of the estate, heirs, executors, administrators, legatees and distributes of such person.

(b) If a claim for indemnification hereunder by a Director or Officer is not paid in full by the Corporation within sixty (60) days after receipt by the Corporation of a written claim for indemnification, such Director or Officer may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim, and if successful in whole or in part, such Director or Officer shall also be entitled to be paid the expenses of prosecuting such claim. The failure of the Corporation (including its Board of Directors or any committee thereof, independent legal counsel, or stockholders) to make a determination concerning the permissibility of such indemnification under this Article V shall not be a defense to an action brought by a Director or Officer for recovery of the unpaid amount of an indemnification claim and shall not create a presumption that such indemnification is not permissible. The burden of proving that a Director or Officer is not entitled to indemnification shall be on the Corporation.

(c) In any suit brought by a Director or Officer to enforce a right to indemnification hereunder, it shall be a defense that such Director or Officer has not met any applicable standard for indemnification set forth in the DGCL.

SECTION 8. Non-Exclusivity of Rights. The rights to indemnification and to advancement of Expenses set forth in this Article V shall not be exclusive of any other right which any Director, Officer, or Non-Officer Employee may have or hereafter acquire under any statute, provision of the Certificate or these By-laws, agreement, vote of stockholders or Disinterested Directors or otherwise.

SECTION 9. Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any Director, Officer or Non-Officer Employee against any liability of any character asserted against or incurred by the Corporation or any such Director, Officer or Non-Officer Employee, or arising out of any such person's Corporate Status, whether or not the Corporation would have the power to indemnify such person against such liability under the DGCL or the provisions of this Article V.

SECTION 10. Other Indemnification. The Corporation's obligation, if any, to indemnify or provide advancement of Expenses to any person under this Article V as a result of such person serving, at the request of the Corporation, as a director, partner, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount such person may collect as indemnification or advancement of Expenses from such other corporation, partnership, joint venture, trust, employee benefit plan or enterprise (the "Primary Indemnitor"). Any indemnification or advancement of Expenses under this Article V owed by the Corporation as a result of a person serving, at the request of the Corporation, as a director, partner, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall only be in excess of, and shall be secondary to, the indemnification or advancement of Expenses available from the applicable Primary Indemnitor(s) and any applicable insurance policies.

ARTICLE VI

Miscellaneous Provisions

SECTION 1. Fiscal Year. The fiscal year of the Corporation shall be determined by the Board of Directors.

SECTION 2. Seal. The Board of Directors shall have power to adopt and alter the seal of the Corporation.

SECTION 3. Execution of Instruments. All deeds, leases, transfers, contracts, bonds, notes and other obligations to be entered into by the Corporation in the ordinary course of its business without director action may be executed on behalf of the Corporation by the Chairman of the Board, if one is elected, the President or the Treasurer or any other officer, employee or agent of the Corporation as the Board of Directors or the executive committee of the Board may authorize.

SECTION 4. Voting of Securities. Unless the Board of Directors otherwise provides, the Chairman of the Board, if one is elected, the President or the Treasurer may waive notice of and act on behalf of the Corporation, or appoint another person or persons to act as proxy or attorney in fact for the Corporation with or without discretionary power and/or power of substitution, at any meeting of stockholders or shareholders of any other corporation or organization, any of whose securities are held by the Corporation.

SECTION 5. Resident Agent. The Board of Directors may appoint a resident agent upon whom legal process may be served in any action or proceeding against the Corporation.

SECTION 6. Corporate Records. The original or attested copies of the Certificate, By-laws and records of all meetings of the incorporators, stockholders and the Board of Directors and the stock transfer books, which shall contain the names of all stockholders, their record addresses and the amount of stock held by each, may be kept outside the State of Delaware and shall be kept at the principal office of the Corporation, at an office of its counsel, at an office of its transfer agent or at such other place or places as may be designated from time to time by the Board of Directors.

SECTION 7. Certificate. All references in these By-laws to the Certificate shall be deemed to refer to the Third Amended and Restated Certificate of Incorporation of the Corporation, as amended and/or restated and in effect from time to time.

SECTION 8. Exclusive Jurisdiction of Delaware Courts. Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law or the Certificate or By-laws, or (iv) any action asserting a claim against the Corporation governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Section 8.

SECTION 9. Amendment of By-laws.

(a) Amendment by Directors. Except as provided otherwise by law, these By-laws may be amended or repealed by the Board of Directors by the affirmative vote of a majority of the directors then in office.

(b) Amendment by Stockholders. These By-laws may be amended or repealed at any Annual Meeting, or special meeting of stockholders called for such purpose in accordance with these By-Laws, by the affirmative vote of at least seventy-five percent (75%) of the outstanding shares entitled to vote on such amendment or repeal, voting together as a single class; provided, however, that if the Board of Directors recommends that stockholders approve such amendment or repeal at such meeting of stockholders, such amendment or repeal shall only require the affirmative vote of the majority of the outstanding shares entitled to vote on such amendment or repeal, voting together as a single class. Notwithstanding the foregoing, stockholder approval shall not be required unless mandated by the Certificate, these By-laws, or other applicable law.

SECTION 10. Notices. If mailed, notice to stockholders shall be deemed given when deposited in the mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation. Without limiting the manner by which notice otherwise may be given to stockholders, any notice to stockholders may be given by electronic transmission in the manner provided in Section 232 of the DGCL.

SECTION 11. Waivers. A written waiver of any notice, signed by a stockholder or director, or waiver by electronic transmission by such person, whether given before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such person. Neither the business to be transacted at, nor the purpose of, any meeting need be specified in such a waiver.

Adopted by the Board of Directors on January 13, 2017, approved by the stockholders on January 13, 2017, and effective as of January 26, 2017.

Exhibit 10.2

JOUNCE THERAPEUTICS, INC.

2013 STOCK OPTION AND GRANT PLAN

SECTION 1. GENERAL PURPOSE OF THE PLAN; DEFINITIONS

The name of the plan is the Jounce Therapeutics, Inc. 2013 Stock Option and Grant Plan (the "*Plan*"). The purpose of the Plan is to encourage and enable the officers, employees, directors, Consultants and other key persons of Jounce Therapeutics, Inc., a Delaware corporation (including any successor entity, the "*Company*") and its Subsidiaries, upon whose judgment, initiative and efforts the Company largely depends for the successful conduct of its business, to acquire a proprietary interest in the Company.

The following terms shall be defined as set forth below:

"*Affiliate*" of any Person means a Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with the first mentioned Person. A Person shall be deemed to control another Person if such first Person possesses directly or indirectly the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, by contract or otherwise.

"*Award*" or "*Awards,*" except where referring to a particular category of grant under the Plan, shall include Incentive Stock Options, Non-Qualified Stock Options, Restricted Stock Awards, Unrestricted Stock Awards, Restricted Stock Units or any combination of the foregoing.

"Award Agreement" means a written or electronic agreement setting forth the terms and provisions applicable to an Award granted under the Plan. Each Award Agreement may contain terms and conditions in addition to those set forth in the Plan; *provided, however,* in the event of any conflict in the terms of the Plan and the Award Agreement, the terms of the Plan shall govern.

"*Board*" means the Board of Directors of the Company.

"*Cause*" shall have the meaning as set forth in the Award Agreement(s). In the case that any Award Agreement does not contain a definition of "Cause," it shall mean a determination by the Administrator that the grantee shall be dismissed as a result of (i) any material breach by the grantee of any agreement between the grantee and the Company; (ii) the conviction of, indictment for or plea of nolo contendere by the grantee to a felony or a crime involving moral turpitude; or (iii) any material misconduct or willful and deliberate non-performance (other than by reason of disability) by the grantee of the grantee's duties to the Company.

"Chief Executive Officer" means the Chief Executive Officer of the Company or, if there is no Chief Executive Officer, then the President of the Company.

"*Code*" means the Internal Revenue Code of 1986, as amended, and any successor Code, and related rules, regulations and interpretations.

"*Committee*" means the Committee of the Board referred to in Section 2.

"Consultant" means any natural person that provides bona fide services to the Company (including a Subsidiary), and such services are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities.

"*Disability*" means "disability" as defined in Section 422(c) of the Code.

"*Effective Date*" means the date on which the Plan is adopted as set forth on the final page of the Plan.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

"*Fair Market Value*" of the Stock on any given date means the fair market value of the Stock determined in good faith by the Committee based on the reasonable application of a reasonable valuation method not inconsistent with Section 409A of the Code. If the Stock is admitted to trade on a national securities exchange, the determination shall be made by reference to the closing price reported on such exchange. If there is no closing price for such date, the determination shall be made by reference to the last date preceding such date for which there is a closing price. If the date for which Fair Market Value is determined is the first day when trading prices for the Stock are reported on a national securities exchange, the Fair Market Value shall be the "Price to the Public" (or equivalent) set forth on the cover page for the final prospectus relating to the Company's Initial Public Offering.

"Good Reason" shall have the meaning as set forth in the Award Agreement(s). In the case that any Award Agreement does not contain a definition of "Good Reason," it shall mean (i) a material diminution in the grantee's base salary except for across-the-board salary reductions similarly affecting all or substantially all similarly situated employees of the Company or (ii) a change of more than 50 miles in the geographic location at which the grantee provides services to the Company, so long as the grantee provides at least ninety (90) days notice to the Company following the initial occurrence of any such event and the Company fails to cure such event within thirty (30) days thereafter.

"*Grant Date"* means the date that the Committee designates in its approval of an Award in accordance with applicable law as the date on which the Award is granted, which date may not precede the date of such Committee approval.

"Holder" means, with respect to an Award or any Shares, the Person holding such Award or Shares, including the initial recipient of the Award or any Permitted Transferee.

"*Incentive Stock Option*" means any Stock Option designated and qualified as an "incentive stock option" as defined in Section 422 of the Code.

"*Initial Public Offering*" means the consummation of the first firm commitment underwritten public offering pursuant to an effective registration statement under the Securities Act covering the offer and sale by the Company of its equity securities, as a result of or following which the Stock shall be publicly held.

"*Non-Qualified Stock Option*" means any Stock Option that is not an Incentive Stock Option.

"*Option*" or "*Stock Option*" means any option to purchase shares of Stock granted pursuant to Section 5.

"*Permitted Transferees*" shall mean any of the following to whom a Holder may transfer Shares hereunder (as set forth in Section 9(a)(ii)(A)): the Holder's child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the Holder's household (other than a tenant or employee), a trust in which these persons have more than fifty percent of the beneficial interest, a foundation in which these persons control the management of assets, and any other entity in which these persons own more than fifty percent of the voting interests*; provided, however,* that any such trust does not require or permit distribution of any Shares during the term of the Award Agreement unless subject to its terms. Upon the death of the Holder, the term Permitted Transferees shall also include such deceased Holder's estate, executors, administrators, personal representatives, heirs, legatees and distributees, as the case may be.

"*Person*" shall mean any individual, corporation, partnership (limited or general), limited liability company, limited liability partnership, association, trust, joint venture, unincorporated organization or any similar entity.

"Restricted Stock Award" means Awards granted pursuant to Section 6 and *"Restricted Stock"* means Shares issued pursuant to such Awards.

"Restricted Stock Unit" means an Award of phantom stock units to a grantee, which may be settled in cash or Shares as determined by the Committee, pursuant to Section 8.

"*Sale Event"* means the consummation of (i) the dissolution or liquidation of the Company, (ii) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (iii) a merger, reorganization or consolidation pursuant to which the holders of the Company's outstanding voting power immediately prior to such transaction do not own a majority of the outstanding voting power of the surviving or resulting entity (or its ultimate parent, if applicable), (iv) the acquisition of all or a majority of the outstanding voting stock of the Company in a single transaction or a series of related transactions by a Person or group of Persons, (v) a Deemed Liquidation Event (as defined in the Company's Certificate of Incorporation (as may be amended, restated or otherwise modified from time to time)), or (vi) any other acquisition of the business of the Company, as determined by the Board; *provided, however,* that the Company's Initial Public Offering, any subsequent public offering or another capital raising event, or a merger effected solely to change the Company's domicile shall not constitute a "Sale Event."

"Section 409A" means Section 409A of the Code and the regulations and other guidance promulgated thereunder.

"*Securities Act*" means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

"Service Relationship" means any relationship as a full-time employee, part-time employee, director or other key person (including Consultants) of the Company or any Subsidiary or any successor entity (e.g., a Service Relationship shall be deemed to continue without interruption in the event an individual's status changes from full-time employee to part-time employee or Consultant).

"Shares" means shares of Stock.

"*Stock*" means the Common Stock, par value $0.001 per share, of the Company.

"*Subsidiary*" means any corporation or other entity (other than the Company) in which the Company has more than a 50 percent interest, either directly or indirectly.

"Ten Percent Owner" means an employee who owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than 10 percent of the combined voting power of all classes of stock of the Company or any parent of the Company or any Subsidiary.

"Termination Event" means the termination of the Award recipient's Service Relationship with the Company and its Subsidiaries for any reason whatsoever, regardless of the circumstances thereof, and including, without limitation, upon death, disability, retirement, discharge or resignation for any reason, whether voluntarily or involuntarily. The following shall not constitute a Termination Event: (i) a transfer to the service of the Company from a Subsidiary or from the Company to a Subsidiary, or from one Subsidiary to another Subsidiary or (ii) an approved leave of absence for military service or sickness, or for any other purpose approved by the Committee, if the individual's right to re-employment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Committee otherwise so provides in writing.

"*Unrestricted Stock Award"* means any Award granted pursuant to Section 7 and *"Unrestricted Stock"* means Shares issued pursuant to such Awards.

SECTION 2. ADMINISTRATION OF PLAN; COMMITTEE AUTHORITY TO SELECT GRANTEES AND DETERMINE AWARDS

(a) Administration of Plan. The Plan shall be administered by the Board, or at the discretion of the Board, by a committee of the Board, comprised of not less than two (2) directors. All references herein to the "Committee" shall be deemed to refer to the group then responsible for administration of the Plan at the relevant time (i.e., either the Board of Directors or a committee or committees of the Board, as applicable).

(b) Powers of Committee. The Committee shall have the power and authority to grant Awards consistent with the terms of the Plan, including the power and authority:

(i) to select the individuals to whom Awards may from time to time be granted;

(ii) to determine the time or times of grant, and the amount, if any, of Incentive Stock Options, Non-Qualified Stock Options, Restricted Stock Awards, Unrestricted Stock Awards, Restricted Stock Units, or any combination of the foregoing, granted to any one or more grantees;

(iii) to determine the number of Shares to be covered by any Award and, subject to the provisions of the Plan, the price, exercise price, conversion ratio or other price relating thereto;

(iv) to determine and, subject to Section 12, to modify from time to time the terms and conditions, including restrictions, not inconsistent with the terms of the Plan, of any Award, which terms and conditions may differ among individual Awards and grantees, and to approve the form of Award Agreements;

(v) to accelerate at any time the exercisability or vesting of all or any portion of any Award;

(vi) to impose any limitations on Awards, including limitations on transfers, repurchase provisions and the like, and to exercise repurchase rights or obligations;

(vii) subject to Section 5(a)(ii) and any restrictions imposed by Section 409A, to extend at any time the period in which Stock Options may be exercised; and

(viii) at any time to adopt, alter and repeal such rules, guidelines and practices for administration of the Plan and for its own acts and proceedings as it shall deem advisable; to interpret the terms and provisions of the Plan and any Award (including Award Agreements); to make all determinations it deems advisable for the administration of the Plan; to decide all disputes arising in connection with the Plan; and to otherwise supervise the administration of the Plan.

All decisions and interpretations of the Committee shall be binding on all persons, including the Company and all Holders.

(c) Delegation of Authority to Grant Options. Subject to applicable law, the Committee, in its discretion, may delegate to the Chief Executive Officer of the Company the power to designate non-officer employees to be recipients of Options, and to determine the number of such Options to be received by such employees; provided, however, that the resolution so authorizing the Chief Executive Officer shall specify the total number of Options the Chief Executive Officer may so award and may not delegate to the Chief Executive Officer the authority to set the exercise price or the vesting terms of such Options. Any such delegation by the Committee shall also provide that the Chief Executive Officer may not grant Awards to himself or herself (or other officers) without the approval of the Committee. The Committee may revoke or amend the terms of a delegation at any time but such action shall not invalidate any prior actions of the Committee's delegate or delegates that were consistent with the terms of the Plan.

(d) Award Agreement. Awards under the Plan shall be evidenced by Award Agreements that set forth the terms, conditions and limitations for each Award.

(e) Indemnification. Neither the Board nor the Committee, nor any member of either or any delegate thereof, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with the Plan, and the members of the Board and the Committee (and any delegate thereof) shall be entitled in all cases to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including, without limitation, reasonable attorneys' fees) arising or resulting therefrom to the fullest extent permitted by law and/or under the Company's governing documents, including its certificate of incorporation or bylaws (each, as may be amended, restated, or otherwise modified from time to time), or any directors' and officers' liability insurance coverage which may be in effect from time to time and/or any indemnification agreement between such individual and the Company.

(f) Foreign Award Recipients. Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in other countries in which the Company and any Subsidiary operate or have employees or other individuals eligible for Awards, the Committee, in its sole discretion, shall have the power and authority to: (i) determine which Subsidiaries, if any, shall be covered by the Plan; (ii) determine which individuals, if any, outside the United States are eligible to participate in the Plan; (iii) modify the terms and conditions of any Award granted to individuals outside the United States to comply with applicable foreign laws; (iv) establish subplans and modify exercise procedures and other terms and procedures, to the extent the Committee determines such actions to be necessary or advisable (and such subplans and/or modifications shall be attached to the Plan as appendices); provided, however, that no such subplans and/or modifications shall increase the share limitation contained in Section 3(a) hereof; and (v) take any action, before or after an Award is made, that the Committee determines to be necessary or advisable to obtain approval or comply with any local governmental regulatory exemptions or approvals.

SECTION 3. STOCK ISSUABLE UNDER THE PLAN; MERGERS AND OTHER TRANSACTIONS; SUBSTITUTION

(a) Stock Issuable. The maximum number of Shares reserved and available for issuance under the Plan shall be 7,500,000 Shares, subject to adjustment as provided in Section 3(b). For purposes of this limitation, the Shares underlying any Awards that are forfeited, canceled, reacquired by the Company prior to vesting, satisfied without the issuance of Stock or otherwise terminated (other than by exercise) and Shares that are withheld upon exercise of an Option or settlement of an Award to cover the exercise price or tax withholding shall be added back to the Shares available for issuance under the Plan. Subject to such overall limitations, Shares may be issued up to such maximum number pursuant to any type or types of Award, and no more than 75,000,000 Shares may be issued pursuant to Incentive Stock Options. The Shares available for issuance under the Plan may be authorized but unissued Shares or Shares reacquired by the Company. Beginning on the date that the Company becomes subject to Section 162(m) of the Code, Options with respect to no more than 7,5000,000 Shares shall be granted to any one individual in any calendar year period.

(b) Changes in Stock. Subject to Section 3(c) hereof, if, as a result of any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Company's capital stock, the outstanding Shares are increased or decreased or are exchanged for a different number or kind of shares or other securities of the Company, or additional Shares or new or different shares or other securities of the Company or other non-cash assets are distributed with respect to such Shares or other securities, in each case, without the receipt of consideration by the Company, or, if, as a result of any merger or consolidation, or sale of all or substantially all of the assets of the Company, the outstanding Shares are converted into or exchanged for other securities of the Company or any successor entity (or a parent or subsidiary thereof), the Committee shall make an appropriate and proportionate adjustment in (i) the maximum number of Shares reserved for issuance under the Plan, (ii) the number and kind of Shares or other securities subject to any then outstanding Awards under the Plan, (iii) the repurchase price, if any, per Share subject to each outstanding Award, and (iv) the exercise price for each Share subject to any then outstanding Stock Options under the Plan, without changing the aggregate exercise price (i.e., the per share exercise price multiplied by the number of shares underlying such Stock Options) as to which such Stock Options remain exercisable. The adjustment by the Committee shall be final, binding and conclusive. No fractional Shares shall be issued under the Plan resulting from any such adjustment, but the Committee in its discretion may make a cash payment in lieu of fractional shares.

(c) Sale Events.

(i) Options.

(A) In the case of and subject to the consummation of a Sale Event, the Plan and all outstanding Options issued hereunder shall terminate upon the effective time of any such Sale Event unless assumed or continued by the successor entity, or new stock options or other awards of the successor entity or parent thereof are substituted therefor, with an equitable or proportionate adjustment as to the number and kind of shares and, if appropriate, the per share exercise prices, as such parties shall agree (after taking into account any acceleration hereunder and/or pursuant to the terms of any Award Agreement).

(B) In the event of the termination of the Plan and all outstanding Options issued hereunder pursuant to Section 3(c), each Holder of Options shall be permitted, within a period of time prior to the consummation of the Sale Event as specified by the Committee, to exercise all such Options which are then exercisable or will become exercisable as of the effective time of the Sale Event; *provided, however*, that the exercise of Options not exercisable prior to the Sale Event shall be subject to the consummation of the Sale Event.

(C) Notwithstanding anything to the contrary in Section 3(c)(i)(A), in the event of a Sale Event, the Company shall have the right, but not the obligation, to make or provide for a cash payment to the Holders of Options, without any consent of the Holders, in exchange for the cancellation thereof, in an amount equal to the difference between (A) the value as determined by the Committee of the consideration payable per

share of Stock pursuant to the Sale Event (the "*Sale Price*") times the number of Shares subject to outstanding Options being cancelled (to the extent then vested and exercisable, including by reason of acceleration in connection with such Sale Event, at prices not in excess of the Sale Price) and (B) the aggregate exercise price of all such outstanding vested and exercisable Options.

(ii) Restricted Stock and Restricted Stock Unit Awards.

(A) In the case of and subject to the consummation of a Sale Event, all Restricted Stock and unvested Restricted Stock Unit Awards (other than those becoming vested as a result of the Sale Event) issued hereunder shall be forfeited immediately prior to the effective time of any such Sale Event unless assumed or continued by the successor entity, or awards of the successor entity or parent thereof are substituted therefor, with an equitable or proportionate adjustment as to the number and kind of shares subject to such awards as such parties shall agree (after taking into account any acceleration hereunder and/or pursuant to the terms of any Award Agreement).

(B) In the event of the forfeiture of Restricted Stock pursuant to Section 3(c)(ii)(A), such Restricted Stock shall be repurchased from the Holder thereof at a price per share equal to the lower of the original per share purchase price paid by the Holder (subject to adjustment as provided in Section 3(b)) or the current Fair Market Value of such Shares, determined immediately prior to the effective time of the Sale Event.

(C) Notwithstanding anything to the contrary in Section 3(c)(ii)(A), in the event of a Sale Event, the Company shall have the right, but not the obligation, to make or provide for a cash payment to the Holders of Restricted Stock or Restricted Stock Unit Awards, without consent of the Holders, in exchange for the cancellation thereof, in an amount equal to the Sale Price times the number of Shares subject to such Awards, to be paid at the time of such Sale Event or upon the later vesting of such Awards.

SECTION 4. ELIGIBILITY

Grantees under the Plan will be such full or part-time officers and other employees, directors, Consultants and key persons of the Company and any Subsidiary who are selected from time to time by the Committee in its sole discretion; provided, however, that Awards shall be granted only to those individuals described in Rule 701(c) of the Securities Act.

SECTION 5. STOCK OPTIONS

Upon the grant of a Stock Option, the Company and the grantee shall enter into an Award Agreement. The terms and conditions of each such Award Agreement shall be determined by the Committee, and such terms and conditions may differ among individual Awards and grantees.

Stock Options granted under the Plan may be either Incentive Stock Options or Non-Qualified Stock Options. Incentive Stock Options may be granted only to employees of the

Company or any Subsidiary that is a "subsidiary corporation" within the meaning of Section 424(f) of the Code. To the extent that any Option does not qualify as an Incentive Stock Option, it shall be deemed a Non-Qualified Stock Option.

(a) Terms of Stock Options. The Committee in its discretion may grant Stock Options to those individuals who meet the eligibility requirements of Section 4. Stock Options shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee shall deem desirable.

(i) Exercise Price. The exercise price per share for the Shares covered by a Stock Option shall be determined by the Committee at the time of grant but shall not be less than 100 percent of the Fair Market Value on the Grant Date. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the exercise price per share for the Shares covered by such Incentive Stock Option shall not be less than 110 percent of the Fair Market Value on the Grant Date.

(ii) Option Term. The term of each Stock Option shall be fixed by the Committee, but no Stock Option shall be exercisable more than ten (10) years from the Grant Date. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the term of such Stock Option shall be no more than five (5) years from the Grant Date.

(iii) Exercisability; Rights of a Stockholder. Stock Options shall become exercisable and/or vested at such time or times, whether or not in installments, as shall be determined by the Committee at or after the Grant Date. The Award Agreement may permit a grantee to exercise all or a portion of a Stock Option immediately at grant; provided that the Shares issued upon such exercise shall be subject to restrictions and a vesting schedule identical to the vesting schedule of the related Stock Option, such Shares shall be deemed to be Restricted Stock for purposes of the Plan, and the optionee may be required to enter into an additional or new Award Agreement as a condition to exercise of such Stock Option. An optionee shall have the rights of a stockholder only as to Shares acquired upon the exercise of a Stock Option and not as to unexercised Stock Options. An optionee shall not be deemed to have acquired any Shares unless and until a Stock Option shall have been exercised pursuant to the terms of the Award Agreement and this Plan and the optionee's name has been entered on the books of the Company as a stockholder.

(iv) Method of Exercise. Stock Options may be exercised by an optionee in whole or in part, by the optionee giving written or electronic notice of exercise to the Company, specifying the number of Shares to be purchased. Payment of the purchase price may be made by one or more of the following methods (or any combination thereof) to the extent provided in the Award Agreement:

(A) In cash, by certified or bank check, by wire transfer of immediately available funds, or other instrument acceptable to the Committee;

(B) If permitted by the Committee, by the optionee delivering to the Company a promissory note, if the Board has expressly authorized the loan of funds to the optionee for the purpose of enabling or assisting the optionee to effect the exercise of

his or her Stock Option; provided, that at least so much of the exercise price as represents the par value of the Stock shall be paid in cash if required by state law;

(C) If permitted by the Committee and the Initial Public Offering has occurred (or the Stock otherwise becomes publicly-traded), through the delivery (or attestation to the ownership) of Shares that have been purchased by the optionee on the open market or that are beneficially owned by the optionee and are not then subject to restrictions under any Company plan. To the extent required to avoid variable accounting treatment under ASC 718 or other applicable accounting rules, such surrendered Shares if originally purchased from the Company shall have been owned by the optionee for at least six (6) months. Such surrendered Shares shall be valued at Fair Market Value on the exercise date;

(D) If permitted by the Committee and the Initial Public Offering has occurred (or the Stock otherwise becomes publicly-traded), by the optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company for the purchase price; provided that in the event the optionee chooses to pay the purchase price as so provided, the optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Committee shall prescribe as a condition of such payment procedure; or

(E) If permitted by the Committee, and only with respect to Stock Options that are not Incentive Stock Options, by a "net exercise" arrangement pursuant to which the Company will reduce the number of Shares issuable upon exercise by the largest whole number of Shares with a Fair Market Value that does not exceed the aggregate exercise price.

Payment instruments will be received subject to collection. No certificates for Shares so purchased will be issued to the optionee or, with respect to uncertificated Stock, no transfer to the optionee on the records of the Company will take place, until the Company has completed all steps it has deemed necessary to satisfy legal requirements relating to the issuance and sale of the Shares, which steps may include, without limitation, (i) receipt of a representation from the optionee at the time of exercise of the Option that the optionee is purchasing the Shares for the optionee's own account and not with a view to any sale or distribution of the Shares or other representations relating to compliance with applicable law governing the issuance of securities, (ii) the legending of the certificate (or notation on any book entry) representing the Shares to evidence the foregoing restrictions, (iii) obtaining from optionee payment or provision for all withholding taxes due as a result of the exercise of the Option, and (iv) if required by the Company, the optionee's execution and delivery of any stockholders' agreements or other agreements with the Company and/or certain other stockholders of the Company relating to shares of the Stock. The delivery of certificates representing the shares of Stock (or the transfer to the optionee on the records of the Company with respect to uncertificated Stock) to be purchased pursuant to the exercise of a Stock Option will be contingent upon (A) receipt from the optionee (or a purchaser acting in his or her stead in accordance with the provisions of the Stock Option) by the Company of the full purchase price for such Shares and the fulfillment of any other requirements contained in the Award Agreement or applicable provisions of laws and

(B) if required by the Company, the optionee shall have entered into any stockholders agreements or other agreements with the Company and/or certain other of the Company's stockholders relating to the Stock. In the event an optionee chooses to pay the purchase price by previously-owned Shares through the attestation method, the number of Shares transferred to the optionee upon the exercise of the Stock Option shall be net of the number of Shares attested to.

(b) Annual Limit on Incentive Stock Options. To the extent required for "incentive stock option" treatment under Section 422 of the Code, the aggregate Fair Market Value (determined as of the Grant Date) of the Shares with respect to which Incentive Stock Options granted under the Plan and any other plan of the Company or its parent and any Subsidiary that become exercisable for the first time by an optionee during any calendar year shall not exceed $100,000 or such other limit as may be in effect from time to time under Section 422 of the Code. To the extent that any Stock Option exceeds this limit, it shall constitute a Non-Qualified Stock Option.

(c) Termination. Any portion of a Stock Option that is not vested and exercisable on the date of termination of an optionee's Service Relationship shall immediately expire and be null and void. Once any portion of the Stock Option becomes vested and exercisable, the optionee's right to exercise such portion of the Stock Option (or the optionee's representatives and legatees as applicable) in the event of a termination of the optionee's Service Relationship shall continue until the earliest of: (i) the date which is: (A) twelve (12) months following the date on which the optionee's Service Relationship terminates due to death or Disability (or such longer period of time as determined by the Committee and set forth in the applicable Award Agreement), or (B) three (3) months following the date on which the optionee's Service Relationship terminates if the termination is due to any reason other than death or Disability (or such longer period of time as determined by the Committee and set forth in the applicable Award Agreement), or (ii) the Expiration Date set forth in the Award Agreement; provided that notwithstanding the foregoing, an Award Agreement may provide that if the optionee's Service Relationship is terminated for Cause, the Stock Option shall terminate immediately and be null and void upon the date of the optionee's termination and shall not thereafter be exercisable.

SECTION 6. RESTRICTED STOCK AWARDS

(a) Nature of Restricted Stock Awards. The Committee may, in its sole discretion, grant (or sell at par value or such other purchase price determined by the Committee) to an eligible individual under Section 4 hereof a Restricted Stock Award under the Plan. The Committee shall determine the restrictions and conditions applicable to each Restricted Stock Award at the time of grant. Conditions may be based on continuing employment (or other Service Relationship), achievement of pre-established performance goals and objectives and/or such other criteria as the Committee may determine. Upon the grant of a Restricted Stock Award, the Company and the grantee shall enter into an Award Agreement. The terms and conditions of each such Award Agreement shall be determined by the Committee, and such terms and conditions may differ among individual Awards and grantees.

(b) Rights as a Stockholder. Upon the grant of the Restricted Stock Award and payment of any applicable purchase price, a grantee of Restricted Stock shall be considered the record owner of and shall be entitled to vote the Restricted Stock if, and to the extent, such

Shares are entitled to voting rights, subject to such conditions contained in the Award Agreement. The grantee shall be entitled to receive all dividends and any other distributions declared on the Shares; provided, however, that the Company is under no duty to declare any such dividends or to make any such distribution. Unless the Committee shall otherwise determine, certificates evidencing the Restricted Stock shall remain in the possession of the Company until such Restricted Stock is vested as provided in subsection (d) below of this Section, and the grantee shall be required, as a condition of the grant, to deliver to the Company a stock power endorsed in blank and such other instruments of transfer as the Committee may prescribe.

(c) Restrictions. Restricted Stock may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as specifically provided herein or in the Award Agreement. Except as may otherwise be provided by the Committee either in the Award Agreement or, subject to Section 12 below, in writing after the Award Agreement is issued, if a grantee's Service Relationship with the Company and any Subsidiary terminates, the Company or its assigns shall have the right, as may be specified in the relevant instrument, to repurchase some or all of the Shares subject to the Award at such purchase price as is set forth in the Award Agreement.

(d) Vesting of Restricted Stock. The Committee at the time of grant shall specify in the Award Agreement the date or dates and/or the attainment of pre-established performance goals, objectives and other conditions on which the substantial risk of forfeiture imposed shall lapse and the Restricted Stock shall become vested, subject to such further rights of the Company or its assigns as may be specified in the Award Agreement.

SECTION 7. UNRESTRICTED STOCK AWARDS

The Committee may, in its sole discretion, grant (or sell at par value or such other purchase price determined by the Committee) to an eligible person under Section 4 hereof an Unrestricted Stock Award under the Plan. Unrestricted Stock Awards may be granted in respect of past services or other valid consideration, or in lieu of cash compensation due to such grantee.

SECTION 8. RESTRICTED STOCK UNITS

(a) Nature of Restricted Stock Units. The Committee may, in its sole discretion, grant to an eligible person under Section 4 hereof Restricted Stock Units under the Plan. The Committee shall determine the restrictions and conditions applicable to each Restricted Stock Unit at the time of grant. Vesting conditions may be based on continuing employment (or other Service Relationship), achievement of pre-established performance goals and objectives and/or other such criteria as the Committee may determine. Upon the grant of Restricted Stock Units, the grantee and the Company shall enter into an Award Agreement. The terms and conditions of each such Award Agreement shall be determined by the Committee and may differ among individual Awards and grantees. On or promptly following the vesting date or dates applicable to any Restricted Stock Unit, but in no event later than March 15 of the year following the year in which such vesting occurs, such Restricted Stock Unit(s) shall be settled in the form of cash or shares of Stock, as specified in the Award Agreement. Restricted Stock Units may not be sold, assigned, transferred, pledged, or otherwise encumbered or disposed of.

(b) Rights as a Stockholder. A grantee shall have the rights of a stockholder only as to Shares, if any, acquired upon settlement of Restricted Stock Units. A grantee shall not be deemed to have acquired any such Shares unless and until the Restricted Stock Units shall have been settled in Shares pursuant to the terms of the Plan and the Award Agreement, the Company shall have issued and delivered a certificate representing the Shares to the grantee (or transferred on the records of the Company with respect to uncertificated stock), and the grantee's name has been entered in the books of the Company as a stockholder.

(c) Termination. Except as may otherwise be provided by the Committee either in the Award Agreement or in writing after the Award Agreement is issued, a grantee's right in all Restricted Stock Units that have not vested shall automatically terminate upon the grantee's cessation of Service Relationship with the Company and any Subsidiary for any reason.

SECTION 9. TRANSFER RESTRICTIONS; COMPANY RIGHT OF FIRST REFUSAL; COMPANY REPURCHASE RIGHTS

(a) Restrictions on Transfer.

(i) Non-Transferability of Stock Options. Stock Options and, prior to exercise, the Shares issuable upon exercise of such Stock Option, shall not be transferable by the optionee otherwise than by will, or by the laws of descent and distribution, and all Stock Options shall be exercisable, during the optionee's lifetime, only by the optionee, or by the optionee's legal representative or guardian in the event of the optionee's incapacity. Notwithstanding the foregoing, the Committee, in its sole discretion, may provide in the Award Agreement regarding a given Stock Option that the optionee may transfer by gift, without consideration for the transfer, his or her Non-Qualified Stock Options to his or her family members (as defined in Rule 701 of the Securities Act), to trusts for the benefit of such family members, or to partnerships in which such family members are the only partners (to the extent such trusts or partnerships are considered "family members" for purposes of Rule 701 of the Securities Act), provided that the transferee agrees in writing with the Company to be bound by all of the terms and conditions of this Plan and the applicable Award Agreement, including the execution of a stock power upon the issuance of Shares. Stock Options, and the Shares issuable upon exercise of such Stock Options, shall be restricted as to any pledge, hypothecation, or other transfer, including any short position, any "put equivalent position" (as defined in the Exchange Act) or any "call equivalent position" (as defined in the Exchange Act) prior to exercise.

(ii) Shares. No Shares shall be sold, assigned, transferred, pledged, hypothecated, given away or in any other manner disposed of or encumbered, whether voluntarily or by operation of law, unless (i) the transfer is in compliance with the terms of the applicable Award Agreement, all applicable securities laws (including, without limitation, the Securities Act), and with the terms and conditions of this Section 9, (ii) the transfer does not cause the Company to become subject to the reporting requirements of the Exchange Act, and (iii) the transferee consents in writing to be bound by the provisions of the Plan and the Award Agreement, including this Section 9. In connection with any proposed transfer, the Committee may require the transferor to provide at the transferor's own expense an opinion of counsel to the transferor, satisfactory to the Committee, that such transfer is in compliance with all foreign, federal and state securities laws (including, without limitation, the Securities Act). Any

attempted transfer of Shares not in accordance with the terms and conditions of this Section 9 shall be null and void, and the Company shall not reflect on its records any change in record ownership of any Shares as a result of any such transfer, shall otherwise refuse to recognize any such transfer and shall not in any way give effect to any such transfer of Shares. The Company shall be entitled to seek protective orders, injunctive relief and other remedies available at law or in equity including, without limitation, seeking specific performance or the rescission of any transfer not made in strict compliance with the provisions of this Section 9. Subject to the foregoing general provisions, and unless otherwise provided in the applicable Award Agreement, Shares may be transferred pursuant to the following specific terms and conditions (provided that with respect to any transfer of Restricted Stock, all vesting and forfeiture provisions shall continue to apply with respect to the original recipient):

(A) Transfers to Permitted Transferees. The Holder may transfer any or all of the Shares to one or more Permitted Transferees; *provided, however*, that following such transfer, such Shares shall continue to be subject to the terms of this Plan (including this Section 9) and such Permitted Transferee(s) shall, as a condition to any such transfer, deliver a written acknowledgment to that effect to the Company and shall deliver a stock power to the Company with respect to the Shares. Notwithstanding the foregoing, the Holder may not transfer any of the Shares to a Person whom the Company reasonably determines is a direct competitor or a potential competitor of the Company or any of its Subsidiaries.

(B) Transfers Upon Death. Upon the death of the Holder, any Shares then held by the Holder at the time of such death and any Shares acquired after the Holder's death by the Holder's legal representative shall be subject to the provisions of this Plan, and the Holder's estate, executors, administrators, personal representatives, heirs, legatees and distributees shall be obligated to convey such Shares to the Company or its assigns under the terms contemplated by the Plan and the Award Agreement.

(b) Right of First Refusal. In the event that a Holder desires at any time to sell or otherwise transfer all or any part of his or her Shares (other than shares of Restricted Stock which by their terms are not transferrable), the Holder first shall give written notice to the Company of the Holder's intention to make such transfer. Such notice shall state the number of Shares that the Holder proposes to sell (the "*Offered Shares*"), the price and the terms at which the proposed sale is to be made and the name and address of the proposed transferee. At any time within thirty (30) days after the receipt of such notice by the Company, the Company or its assigns may elect to purchase all or any portion of the Offered Shares at the price and on the terms offered by the proposed transferee and specified in the notice. The Company or its assigns shall exercise this right by mailing or delivering written notice to the Holder within the foregoing thirty (30) day period. If the Company or its assigns elect to exercise its purchase rights under this Section 9(b), the closing for such purchase shall, in any event, take place within forty-five (45) days after the receipt by the Company of the initial notice from the Holder. In the event that the Company or its assigns do not elect to exercise such purchase right, or in the event that the Company or its assigns do not pay the full purchase price within such forty-five (45) day period, the Holder may, within sixty (60) days thereafter, sell the Offered Shares to the proposed transferee and at the same price and on the same terms as specified in the Holder's notice. Any Shares not sold to the proposed transferee shall remain subject to the Plan. If the Holder is a

party to any stockholders agreements or other agreements with the Company and/or certain other of the Company's stockholders relating to the Shares, (i) the transferring Holder shall comply with the requirements of such stockholders agreements or other agreements relating to any proposed transfer of the Offered Shares, and (ii) any proposed transferee that purchases Offered Shares shall enter into such stockholders agreements or other agreements with the Company and/or certain of the Company's stockholders relating to the Offered Shares on the same terms and in the same capacity as the transferring Holder.

(c) Company's Right of Repurchase.

(i) Right of Repurchase for Unvested Shares Issued Upon the Exercise of an Option. Upon a Termination Event, the Company or its assigns shall have the right and option to repurchase from a Holder of Shares acquired upon exercise of a Stock Option which are still subject to a risk of forfeiture as of the Termination Event. Such repurchase rights may be exercised by the Company within the later of (A) six (6) months following the date of such Termination Event or (B) seven (7) months after the acquisition of Shares upon exercise of a Stock Option. The repurchase price shall be equal to the lower of the original per share price paid by the Holder, subject to adjustment as provided in Section 3(b) of the Plan, or the current Fair Market Value of such Shares as of the date the Company elects to exercise its repurchase rights.

(ii) Right of Repurchase With Respect to Restricted Stock. Upon a Termination Event, the Company or its assigns shall have the right and option to repurchase from a Holder of Shares received pursuant to a Restricted Stock Award any Shares that are still subject to a risk of forfeiture as of the Termination Event. Such repurchase right may be exercised by the Company within six (6) months following the date of such Termination Event. The repurchase price shall be the lower of the original per share purchase price paid by the Holder, subject to adjustment as provided in Section 3(b) of the Plan, or the current Fair Market Value of such Shares as of the date the Company elects to exercise its repurchase rights.

(iii) Procedure. Any repurchase right of the Company shall be exercised by the Company or its assigns by giving the Holder written notice on or before the last day of the repurchase period of its intention to exercise such repurchase right. Upon such notification, the Holder shall promptly surrender to the Company, free and clear of any liens or encumbrances, any certificates representing the Shares being purchased, together with a duly executed stock power for the transfer of such Shares to the Company or the Company's assignee or assignees. Upon the Company's or its assignee's receipt of the certificates from the Holder, the Company or its assignee or assignees shall deliver to him, her or them a check for the applicable repurchase price; *provided, however*, that the Company may pay the repurchase price by offsetting and canceling any indebtedness then owed by the Holder to the Company.

(d) Drag Along Right. In the event the holders of a majority of the Company's equity securities then outstanding (the "*Majority Shareholders*") determine to enter into a Sale Event in a bona fide negotiated transaction (a "*Sale*"), with any non-Affiliate of the Company or any majority shareholder (in each case, the "*Buyer*"), a Holder of Shares, including any Permitted Transferee, shall be obligated to and shall upon the written request of the Majority Shareholders: (a) sell, transfer and deliver, or cause to be sold, transferred and delivered, to the Buyer, his or

her Shares (including for this purpose all of such Holder's Shares that presently or as a result of any such transaction may be acquired upon the exercise of an Option (following the payment of the exercise price therefor)) on substantially the same terms applicable to the Majority Shareholders (with appropriate adjustments to reflect the conversion of convertible securities, the redemption of redeemable securities and the exercise of exercisable securities as well as the relative preferences and priorities of preferred stock); and (b) execute and deliver such instruments of conveyance and transfer and take such other action, including voting such Shares in favor of any Sale proposed by the Majority Shareholders and executing any purchase agreements, merger agreements, indemnity agreements, escrow agreements or related documents as the Majority Shareholders or the Buyer may reasonably require in order to carry out the terms and provisions of this Section 9(d).

(e) Escrow Arrangement.

(i) Escrow. In order to carry out the provisions of this Section 9 of this Plan more effectively, the Company shall hold any Shares issued pursuant to Awards granted under the Plan in escrow together with separate stock powers executed by the Holder in blank for transfer. The Company shall not dispose of the Shares except as otherwise provided in this Plan. In the event of any repurchase by the Company (or any of its assigns), the Company is hereby authorized by the Holder, as the Holder's attorney-in-fact, to date and complete the stock powers necessary for the transfer of the Shares being purchased and to transfer such Shares in accordance with the terms hereof. At such time as any Shares are no longer subject to the Company's repurchase and first refusal rights, the Company shall, at the written request of the Holder, deliver to the Holder a certificate representing such Shares with the balance of the Shares to be held in escrow pursuant to this Section.

(ii) Remedy. Without limitation of any other provision of this Plan or other rights, in the event that a Holder or any other Person is required to sell a Holder's Shares pursuant to the provisions of Sections 9(b) or (c) hereof and in the further event that he or she refuses or for any reason fails to deliver to the Company or its designated purchaser of such Shares the certificate or certificates evidencing such Shares together with a related stock power, the Company or such designated purchaser may deposit the applicable purchase price for such Shares with a bank designated by the Company, or with the Company's independent public accounting firm, as agent or trustee, or in escrow, for such Holder or other Person, to be held by such bank or accounting firm for the benefit of and for delivery to him, her, them or it, and/or, in its discretion, pay such purchase price by offsetting any indebtedness then owed by such Holder as provided above. Upon any such deposit and/or offset by the Company or its designated purchaser of such amount and upon notice to the Person who was required to sell the Shares to be sold pursuant to the provisions of Sections 9(b) or (c), such Shares shall at such time be deemed to have been sold, assigned, transferred and conveyed to such purchaser, such Holder shall have no further rights thereto (other than the right to withdraw the payment thereof held in escrow, if applicable), and the Company shall record such transfer in its stock transfer book or in any appropriate manner.

(f) Lockup Provision. If requested by the Company, a Holder shall not sell or otherwise transfer or dispose of any Shares (including, without limitation, pursuant to Rule 144 under the Securities Act) held by him or her for such period following the effective date of a

public offering by the Company of Shares as the Company shall specify reasonably and in good faith. If requested by the underwriter engaged by the Company, each Holder shall execute a separate letter confirming his or her agreement to comply with this Section.

(g) Adjustments for Changes in Capital Structure. If, as a result of any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Common Stock, the outstanding Shares are increased or decreased or are exchanged for a different number or kind of securities of the Company, the restrictions contained in this Section 9 shall apply with equal force to additional and/or substitute securities, if any, received by Holder in exchange for, or by virtue of his or her ownership of, Shares.

(h) Termination. The terms and provisions of Section 9(b) and Section 9(c) (except for the Company's right to repurchase Shares still subject to a risk of forfeiture upon a Termination Event) shall terminate upon the closing of the Company's Initial Public Offering or upon consummation of any Sale Event, in either case as a result of which Shares are registered under Section 12 of the Exchange Act and publicly-traded on any national security exchange.

SECTION 10. TAX WITHHOLDING

(a) Payment by Grantee. Each grantee shall, no later than the date as of which the value of an Award or of any Shares or other amounts received thereunder first becomes includable in the gross income of the grantee for income tax purposes, pay to the Company, or make arrangements satisfactory to the Committee regarding payment of, any Federal, state, or local taxes of any kind required by law to be withheld by the Company with respect to such income. The Company and any Subsidiary shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the grantee. The Company's obligation to deliver stock certificates (or evidence of book entry) to any grantee is subject to and conditioned on any such tax withholding obligations being satisfied by the grantee.

(b) Payment in Stock. The Company's minimum required tax withholding obligation may be satisfied, in whole or in part, by the Company withholding from Shares to be issued pursuant to an Award a number of Shares having an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the minimum withholding amount due.

SECTION 11. SECTION 409A AWARDS.

To the extent that any Award is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A (a "*409A Award*"), the Award shall be subject to such additional rules and requirements as may be specified by the Committee from time to time. In this regard, if any amount under a 409A Award is payable upon a "separation from service" (within the meaning of Section 409A) to a grantee who is considered a "specified employee" (within the meaning of Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six (6) months and one day after the grantee's separation from service, or (ii) the grantee's death, but only to the extent such delay is necessary to prevent such payment from being subject to interest, penalties and/or additional tax imposed pursuant to Section 409A. The Company makes no representation or warranty and shall have no liability to

any grantee under the Plan or any other Person with respect to any penalties or taxes under Section 409A that are, or may be, imposed with respect to any Award.

SECTION 12. AMENDMENTS AND TERMINATION

The Board may, at any time, amend or discontinue the Plan and the Committee may, at any time, amend or cancel any outstanding Award for the purpose of satisfying changes in law or for any other lawful purpose, but no such action shall adversely affect rights under any outstanding Award without the consent of the holder of the Award. The Committee may exercise its discretion to reduce the exercise price of outstanding Stock Options or effect repricing through cancellation of outstanding Stock Options and by granting such holders new Awards in replacement of the cancelled Stock Options. To the extent determined by the Committee to be required either by the Code to ensure that Incentive Stock Options granted under the Plan are qualified under Section 422 of the Code or otherwise, Plan amendments shall be subject to approval by the Company stockholders entitled to vote at a meeting of stockholders. Nothing in this Section 12 shall limit the Board's or Committee's authority to take any action permitted pursuant to Section 3(c). The Board reserves the right to amend the Plan and/or the terms of any outstanding Stock Options to the extent reasonably necessary to comply with the requirements of the exemption pursuant to paragraph (f)(4) of Rule 12h-1 of the Exchange Act.

SECTION 13. STATUS OF PLAN

With respect to the portion of any Award that has not been exercised and any payments in cash, Stock or other consideration not received by a grantee, a grantee shall have no rights greater than those of a general creditor of the Company unless the Committee shall otherwise expressly so determine in connection with any Award.

SECTION 14. GENERAL PROVISIONS

(a) No Distribution; Compliance with Legal Requirements. The Committee may require each person acquiring Shares pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the Shares without a view to distribution thereof. No Shares shall be issued pursuant to an Award until all applicable securities law and other legal and stock exchange or similar requirements have been satisfied. The Committee may require the placing of such stop-orders and restrictive legends on certificates for Stock and Awards as it deems appropriate.

(b) Delivery of Stock Certificates. Stock certificates to grantees under the Plan shall be deemed delivered for all purposes when the Company or a stock transfer agent of the Company shall have mailed such certificates in the United States mail, addressed to the grantee, at the grantee's last known address on file with the Company; provided that stock certificates to be held in escrow pursuant to Section 9 of the Plan shall be deemed delivered when the Company shall have recorded the issuance in its records. Uncertificated Stock shall be deemed delivered for all purposes when the Company or a stock transfer agent of the Company shall have given to the grantee by electronic mail (with proof of receipt) or by United States mail, addressed to the grantee, at the grantee's last known address on file with the Company, notice of

issuance and recorded the issuance in its records (which may include electronic "book entry" records).

(c) No Employment Rights. The adoption of the Plan and the grant of Awards do not confer upon any Person any right to continued employment or Service Relationship with the Company or any Subsidiary.

(d) Trading Policy Restrictions. Option exercises and other Awards under the Plan shall be subject to the Company's insider trading policy-related restrictions, terms and conditions as may be established by the Committee, or in accordance with policies set by the Committee, from time to time.

(e) Designation of Beneficiary. Each grantee to whom an Award has been made under the Plan may designate a beneficiary or beneficiaries to exercise any Award on or after the grantee's death or receive any payment under any Award payable on or after the grantee's death. Any such designation shall be on a form provided for that purpose by the Committee and shall not be effective until received by the Committee. If no beneficiary has been designated by a deceased grantee, or if the designated beneficiaries have predeceased the grantee, the beneficiary shall be the grantee's estate.

(f) Legend. Any certificate(s) representing the Shares shall carry substantially the following legend (and with respect to uncertificated Stock, the book entries evidencing such shares shall contain the following notation):

> The transferability of this certificate and the shares of stock represented hereby are subject to the restrictions, terms and conditions (including repurchase and restrictions against transfers) contained in the Jounce Therapeutics, Inc. 2013 Stock Option and Grant Plan and any agreements entered into thereunder by and between the company and the holder of this certificate (a copy of which is available at the offices of the company for examination).

(g) Information to Holders of Options. In the event the Company is relying on the exemption from the registration requirements of Section 12(g) of the Exchange Act contained in paragraph (f)(1) of Rule 12h-1 of the Exchange Act, the Company shall provide the information described in Rule 701(e)(3), (4) and (5) of the Securities Act to all holders of Options in accordance with the requirements thereunder. The foregoing notwithstanding, the Company shall not be required to provide such information unless the optionholder has agreed in writing, on a form prescribed by the Company, to keep such information confidential.

SECTION 15. EFFECTIVE DATE OF PLAN

The Plan shall become effective upon adoption by the Board and shall be approved by stockholders in accordance with applicable state law and the Company's certificate of incorporation and bylaws within twelve (12) months thereafter. If the stockholders fail to approve the Plan within twelve (12) months after its adoption by the Board of Directors, then any Awards granted or sold under the Plan shall be rescinded and no additional grants or sales shall thereafter be made under the Plan. Subject to such approval by stockholders and to the

requirement that no Shares may be issued hereunder prior to such approval, Stock Options and other Awards may be granted hereunder on and after adoption of the Plan by the Board. No grants of Stock Options and other Awards may be made hereunder after the tenth anniversary of the date the Plan is adopted by the Board or the date the Plan is approved by the Company's stockholders, whichever is earlier.

SECTION 16. GOVERNING LAW

This Plan, all Awards and any controversy arising out of or relating to this Plan and all Awards shall be governed by and construed in accordance with the General Corporation Law of the State of Delaware as to matters within the scope thereof, and as to all other matters shall be governed by and construed in accordance with the internal laws of Massachusetts, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Massachusetts.

DATE ADOPTED BY THE BOARD OF DIRECTORS: February 6, 2013

DATE APPROVED BY THE STOCKHOLDERS: February 6, 2013

INCENTIVE STOCK OPTION GRANT NOTICE
UNDER THE JOUNCE THERAPEUTICS, INC.
2013 STOCK OPTION AND GRANT PLAN

Pursuant to the Jounce Therapeutics, Inc. 2013 Stock Option and Grant Plan (the "Plan"), Jounce Therapeutics, Inc., a Delaware corporation (together with any successor, the "Company"), has granted to the individual named below, an option (the "Stock Option") to purchase on or prior to the Expiration Date, or such earlier date as is specified herein, all or any part of the number of shares of Common Stock, par value $0.001 per share ("Common Stock"), of the Company indicated below (the "Shares"), at the Option Exercise Price per share, subject to the terms and conditions set forth in this Incentive Stock Option Grant Notice (the "Grant Notice"), the attached Incentive Stock Option Agreement (the "Agreement") and the Plan. This Stock Option is intended to qualify as an "incentive stock option" as defined in Section 422(b) of the Internal Revenue Code of 1986, as amended from time to time (the "Code"). To the extent that any portion of the Stock Option does not so qualify, it shall be deemed a non-qualified stock option.

Name of Optionee:		(the "Optionee")
No. of Shares:		Shares of Common Stock
Grant Date:		
Vesting Commencement Date:		(the "Vesting Commencement Date")
Expiration Date:		(the "Expiration Date")
Option Exercise Price/Share:	$	(the "Option Exercise Price")
Vesting Schedule:	twenty-five percent (25%) of the Shares shall vest and become exercisable on the first anniversary of the Vesting Commencement Date; provided that the Optionee continues to have a Service Relationship with the Company at such time. Thereafter, the remaining seventy-five percent (75%) of the Shares shall vest and become exercisable in twelve (12) equal quarterly installments following the first anniversary of the Vesting Commencement Date, provided the Optionee continues to have a Service Relationship with the Company at such time. Notwithstanding anything in the Agreement to the contrary, in the case of a Sale Event, this Stock Option and the Shares shall be treated as provided in Section 3(c) of the Plan **[provided; however INSERT ANY ACCELERATED VESTING PROVISION HERE]**.	

Attachments: Incentive Stock Option Agreement, 2013 Stock Option and Grant Plan

INCENTIVE STOCK OPTION AGREEMENT
UNDER THE JOUNCE THERAPEUTICS, INC.
2013 STOCK OPTION AND GRANT PLAN

All capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Grant Notice and the Plan.

1. Vesting, Exercisability and Termination.

(a) No portion of this Stock Option may be exercised until such portion shall have vested and become exercisable.

(b) Except as set forth below, and subject to the determination of the Committee in its sole discretion to accelerate the vesting schedule hereunder, this Stock Option shall be vested and exercisable on the respective dates indicated below:

(i) This Stock Option shall initially be unvested and unexercisable.

(ii) This Stock Option shall vest and become exercisable in accordance with the Vesting Schedule set forth in the Grant Notice.

(c) Termination. Except as may otherwise be provided by the Committee, if the Optionee's Service Relationship is terminated, the period within which to exercise this Stock Option will be subject to earlier termination as set forth below (and if not exercised within such period, shall thereafter terminate subject, in each case, to Section 3(c) of the Plan):

(i) Termination Due to Death or Disability. If the Optionee's Service Relationship terminates by reason of such Optionee's death or Disability, this Stock Option may be exercised, to the extent exercisable on the date of such termination, by the Optionee, the Optionee's legal representative or legatee for a period of twelve (12) months from the date of death or Disability or until the Expiration Date, if earlier.

(ii) Other Termination. If the Optionee's Service Relationship terminates for any reason other than death or Disability, and unless otherwise determined by the Committee, this Stock Option may be exercised, to the extent exercisable on the date of termination, for a period of ninety (90) days from the date of termination or until the Expiration Date, if earlier; provided however, if the Optionee's Service Relationship is terminated for Cause, this Stock Option shall terminate immediately upon the date of such termination.

For purposes hereof, the Committee's determination of the reason for termination of the Optionee's Service Relationship shall be conclusive and binding on the Optionee and his or her representatives or legatees. Any portion of this Stock Option that is not vested and exercisable

on the date of termination of the Service Relationship shall terminate immediately and be null and void.

(d) It is understood and intended that this Stock Option is intended to qualify as an "incentive stock option" as defined in Section 422 of the Code to the extent permitted under applicable law. Accordingly, the Optionee understands that in order to obtain the benefits of an incentive stock option under Section 422 of the Code, no sale or other disposition may be made of Shares for which incentive stock option treatment is desired within the one-year period beginning on the day after the day of the transfer of such Shares to him or her, nor within the two-year period beginning on the day after Grant Date of this Stock Option and further that this Stock Option must be exercised within three months after termination of employment as an employee (or twelve (12) months in the case of death or disability) to qualify as an incentive stock option. If the Optionee disposes (whether by sale, gift, transfer or otherwise) of any such Shares within either of these periods, he or she will notify the Company within thirty (30) days after such disposition. The Optionee also agrees to provide the Company with any information concerning any such dispositions required by the Company for tax purposes. Further, to the extent this Stock Option and any other incentive stock options of the Optionee having an aggregate Fair Market Value in excess of one hundred thousand dollars ($100,000) (determined as of the Grant Date) first become exercisable in any year, such options will not qualify as incentive stock options.

2. Exercise of Stock Option.

(a) The Optionee may exercise this Stock Option only in the following manner: Prior to the Expiration Date, the Optionee may deliver a Stock Option exercise notice (an "Exercise Notice") in the form of Appendix A hereto indicating his or her election to purchase some or all of the Shares with respect to which this Stock Option is then exercisable. Such notice shall specify the number of Shares to be purchased. Payment of the purchase price may be made by one or more of the methods described in Section 5 of the Plan, subject to the limitations contained in such Section of the Plan, including the requirement that the Committee specifically approve in advance certain payment methods.

(b) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date.

3. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan.

4. Transferability of Stock Option. This Stock Option is personal to the Optionee and is not transferable by the Optionee in any manner other than by will or by the laws of descent and distribution. The Stock Option may be exercised during the Optionee's lifetime only by the Optionee (or by the Optionee's guardian or personal representative in the event of the Optionee's incapacity). The Optionee may elect to designate a beneficiary by providing written notice of the name of such beneficiary to the Company, and may revoke or change such designation at any time by filing written notice of revocation or change with the

Company; such beneficiary may exercise the Optionee's Stock Option in the event of the Optionee's death to the extent provided herein. If the Optionee does not designate a beneficiary, or if the designated beneficiary predeceases the Optionee, the legal representative of the Optionee may exercise this Stock Option to the extent provided herein in the event of the Optionee's death.

5. Restrictions on Transfer of Shares. The Shares acquired upon exercise of the Stock Option shall be subject to certain transfer restrictions and other limitations including, without limitation, the provisions contained in Section 9 of the Plan.

6. Miscellaneous Provisions.

(a) Equitable Relief. The parties hereto agree and declare that legal remedies may be inadequate to enforce the provisions of this Agreement and that equitable relief, including specific performance and injunctive relief, may be used to enforce the provisions of this Agreement.

(b) Adjustments for Changes in Capital Structure. If, as a result of any reorganization, recapitalization, reincorporation, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Common Stock, the outstanding shares of Common Stock are increased or decreased or are exchanged for a different number or kind of securities of the Company, the restrictions contained in this Agreement shall apply with equal force to additional and/or substitute securities, if any, received by the Optionee in exchange for, or by virtue of his or her ownership of, this Stock Option or Shares acquired pursuant thereto.

(c) Change and Modifications. This Agreement may not be orally changed, modified or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be changed, modified or terminated only by an agreement in writing signed by the Company and the Optionee.

(d) Governing Law. This Agreement shall be governed by and construed in accordance with the General Corporation Law of the State of Delaware as to matters within the scope thereof, and as to all other matters 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.

(e) Headings. The headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this Agreement and shall not be considered in the interpretation of this Agreement.

(f) Saving Clause. If any provision(s) of this Agreement shall be determined to be illegal or unenforceable, such determination shall in no manner affect the legality or enforceability of any other provision hereof.

(g) Notices. All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Optionee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

(h) Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors, assigns, and legal representatives. The Company has the right to assign this Agreement, and such assignee shall become entitled to all the rights of the Company hereunder to the extent of such assignment.

(i) Counterparts. For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

(j) Integration. This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

7. Dispute Resolution.

(a) Except as provided below, any dispute arising out of or relating to the Plan or this Stock Option, this Agreement, or the breach, termination or validity of the Plan, this Stock Option or this Agreement, shall be finally settled by binding arbitration conducted expeditiously in accordance with the J.A.M.S./Endispute Comprehensive Arbitration Rules and Procedures (the "J.A.M.S. Rules"). The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. Sections 1 16, and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The place of arbitration shall be Boston, Massachusetts.

(b) The arbitration shall commence within sixty (60) days of the date on which a written demand for arbitration is filed by any party hereto. In connection with the arbitration proceeding, the arbitrator shall have the power to order the production of documents by each party and any third-party witnesses. In addition, each party may take up to three depositions as of right, and the arbitrator may in his or her discretion allow additional depositions upon good cause shown by the moving party. However, the arbitrator shall not have the power to order the answering of interrogatories or the response to requests for admission. In connection with any arbitration, each party to the arbitration shall provide to the other, no later than seven business days before the date of the arbitration, the identity of all persons that may testify at the arbitration and a copy of all documents that may be introduced at the arbitration or considered or used by a party's witness or expert. The arbitrator's decision and award shall be made and delivered within six months of the selection of the arbitrator. The arbitrator's decision shall set forth a reasoned basis for any award of damages or finding of liability. The arbitrator shall not have power to award damages in excess of actual compensatory damages and shall not

multiply actual damages or award punitive damages, and each party hereby irrevocably waives any claim to such damages.

(c) The Company, the Optionee, each party to the Agreement and any other holder of Shares issued pursuant to this Agreement (each, a "Party") covenants and agrees that such party will participate in the arbitration in good faith. This Section 7 applies equally to requests for temporary, preliminary or permanent injunctive relief, except that in the case of temporary or preliminary injunctive relief any party may proceed in court without prior arbitration for the limited purpose of avoiding immediate and irreparable harm.

(d) Each Party (i) hereby irrevocably submits to the jurisdiction of any United States District Court of competent jurisdiction for the purpose of enforcing the award or decision in any such proceeding, (ii) hereby waives, and agrees 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 (except as protected by applicable law), 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, and (iii) hereby waives and agrees not to seek any review by any court of any other jurisdiction which may be called upon to grant an enforcement of the judgment of any such court. Each Party hereby consents to service of process by registered mail at the address to which notices are to be given. Each Party agrees that its, his or her submission to jurisdiction and its, his or her consent to service of process by mail is made for the express benefit of each other Party. Final judgment against any Party in any such action, suit or proceeding may be enforced in other jurisdictions by suit, action or proceeding on the judgment, or in any other manner provided by or pursuant to the laws of such other jurisdiction.

[SIGNATURE PAGE FOLLOWS]

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned as of the date first above written.

JOUNCE THERAPEUTICS, INC.

By: _____
Name:
Title:

Address:

_____

_____

_____

The undersigned hereby acknowledges receiving and reviewing a copy of the Plan, including, without limitation, Section 9 thereof, and understands that this Stock Option is subject to the terms of the Plan and of this Agreement. This Agreement is hereby accepted, and the terms and conditions of the Plan, the Grant Notice and this Agreement, SPECIFICALLY INCLUDING THE ARBITRATION PROVISIONS SET FORTH IN SECTION 7 OF THIS AGREEMENT, are hereby agreed to, by the undersigned as of the date first above written.

OPTIONEE:

_____
Name:

Address:

_____

_____

_____

[SPOUSE'S CONSENT[1]
I acknowledge that I have read the
foregoing Incentive Stock Option Agreement

[1] A spouse's consent is recommended only if the Optionee's state of residence is one of the following community property states: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin.

and understand the contents thereof.

]

DESIGNATED BENEFICIARY:

_____

Beneficiary's Address:

_____

_____

APPENDIX A

STOCK OPTION EXERCISE NOTICE

Jounce Therapeutics, Inc.
Attention: President

Pursuant to the terms of the grant notice and stock option agreement between the undersigned and Jounce Therapeutics, Inc., a Delaware corporation (the "Company"), dated (the "Agreement") under the Jounce Therapeutics, Inc. 2013 Stock Option and Grant Plan, I, [Insert Name] , hereby [Circle One] partially/fully exercise such option by including herein payment in the amount of $ representing the purchase price for [Fill in number of Shares] Shares. I have chosen the following form(s) of payment:

o 1. Cash
o 2. Certified or bank check payable to Jounce Therapeutics, Inc.
o 3. Other (as referenced in the Agreement and described in the Plan (please describe))

In connection with my exercise of the option as set forth above, I hereby represent and warrant to the Company as follows:

(i) I am purchasing the Shares for my own account for investment only, and not for resale or with a view to the distribution thereof.

(ii) I have had such an opportunity as I have deemed adequate to obtain from the Company such information as is necessary to permit me to evaluate the merits and risks of my investment in the Company and have consulted with my own advisers with respect to my investment in the Company.

(iii) 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.

(iv) 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 of time.

(v) I understand that the Shares may not be registered under the Securities Act of 1933, as amended (it being understood that the Shares are being issued and sold in reliance on the exemption provided in Rule 701 thereunder), or any applicable state securities or "blue sky" laws and may not be sold or otherwise transferred or disposed of in the absence of an effective registration statement under the

Securities Act of 1933, as amended and under any applicable state securities or "blue sky" laws (or exemptions from the registration requirement thereof). I further acknowledge that certificates representing Shares will bear restrictive legends reflecting the foregoing and/or that book entries for uncertificated Shares will include similar restrictive notations.

(vi) I have read and understand the Plan and acknowledge and agree that the Shares are subject to all of the relevant terms of the Plan, including without limitation, the transfer restrictions set forth in Section 9 of the Plan.

(vii) I understand and agree that the Company has a right of first refusal with respect to the Shares pursuant to Section 9(b) of the Plan.

(viii) I understand and agree that the Company has certain repurchase rights with respect to the Shares pursuant to Section 9(c) of the Plan.

(ix) I understand and agree that I may not sell or otherwise transfer or dispose of the Shares for a period of time following the effective date of a public offering by the Company as described in Section 9(f) of the Plan.

(x) I understand and agree that I am subject to the Company's drag-along right pursuant to Section 9(d) of the Plan.

(xi) I understand and agree that if, as a result of the issuance of the Shares to me hereunder, I will hold shares of capital stock constituting one percent (1%) or more of the Company's then outstanding capital stock (treating for this purpose all shares of Common Stock issuable upon exercise or conversion of outstanding options, warrants or convertible securities, as if exercised and/or converted or exchanged), then, as a condition to my receipt of the Shares, I am required to execute an adoption agreement (substantially in the form attached hereto as Appendix B) to that certain Stockholders Agreement, dated February 6, 2013, by and among the Company and the stockholders listed as parties thereto, as the same may be amended and/or restated from time to time (the "Stockholders Agreement"), as a Key Holder and Stockholder (as such terms are defined in the Stockholders Agreement), and I shall thereby be bound by, and subject to, all terms and provisions of the Stockholders Agreement applicable to a Key Holder and Stockholder.

Sincerely yours,

_____

Name:

Address:

_____

_____

_____

APPENDIX B

ADOPTION AGREEMENT

This Adoption Agreement ("**Adoption Agreement**") is executed on , 20 , by the undersigned (the "**Holder**") pursuant to the terms of that certain Stockholders Agreement dated as of February 6, 2013 (the "**Agreement**"), by and among Jounce Therapeutics, Inc., a Delaware corporation (the "**Company**") and certain of its Stockholders, 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 Acknowledgment. Holder acknowledges that Holder is acquiring certain shares of the capital stock of the Company (the "**Stock**") in accordance with Section 8.2(b) of the Agreement, as a new party who is not a new Investor, in which case Holder will be a "Key Holder" and a "Stockholder" for all purposes of the Agreement.

1.2 Agreement. Holder hereby (a) agrees that the Stock, and any other shares of capital stock or securities 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 a party thereto.

1.3 Notice. Any notice required or permitted by the Agreement shall be given to Holder at the address or facsimile number listed below Holder's signature hereto.

HOLDER

By: _____
Name and Title of Signatory

Address: _____

_____

Facsimile
Number: _____

ACCEPTED AND AGREED:

JOUNCE THERAPEUTICS, INC.

By: _____

Title: _____

NON-QUALIFIED STOCK OPTION GRANT NOTICE
UNDER THE JOUNCE THERAPEUTICS, INC.
2013 STOCK OPTION AND GRANT PLAN

Pursuant to the Jounce Therapeutics, Inc. 2013 Stock Option and Grant Plan (the "Plan"), Jounce Therapeutics, Inc., a Delaware corporation (together with any successor, the "Company"), has granted to the individual named below, an option (the "Stock Option") to purchase on or prior to the Expiration Date, or such earlier date as is specified herein, all or any part of the number of shares of Common Stock, par value $0.001 per share ("Common Stock"), of the Company indicated below (the "Shares"), at the Option Exercise Price per share, subject to the terms and conditions set forth in this Non-Qualified Stock Option Grant Notice (the "Grant Notice"), the attached Non-Qualified Stock Option Agreement (the "Agreement") and the Plan. This Stock Option is not intended to qualify as an "incentive stock option" as defined in Section 422(b) of the Internal Revenue Code of 1986, as amended from time to time (the "Code").

Name of Optionee:		(the "Optionee")
No. of Shares:	Shares of Common Stock	
Grant Date:		
Vesting Commencement Date:		(the "Vesting Commencement Date")
Expiration Date:		(the "Expiration Date")
Option Exercise Price/Share:	$	(the "Option Exercise Price")
Vesting Schedule:	twenty-five percent (25%) of the Shares shall vest and become exercisable on the first anniversary of the Vesting Commencement Date; provided that the Optionee continues to have a Service Relationship with the Company at such time. Thereafter, the remaining seventy-five percent (75%) of the Shares shall vest and become exercisable in twelve (12) equal quarterly installments following the first anniversary of the Vesting Commencement Date, provided the Optionee continues to have a Service Relationship with the Company at such time. Notwithstanding anything in the Agreement to the contrary, in the case of a Sale Event, this Stock Option and the Shares shall be treated as provided in Section 3(c) of the Plan **[provided; however INSERT ANY ACCELERATED VESTING PROVISION HERE]**.	

Attachments: Non-Qualified Stock Option Agreement, 2013 Stock Option and Grant Plan

NON-QUALIFIED STOCK OPTION AGREEMENT
UNDER THE JOUNCE THERAPEUTICS, INC.
2013 STOCK OPTION AND GRANT PLAN

All capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Grant Notice and the Plan.

1. Vesting, Exercisability and Termination.

(a) No portion of this Stock Option may be exercised until such portion shall have vested and become exercisable.

(b) Except as set forth below, and subject to the determination of the Committee in its sole discretion to accelerate the vesting schedule hereunder, this Stock Option shall be vested and exercisable on the respective dates indicated below:

(i) This Stock Option shall initially be unvested and unexercisable.

(ii) This Stock Option shall vest and become exercisable in accordance with the Vesting Schedule set forth in the Grant Notice.

(c) Termination. Except as may otherwise be provided by the Committee, if the Optionee's Service Relationship is terminated, the period within which to exercise this Stock Option will be subject to earlier termination as set forth below (and if not exercised within such period, shall thereafter terminate subject, in each case, to Section 3(c) of the Plan):

(i) Termination Due to Death or Disability. If the Optionee's Service Relationship terminates by reason of such Optionee's death or Disability, this Stock Option may be exercised, to the extent exercisable on the date of such termination, by the Optionee, the Optionee's legal representative or legatee for a period of twelve (12) months from the date of death or Disability or until the Expiration Date, if earlier.

(ii) Other Termination. If the Optionee's Service Relationship terminates for any reason other than death or Disability, and unless otherwise determined by the Committee, this Stock Option may be exercised, to the extent exercisable on the date of termination, for a period of ninety (90) days from the date of termination or until the Expiration Date, if earlier; provided however, if the Optionee's Service Relationship is terminated for Cause, this Stock Option shall terminate immediately upon the date of such termination.

For purposes hereof, the Committee's determination of the reason for termination of the Optionee's Service Relationship shall be conclusive and binding on the Optionee and his or her

representatives or legatees and any Permitted Transferee. Any portion of this Stock Option that is not vested and exercisable on the date of termination of the Service Relationship shall terminate immediately and be null and void.

2. Exercise of Stock Option.

(a) The Optionee may exercise this Stock Option only in the following manner: Prior to the Expiration Date, the Optionee may deliver a Stock Option exercise notice (an "Exercise Notice") in the form of Appendix A hereto indicating his or her election to purchase some or all of the Shares with respect to which this Stock Option is then exercisable. Such notice shall specify the number of Shares to be purchased. Payment of the purchase price may be made by one or more of the methods described in Section 5 of the Plan, subject to the limitations contained in such Section of the Plan, including the requirement that the Committee specifically approve in advance certain payment methods.

(b) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date.

3. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan.

4. Transferability of Stock Option. This Stock Option is personal to the Optionee and is not transferable by the Optionee in any manner other than by will or by the laws of descent and distribution. The Stock Option may be exercised during the Optionee's lifetime only by the Optionee (or by the Optionee's guardian or personal representative in the event of the Optionee's incapacity). The Optionee may elect to designate a beneficiary by providing written notice of the name of such beneficiary to the Company, and may revoke or change such designation at any time by filing written notice of revocation or change with the Company; such beneficiary may exercise the Optionee's Stock Option in the event of the Optionee's death to the extent provided herein. If the Optionee does not designate a beneficiary, or if the designated beneficiary predeceases the Optionee, the legal representative of the Optionee may exercise this Stock Option to the extent provided herein in the event of the Optionee's death.

5. Restrictions on Transfer of Shares. The Shares acquired upon exercise of the Stock Option shall be subject to certain transfer restrictions and other limitations including, without limitation, the provisions contained in Section 9 of the Plan.

6. Miscellaneous Provisions.

(a) Equitable Relief. The parties hereto agree and declare that legal remedies may be inadequate to enforce the provisions of this Agreement and that equitable relief, including specific performance and injunctive relief, may be used to enforce the provisions of this Agreement.

(b) Adjustments for Changes in Capital Structure. If, as a result of any reorganization, recapitalization, reincorporation, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Common Stock, the outstanding shares of Common Stock are increased or decreased or are exchanged for a different number or kind of securities of the Company, the restrictions contained in this Agreement shall apply with equal force to additional and/or substitute securities, if any, received by the Optionee in exchange for, or by virtue of his or her ownership of, this Stock Option or Shares acquired pursuant thereto.

(c) Change and Modifications. This Agreement may not be orally changed, modified or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be changed, modified or terminated only by an agreement in writing signed by the Company and the Optionee.

(d) Governing Law. This Agreement shall be governed by and construed in accordance with the General Corporation Law of the State of Delaware as to matters within the scope thereof, and as to all other matters 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.

(e) Headings. The headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this Agreement and shall not be considered in the interpretation of this Agreement.

(f) Saving Clause. If any provision(s) of this Agreement shall be determined to be illegal or unenforceable, such determination shall in no manner affect the legality or enforceability of any other provision hereof.

(g) Notices. All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Optionee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

(h) Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors, assigns, and legal representatives. The Company has the right to assign this Agreement, and such assignee shall become entitled to all the rights of the Company hereunder to the extent of such assignment.

(i) Counterparts. For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

(j) Integration. This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

7. Dispute Resolution.

(a) Except as provided below, any dispute arising out of or relating to the Plan or this Stock Option, this Agreement, or the breach, termination or validity of the Plan, this Stock Option or this Agreement, shall be finally settled by binding arbitration conducted expeditiously in accordance with the J.A.M.S./Endispute Comprehensive Arbitration Rules and Procedures (the "J.A.M.S. Rules"). The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. Sections 1-16, and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The place of arbitration shall be Boston, MA.

(b) The arbitration shall commence within sixty (60) days of the date on which a written demand for arbitration is filed by any party hereto. In connection with the arbitration proceeding, the arbitrator shall have the power to order the production of documents by each party and any third-party witnesses. In addition, each party may take up to three depositions as of right, and the arbitrator may in his or her discretion allow additional depositions upon good cause shown by the moving party. However, the arbitrator shall not have the power to order the answering of interrogatories or the response to requests for admission. In connection with any arbitration, each party to the arbitration shall provide to the other, no later than seven business days before the date of the arbitration, the identity of all persons that may testify at the arbitration and a copy of all documents that may be introduced at the arbitration or considered or used by a party's witness or expert. The arbitrator's decision and award shall be made and delivered within six months of the selection of the arbitrator. The arbitrator's decision shall set forth a reasoned basis for any award of damages or finding of liability. The arbitrator shall not have power to award damages in excess of actual compensatory damages and shall not multiply actual damages or award punitive damages, and each party hereby irrevocably waives any claim to such damages.

(c) The Company, the Optionee, each party to the Agreement and any other holder of Shares issued pursuant to this Agreement (each, a "Party") covenants and agrees that such party will participate in the arbitration in good faith. This Section 7 applies equally to requests for temporary, preliminary or permanent injunctive relief, except that in the case of temporary or preliminary injunctive relief any party may proceed in court without prior arbitration for the limited purpose of avoiding immediate and irreparable harm.

(d) Each Party (i) hereby irrevocably submits to the jurisdiction of any United States District Court of competent jurisdiction for the purpose of enforcing the award or decision in any such proceeding, (ii) hereby waives, and agrees 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 (except as protected by applicable law), 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, and (iii) hereby waives and agrees not to seek any review by any court of any other jurisdiction which may be called upon to grant an enforcement of the judgment of any such court. Each Party hereby consents to service of process by registered mail at the address to which notices are to be given. Each Party agrees that its, his or her submission to jurisdiction and its, his or her consent to service of process by mail is made for the express benefit of each other Party. Final judgment against any Party in any such action, suit or proceeding may be enforced in other jurisdictions by suit, action or proceeding on the judgment, or in any other manner provided by or pursuant to the laws of such other jurisdiction.

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned as of the date first above written.

JOUNCE THERAPEUTICS, INC.

By: _____
Name:
Title:

Address:

_____
_____
_____

The undersigned hereby acknowledges receiving and reviewing a copy of the Plan, including, without limitation, Section 9 thereof, and understands that this Stock Option is subject to the terms of the Plan and of this Agreement. This Agreement is hereby accepted, and the terms and conditions of the Plan, the Grant Notice and this Agreement, SPECIFICALLY INCLUDING THE ARBITRATION PROVISIONS SET FORTH IN SECTION 7 OF THIS AGREEMENT, are hereby agreed to, by the undersigned as of the date first above written.

OPTIONEE:

_____
Name:

Address:

_____
_____
_____

[SPOUSE'S CONSENT[1]
I acknowledge that I have read the
foregoing Non-Qualified Stock Option Agreement
and understand the contents thereof.

]
DESIGNATED BENEFICIARY:

_____

Beneficiary's Address:

_____

_____

_____

(1) A spouse's consent is recommended only if the Optionee's state of residence is one of the following community property states: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin.

APPENDIX A

STOCK OPTION EXERCISE NOTICE

Jounce Therapeutics, Inc.
Attention: President

Pursuant to the terms of the grant notice and stock option agreement between the undersigned and Jounce Therapeutics, Inc. (the "Company") dated (the "Agreement") under the Jounce Therapeutics, Inc. 2013 Stock Option and Grant Plan, I, [Insert Name] , hereby [Circle One] partially/fully exercise such option by including herein payment in the amount of $ representing the purchase price for [Fill in number of Shares] Shares. I have chosen the following form(s) of payment:

o 1. Cash
o 2. Certified or bank check payable to Jounce Therapeutics, Inc.
o 3. Other (as referenced in the Agreement and described in the Plan (please describe))

In connection with my exercise of the option as set forth above, I hereby represent and warrant to the Company as follows:

(i) I am purchasing the Shares for my own account for investment only, and not for resale or with a view to the distribution thereof.

(ii) I have had such an opportunity as I have deemed adequate to obtain from the Company such information as is necessary to permit me to evaluate the merits and risks of my investment in the Company and have consulted with my own advisers with respect to my investment in the Company.

(iii) 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.

(iv) 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 of time.

(v) I understand that the Shares may not be registered under the Securities Act of 1933, as amended (it being understood that the Shares are being issued and sold in reliance on the exemption provided in Rule 701 thereunder), or any applicable state securities or "blue sky" laws and may not be sold or otherwise transferred or

disposed of in the absence of an effective registration statement under the Securities Act of 1933, as amended and under any applicable state securities or "blue sky" laws (or exemptions from the registration requirement thereof). I further acknowledge that certificates representing Shares will bear restrictive legends reflecting the foregoing and/or that book entries for uncertificated Shares will include similar restrictive notations.

(vi) I have read and understand the Plan and acknowledge and agree that the Shares are subject to all of the relevant terms of the Plan, including without limitation, the transfer restrictions set forth in Section 9 of the Plan.

(vii) I understand and agree that the Company has a right of first refusal with respect to the Shares pursuant to Section 9(b) of the Plan.

(viii) I understand and agree that the Company has certain repurchase rights with respect to the Shares pursuant to Section 9(c) of the Plan.

(ix) I understand and agree that I may not sell or otherwise transfer or dispose of the Shares for a period of time following the effective date of a public offering by the Company as described in Section 9(f) of the Plan.

(x) I understand and agree that I am subject to the Company's drag-along right pursuant to Section 9(d) of the Plan.

(xi) I understand and agree that if, as a result of the issuance of the Shares to me hereunder, I will hold shares of capital stock constituting one percent (1%) or more of the Company's then outstanding capital stock (treating for this purpose all shares of Common Stock issuable upon exercise or conversion of outstanding options, warrants or convertible securities, as if exercised and/or converted or exchanged), then, as a condition to my receipt of the Shares, I am required to execute an adoption agreement (substantially in the form attached hereto as Appendix B) to that certain Stockholders Agreement, dated February 6, 2013, by and among the Company and the stockholders listed as parties thereto, as the same may be amended and/or restated from time to time (the "Stockholders Agreement"), as a Key Holder and Stockholder (as such terms are defined in the Stockholders Agreement), and I shall thereby be bound by, and subject to, all terms and provisions of the Stockholders Agreement applicable to a Key Holder and Stockholder.

Sincerely yours,

_____

Name:

Address:

_____

_____

_____

APPENDIX B

ADOPTION AGREEMENT

This Adoption Agreement ("**Adoption Agreement**") is executed on , 20 , by the undersigned (the "**Holder**") pursuant to the terms of that certain Stockholders Agreement dated as of February 6, 2013 (the "**Agreement**"), by and among Jounce Therapeutics, Inc., a Delaware corporation (the "Company"), and certain of its Stockholders, 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 Acknowledgment. Holder acknowledges that Holder is acquiring certain shares of the capital stock of the Company (the "**Stock**") in accordance with Section 8.2(b) of the Agreement, as a new party who is not a new Investor, in which case Holder will be a "Key Holder" and a "Stockholder" for all purposes of the Agreement.

1.2 Agreement. Holder hereby (a) agrees that the Stock, and any other shares of capital stock or securities 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 a party thereto.

1.3 Notice. Any notice required or permitted by the Agreement shall be given to Holder at the address or facsimile number listed below Holder's signature hereto.

HOLDER

By: _____
Name and Title of Signatory

Address: _____

_____

Facsimile
Number: _____

ACCEPTED AND AGREED:

JOUNCE THERAPEUTICS, INC.

By: _____

Title: _____

RESTRICTED STOCK AWARD NOTICE
UNDER THE JOUNCE THERAPEUTICS, INC.
2013 STOCK OPTION AND GRANT PLAN

Pursuant to the Jounce Therapeutics, Inc. 2013 Stock Option and Grant Plan (the "Plan"), Jounce Therapeutics, Inc., a Delaware corporation (together with any successor, the "Company"), hereby grants, sells and issues to the individual named below, the Shares at the Per Share Purchase Price, subject to the terms and conditions set forth in this Restricted Stock Award Notice (the "Award Notice"), the attached Restricted Stock Agreement (the "Agreement") and the Plan. The Grantee agrees to the provisions set forth herein and acknowledges that each such provision is a material condition of the Company's agreement to issue and sell the Shares to him or her. The Company hereby acknowledges receipt of $[ ] in full payment for the Shares. All references to share prices and amounts herein shall be equitably adjusted to reflect stock splits, stock dividends, recapitalizations, mergers, reorganizations and similar changes affecting the capital stock of the Company, and any shares of capital stock of the Company received on or in respect of Shares in connection with any such event (including any shares of capital stock or any right, option or warrant to receive the same or any security convertible into or exchangeable for any such shares or received upon conversion of any such shares) shall be subject to this Agreement on the same basis and extent at the relevant time as the Shares in respect of which they were issued, and shall be deemed Shares as if and to the same extent they were issued at the date hereof.

Name of Grantee:	(the "Grantee")
No. of Shares:	Shares of Common Stock (the "Shares")
Grant Date:	,
Vesting Commencement Date:	, (the "Vesting Commencement Date")
Per Share Purchase Price:	$ (the "Per Share Purchase Price")
Vesting Schedule:	Twenty-five percent (25%) of the Shares shall vest on the first anniversary of the Vesting Commencement Date; provided that the Grantee continues to have a Service Relationship with the Company at such time. Thereafter, the remaining seventy-five (75%) of the Shares shall vest in twelve (12) equal quarterly installments following the first anniversary of the Vesting Commencement Date, provided the Grantee continues to have a Service Relationship with the Company at such time. Notwithstanding anything in the Agreement to the contrary in the case of a Sale Event, the Shares of Restricted Stock shall be treated as provided in Section 3(c) of the Plan **[provided; however INSERT ANY ACCELERATED VESTING PROVISION HERE].**

Attachments: Restricted Stock Agreement, 2013 Stock Option and Grant Plan

RESTRICTED STOCK AGREEMENT
UNDER THE JOUNCE THERAPEUTICS, INC.
2013 STOCK OPTION AND GRANT PLAN

All capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Award Notice and the Plan.

1. Purchase and Sale of Shares; Vesting; Investment Representations.

(a) Purchase and Sale. The Company hereby sells to the Grantee, and the Grantee hereby purchases from the Company, the number of Shares set forth in the Award Notice for the Per Share Purchase Price.

(b) Vesting. Initially, all of the Shares are non-transferable and subject to a substantial risk of forfeiture and are Shares of Restricted Stock. The risk of forfeiture shall lapse with respect to the Shares on the respective dates indicated on the Vesting Schedule set forth in the Award Notice.

(c) Investment Representations. In connection with the purchase and sale of the Shares contemplated by Section 1(a) above, the Grantee hereby represents and warrants to the Company as follows:

(i) The Grantee is purchasing the Shares for the Grantee's own account for investment only, and not for resale or with a view to the distribution thereof.

(ii) The Grantee has had such an opportunity as he or she has deemed adequate to obtain from the Company such information as is necessary to permit him or her to evaluate the merits and risks of the Grantee's investment in the Company and has consulted with the Grantee's own advisers with respect to the Grantee's investment in the Company.

(iii) The Grantee has 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.

(iv) The Grantee can afford a complete loss of the value of the Shares and is able to bear the economic risk of holding such Shares for an indefinite period.

(v) The Grantee understands that the Shares are not registered under the Act (it being understood that the Shares are being issued and sold in reliance on the exemption provided in Rule 701 thereunder) or any applicable state securities or "blue sky" laws and may not be sold or otherwise transferred or disposed of in the absence of an effective registration statement under the Act and under any applicable state securities or "blue sky" laws (or exemptions from the registration requirements thereof). The Grantee further acknowledges that certificates representing the Shares will bear

restrictive legends reflecting the foregoing and/or that book entries for uncertificated Shares will include similar restrictive notations.

(vi) The Grantee has read and understands the Plan and acknowledges and agrees that the Shares are subject to all of the relevant terms of the Plan, including without limitation, the transfer restrictions set forth in Section 9 of the Plan.

(vii) The Grantee understands and agrees that the Company has a right of first refusal with respect to the Shares pursuant to Section 9(b) of the Plan.

(viii) The Grantee understands and agrees that the Company has certain repurchase rights with respect to the Shares pursuant to Section 9(c) of the Plan.

(ix) The Grantee understands and agrees that the Company has certain drag-along rights with respect to the Shares pursuant to Section 9(d) of the Plan.

(x) The Grantee understands and agrees that the Grantee may not sell or otherwise transfer or dispose of the Shares for a period of time following the effective date of a public offering by the Company as described in Section 9(f) of the Plan.

2. Repurchase Right. Upon a Termination Event, the Company shall have the right to repurchase Shares of Restricted Stock that are unvested as of the date of such Termination Event as set forth in Section 9(c) of the Plan.

3. Restrictions on Transfer of Shares. The Shares (whether or not vested) shall be subject to certain transfer restrictions and other limitations including, without limitation, the provisions contained in Section 9 of the Plan

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Restricted Stock Award shall be subject to and governed by all the terms and conditions of the Plan.

5. Miscellaneous Provisions.

(a) Record Owner; Dividends. The Grantee and any Permitted Transferees, during the duration of this Agreement, shall be considered the record owners of and shall be entitled to vote the Shares if and to the extent the Shares are entitled to voting rights. The Grantee and any Permitted Transferees shall be entitled to receive all dividends and any other distributions declared on the Shares; provided, however, that the Company is under no duty to declare any such dividends or to make any such distribution.

(b) Section 83(b) Election. The Grantee shall consult with the Grantee's tax advisor to determine whether it would be appropriate for the Grantee to make an election under Section 83(b) of the Code with respect to this Award. Any such election must be filed with the

Internal Revenue Service within thirty (30) days of the date of this Award. If the Grantee makes an election under Section 83(b) of the Code, the Grantee shall give prompt notice to the Company (and provide a copy of such election to the Company). A form of Section 83(b) Election is attached hereto as Exhibit A.

(c) Equitable Relief. The parties hereto agree and declare that legal remedies may be inadequate to enforce the provisions of this Agreement and that equitable relief, including specific performance and injunctive relief, may be used to enforce the provisions of this Agreement.

(d) Change and Modifications. This Agreement may not be orally changed, modified or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be changed, modified or terminated only by an agreement in writing signed by the Company and the Grantee.

(e) Governing Law. This Agreement shall be governed by and construed in accordance with the General Corporation Law of the State of Delaware as to matters within the scope thereof, and as to all other matters 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.

(f) Headings. The headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this Agreement and shall not be considered in the interpretation of this Agreement.

(g) Saving Clause. If any provision(s) of this Agreement shall be determined to be illegal or unenforceable, such determination shall in no manner affect the legality or enforceability of any other provision hereof.

(h) Notices. All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Grantee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

(i) Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors, assigns, and legal representatives. The Company has the right to assign this Agreement, and such assignee shall become entitled to all the rights of the Company hereunder to the extent of such assignment.

(j) Counterparts. For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

(k) Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

6. Dispute Resolution.

(a) Except as provided below, any dispute arising out of or relating to the Plan or the Shares, this Agreement, or the breach, termination or validity of the Plan, the Shares or this Agreement, shall be finally settled by binding arbitration conducted expeditiously in accordance with the J.A.M.S./Endispute Comprehensive Arbitration Rules and Procedures (the "J.A.M.S. Rules"). The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. Sections 1-16, and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The place of arbitration shall be Boston, Massachusetts.

(b) The arbitration shall commence within sixty (60) days of the date on which a written demand for arbitration is filed by any party hereto. In connection with the arbitration proceeding, the arbitrator shall have the power to order the production of documents by each party and any third-party witnesses. In addition, each party may take up to three (3) depositions as of right, and the arbitrator may in his or her discretion allow additional depositions upon good cause shown by the moving party. However, the arbitrator shall not have the power to order the answering of interrogatories or the response to requests for admission. In connection with any arbitration, each party to the arbitration shall provide to the other, no later than seven (7) business days before the date of the arbitration, the identity of all persons that may testify at the arbitration and a copy of all documents that may be introduced at the arbitration or considered or used by a party's witness or expert. The arbitrator's decision and award shall be made and delivered within six (6) months of the selection of the arbitrator. The arbitrator's decision shall set forth a reasoned basis for any award of damages or finding of liability. The arbitrator shall not have power to award damages in excess of actual compensatory damages and shall not multiply actual damages or award punitive damages, and each party hereby irrevocably waives any claim to such damages.

(c) The Company, the Grantee, each party to the Agreement and any other holder of Shares issued pursuant to this Agreement (each, a "Party") covenants and agrees that such party will participate in the arbitration in good faith. This Section 6 applies equally to requests for temporary, preliminary or permanent injunctive relief, except that in the case of temporary or preliminary injunctive relief any party may proceed in court without prior arbitration for the limited purpose of avoiding immediate and irreparable harm.

(d) Each Party (i) hereby irrevocably submits to the jurisdiction of any United States District Court of competent jurisdiction for the purpose of enforcing the award or decision in any such proceeding, (ii) hereby waives, and agrees 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 (except as protected by applicable law), 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, and (iii) hereby waives and agrees not to seek any review by any court of any other jurisdiction which may be called upon to grant an enforcement of the judgment of any such court. Each Party hereby consents to service of process by registered mail at the address to which notices are to be given. Each Party agrees that its, his or her submission to jurisdiction and its, his or her consent to service of process by mail is made for the express benefit of each other Party. Final judgment against any Party in any such action, suit or proceeding may be enforced in other jurisdictions by suit, action or proceeding on the judgment, or in any other manner provided by or pursuant to the laws of such other jurisdiction.

7. Stockholders Agreement. The Grantee understands and agrees that if, as a result of the issuance of the Shares to the Grantee hereunder, the Grantee will hold shares of capital stock constituting one percent (1%) or more of the Company's then outstanding capital stock (treating for this purpose all shares of Common Stock issuable upon exercise or conversion of outstanding options, warrants or convertible securities, as if exercised and/or converted or exchanged), then, as a condition to Grantee's receipt of the Shares, Grantee is required to execute an adoption agreement (substantially in the form attached hereto as Exhibit B) to that certain Stockholders Agreement, dated February 6, 2013, by and among the Company and the stockholders listed as parties thereto, as the same may be amended and/or restated from time to time (the "Stockholders Agreement"), as a Key Holder and Stockholder (as such terms are defined in the Stockholders Agreement), and the Grantee shall thereby be bound by, and subject to, all terms and provisions of the Stockholders Agreement applicable to a Key Holder and Stockholder.

[SIGNATURE PAGE FOLLOWS]

The foregoing Restricted Stock Agreement is hereby accepted and the terms and conditions thereof are hereby agreed to by the undersigned as of the date first above written.

JOUNCE THERAPUETICS, INC.

By: _____
Name:
Title:

Address:

_____

_____

_____

The undersigned hereby acknowledges receiving and reviewing a copy of the Plan, including, without limitation, Section 9 thereof and understands that the Shares granted hereby are subject to the terms of the Plan and of this Agreement. This Agreement is hereby accepted, and the terms and conditions of the Plan, the Award Notice and this Agreement, SPECIFICALLY INCLUDING THE ARBITRATION PROVISIONS SET FORTH IN SECTION 6 OF THIS AGREEMENT, are hereby agreed to, by the undersigned as of the date first above written.

GRANTEE:

_____
Name:

Address:

_____

_____

_____

[SPOUSE'S CONSENT(1)
I acknowledge that I have read the foregoing Restricted Stock Agreement and understand the contents thereof.

]

(1) A spouse's consent is required only if the Grantee's state of residence is one of the following community property states: Arizona, California, Idaho, Louisiana, New Mexico, Nevada, Texas, Washington and Wisconsin.

EXHIBIT A
SECTION 83(B) ELECTION
(*See Attached*)

** Note: The 83(b) Election must be filed no later than thirty (30) days after the date on which the property is transferred. The IRS has indicated that the election form should be sent to the IRS address listed for the taxpayer's state under "Are you not including a check or money order ..." given in *Where Do You File* in the Instructions for Form 1040 and the Instructions for Form 1040A (this information can also be found by clicking on your state at: http://www.irs.gov/file/content/0,,id=105690,00.html) **

SECTION 83(B) ELECTION

The undersigned hereby elects pursuant to §83(b) of the Internal Revenue Code of 1986, as amended, to include in gross income as compensation for services the excess (if any) of the fair market value of the shares described below over the amount paid for those shares.

1. The name, taxpayer identification number, address of the undersigned, and the taxable year for which this election is being made are:

Taxpayer's Name:

Taxpayer's Social Security Number:

Address:

Taxable Year: Calendar Year 201

2. The property which is the subject of this election is shares of common stock of Jounce Therapeutics, Inc.

3. The property was transferred to the undersigned on , 201 .

The property is subject to the following restrictions:

The Shares will be subject to restrictions on transfer and risk of forfeiture upon termination of service relationship and in certain other events

4. The fair market value of the property at time of transfer (determined without regard to any restrictions other than nonlapse restrictions as defined in §1.83-3(h) of the Income Tax Regulations) is $ per share x shares = $.

5. For the property transferred, the undersigned paid $ per share x shares = $.

6. The amount to include in gross income is $.

The undersigned taxpayer will file this election with the Internal Revenue Service Office with which the taxpayer files his or her annual income tax return not later than thirty (30) days after the date of transfer of the property. A copy of the election will also be furnished to the person for whom the services were performed. Additionally, the undersigned will include a copy of the election with his or her income tax return for the taxable year in which the property is transferred. The undersigned is the person performing services in connection with which the property was transferred.

Dated: , 201

_____

Taxpayer

EXHIBIT B

ADOPTION AGREEMENT

This Adoption Agreement ("**Adoption Agreement**") is executed on , 20 , by the undersigned (the "**Holder**") pursuant to the terms of that certain Stockholders Agreement dated as of February 6, 2013 (the "**Agreement**"), by and among Jounce Therapeutics, Inc., a Delaware corporation (the "Company"), and certain of its Stockholders, 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 Acknowledgment. Holder acknowledges that Holder is acquiring certain shares of the capital stock of the Company (the "**Stock**") in accordance with Section 8.2(b) of the Agreement, as a new party who is not a new Investor, in which case Holder will be a "Key Holder" and a "Stockholder" for all purposes of the Agreement.

1.2 Agreement. Holder hereby (a) agrees that the Stock, and any other shares of capital stock or securities 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 a party thereto.

1.3 Notice. Any notice required or permitted by the Agreement shall be given to Holder at the address or facsimile number listed below Holder's signature hereto.

HOLDER

By: _____
Name and Title of Signatory

Address: _____

_____

Facsimile Number: _____

ACCEPTED AND AGREED:

JOUNCE THERAPEUTICS, INC.

By: _____

Title: _____

Exhibit 10.8

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made as of the 24th day of July, 2017 by and between Jounce Therapeutics, Inc. (the "Company"), and Hugh M. Cole (the "Executive"). The effective date of this Agreement shall be first date of actual employment with the Company. In the event that the Executive does not commence actual employment with the Company, this Agreement shall become null and void and of no further force or effect.

1. **Employment Term.** The Company and the Executive desire to continue their employment relationship, pursuant to this Agreement commencing as of the date hereof and continuing in effect until terminated by either party in accordance with this Agreement (the "Term"). The Executive's employment with the Company will continue to be "at will," meaning that the Executive's employment may be terminated by the Company or the Executive at any time and for any reason subject to the terms of this Agreement. If the Executive's employment with the Company is terminated for any reason during the Term, the Company shall pay or provide to the Executive (or to the Executive's authorized representative or estate) any earned but unpaid base salary, unpaid expense reimbursements, accrued but unused PTO (as defined below) and any vested benefits the Executive may have under any employee benefit plan of the Company (the "Accrued Benefit").

2. **Duties.** The Executive will have such powers and duties as may from time to time be prescribed by the executive to whom the Executive reports or the Board of Directors of the Company (the "Board"). The Executive shall devote the Executive's full working time and efforts to the business and affairs of the Company and will not engage in outside business activities, including outside board work, without the prior consent of the Board or the Chief Executive Officer of the Company. Notwithstanding the foregoing, the Executive may engage in religious, charitable or other community activities as long as such services and activities do not interfere with the Executive's performance of Executive's duties to the Company.

3. **Compensation and Related Matters.**

(a) Base Salary. During the Term, the Executive's annual base salary will be $385,000, subject to redetermination by the Board. The annual base salary in effect at any given time is referred to herein as "Base Salary." The Base Salary will be payable in a manner that is consistent with the Company's usual payroll practices for senior executives.

(b) Starting Bonus. The Executive will receive a one-time starting bonus of $50,000, subject to legally required tax withholdings. Should the Executive be terminated for Cause or resign voluntarily within the first twelve (12) months of his employment, Executive will be required to repay the full amount of such starting bonus, provided that Executive will not be required to repay such starting bonus if the Executive resigns for Good Reason as set forth in this Section 4(b)(ii).

(c) Bonus. During the Term, the Executive will be eligible to be considered for annual cash bonus as determined by the Board or the Compensation Committee of the

Board (the "Compensation Committee") from time to time (the "Bonus"), with the actual amount of the Bonus, if any, determined based upon the Board or the Compensation Committee's assessment of achievement of certain pre-determined performance goals. The Executive's initial annual target Bonus is 35% of the Base Salary, and such percentage is subject to review and redetermination by the Board or the Compensation Committee (the "Target Bonus Percentage"). The Executive's Bonus, if any, will be paid by March 15 following the applicable Bonus year. To earn a Bonus, the Executive must be employed by the Company on the day such Bonus is paid.

(d) PTO: During the Term, the Executive is eligible to earn paid-time-off ("PTO"), to be accrued on a pro rata basis and subject to the terms and conditions of the Company's policies and procedures relating to PTO.

(e) Other Benefits. During the Term, the Executive will be entitled to continue to participate in the Company's employee benefit plans, subject to the terms and the conditions of such plans and to the Company's ability to amend and modify such plans.

(f) Equity. The Executive's equity compensation shall be governed by the terms and conditions of the applicable Company equity incentive plan, as may be amended, and the applicable stock option and/or restricted stock agreements associated with any grants made to the Executive (collectively the "Equity Documents"). Provided, and notwithstanding anything to the contrary in the Equity Documents, Section 5 of this Agreement shall apply in the event of a Terminating Event within a Sale Event Period.

(g) Reimbursement of Business Expenses. The Company shall reimburse the Executive for travel, entertainment, business development and other expenses reasonably and necessarily incurred by the Executive in connection with the Company's business. Expense reimbursement shall be subject to such policies the Company may adopt from time to time, included with respect to pre-approval.

(h) Repayment Obligation. In the event that the Executive resigns from employment without Good Reason at any time prior to the one year anniversary of the Executive's original start date, the Executive shall be required to repay the Company any amount of the starting and relocation bonus that the Company provided to the Executive.

4. Certain Definitions.

(a) Sale Event: (i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (ii) a merger, reorganization or consolidation pursuant to which the holders of the Company's outstanding voting power immediately prior to such transaction do not own a majority of the outstanding voting power of the surviving or resulting entity (or its ultimate parent, if applicable), (iii) the acquisition of all or a majority of the outstanding voting stock of the Company in a single transaction or a series of related transactions by a person or entity or group of persons and/or entities, or (iv) any other acquisition of the business of the Company, as determined by the Board; provided, however, that the Company's initial public offering, any subsequent public offering or any

other capital raising event, public or private, or a merger effected solely to change the Company's domicile shall not constitute a "Sale Event."

(b) Terminating Event. (i) termination by the Company other than for Cause at any time; or (ii) termination by the Executive for Good Reason on or within the 12 month period commencing with a Sale Event (such 12-month period, the "Sale Event Period") both as set forth in this Section 4(b):

(i) Termination by the Company Other Than For Cause. Termination by the Company of the Executive's employment for any reason other than for Cause, death or Disability. For purposes of this Agreement, "Cause" shall mean that the Company has complied with the "Cause Process" (hereinafter defined) following, the occurrence of any of the following events:

(A) Executive's material breach of this Agreement or any other agreement between the Company and Executive (including the Restrictive Covenants (as defined below));

(B) Executive's material failure to adhere to any written policy of the Company generally applicable to employees of the Company related to conduct or ethics;

(C) Executive's appropriation (or attempted appropriation) of a business opportunity of the Company, including attempting to secure or securing any personal profit in connection with any transaction entered into on behalf of the Company;

(D) Executive's commission of an act constituting fraud, embezzlement, breach of any fiduciary duty owed to the Company or its stockholders or other dishonesty with respect to the Company;

(E) Executive's willful misconduct or continued and willful failure or refusal to perform any material duties reasonably requested by the Board or the executive of the Company to whom Executive reports;

(F) Executive's engaging in gross negligence or willful misconduct in the performance of Executive's duties for the Company.

"Cause Process" shall mean that (i) the Company reasonably determines, in good faith, that one of the Causes has occurred; (ii) the Company notifies the Executive in writing of the first occurrence of the Cause within 30 days of the Board becoming aware of such condition; (iii) the Company cooperates in good faith with the Executive's efforts, for a period of not less than seven days following such notice (the "Cause Cure Period"), to remedy the Cause; (iv) notwithstanding such efforts, the Cause continues to exist; and (v) the Company terminates the Executive's employment within 30 days after the end of the Cause Cure Period, provided that the Company will not be required to provide a Cause Cure Period in the event that a Cause (x) is incapable of being cured; or (y) is required to be publicly disclosed under applicable securities law. If the Executive

cures all of the applicable Cause(s) during the applicable Cause Cure Period, Cause shall be deemed not to have occurred. If the Company is not required to provide a Cause Cure Period, the Cause Process will be satisfied if the Company notifies the Executive in writing of the first occurrence of the Cause within 30 days of the Board becoming aware of such condition and terminates the Executive's employment within 30 days of such notice.

(ii) Termination by the Executive for Good Reason within the Sale Event Period. Termination by the Executive of the Executive's employment with the Company for Good Reason within the Sale Event Period. For purposes of this Agreement, "Good Reason" shall mean that the Executive has complied with the "Good Reason Process" (hereinafter defined) following, the occurrence of any of the following events:

(A) a demotion in title or any material diminution in the Executive's position, responsibilities, authority or duties;

(B) a material diminution in the Executive's base salary; or

(C) a thirty (30) mile change in the geographic location at which the Executive is required to provides services to the Company, not including business travel and short-term assignments.

"Good Reason Process" shall mean that (i) the Executive reasonably determines in good faith that a "Good Reason" condition has occurred; (ii) the Executive notifies the Company in writing of the first occurrence of the Good Reason condition within 60 days of the first occurrence of such condition; (iii) the Executive cooperates in good faith with the Company's efforts, for a period not less than 30 days following such notice (the "Cure Period"), to remedy the condition; (iv) notwithstanding such efforts, the Good Reason condition continues to exist; and (v) the Executive terminates Executive's employment within 60 days after the end of the Cure Period. If the Company cures the Good Reason condition during the Cure Period, Good Reason shall be deemed not to have occurred.

A Terminating Event shall not be deemed to have occurred pursuant to this Section 4(b) as a result of: (i) the ending of the Executive's employment due to the Executive's death or Disability, (ii) Executive's resignation for any reason, other than for Good Reason within the Sale Event Period, (iii) the Company's termination of the employment relationship for Cause; or (iv) solely as a result of the Executive being or becoming an employee of any direct or indirect successor to the business or assets of the Company rather than continuing as an employee of the Company following a Sale Event. For purposes hereof, the Executive will be considered "Disabled" if, as a result of the Executive's incapacity due to physical or mental illness, the Executive shall have been absent from Executive's duties to the Company on a full-time basis for 180 calendar days in the aggregate in any 12-month period.

5. Severance and Accelerated Vesting if a Terminating Event Occurs within the Sale Event Period. In the event a Terminating Event occurs within the Sale Event Period, subject to the Executive signing and complying with a separation agreement in a form and

manner satisfactory to the Company containing, among other provisions, a general release of claims in favor of the Company and related persons and entities, confidentiality, return of property and non-disparagement and reaffirmation of the Restrictive Covenants (the "Separation Agreement and Release") and the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination, the following shall occur:

(a) the Company shall pay to the Executive an amount equal to the sum of (i) twelve months of the Executive's Base Salary in effect immediately prior to the Terminating Event (or the Executive's Base Salary in effect immediately prior to the Sale Event, if higher); and (ii) a Bonus for the year during which the Date of Termination occurs, calculated by multiplying the Executive's Target Bonus Percentage by twelve months of the Executive's Base Salary.

(b) if the Executive was participating in the Company's group health plan immediately prior to the Date of Termination and elects COBRA health continuation, then the Company shall pay to the Executive a lump sum cash payment in an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company for twelve months after the Date of Termination; and

(c) all stock options and other stock-based awards held by the Executive with time-based vesting shall immediately accelerate and become fully exercisable or nonforfeitable as of the Date of Termination.

The amounts payable under Section 5(a) and (b), as applicable, shall be paid out in a lump sum 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 amounts shall be paid in the second calendar year no later than the last day of the 60-day period.

6. **Severance if a Terminating Event Occurs Outside the Sale Event Period**. In the event a Terminating Event occurs at any time other than during the Sale Event Period, subject to the Executive signing the Separation Agreement and Release and the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination, the following shall occur:

(a) the Company shall pay to the Executive an amount equal to nine months of the Executive's annual Base Salary in effect immediately prior to the Terminating Event;

(b) if the Executive was participating in the Company's group health plan immediately prior to the Date of Termination and elects COBRA health continuation, then the Company shall pay to the Executive a monthly cash payment for nine months or the Executive's COBRA health continuation period, whichever ends earlier, in an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company.

The amounts payable under Section 6(a) and (b), as applicable, shall be paid out in substantially equal installments in accordance with the Company's payroll practice over nine months commencing 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 amounts payable shall 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 Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

7. **Restrictive Covenants.** The terms of the Employee Non-Competition, Non-Solicitation, Confidentiality and Assignment Agreement dated July 21, 2017 (the "Restrictive Covenants"), appended hereto as Exhibit A, continue to be in full force and effect and are incorporated by reference in this Agreement. The Executive hereby reaffirms the Restrictive Covenants as material terms of this Agreement.

(a) Third-Party Agreements and Rights. The Executive hereby confirms that the Executive is not bound by the terms of any agreement with any previous employer or other party which restricts in any way the Executive's use or disclosure of information or the Executive's engagement in any business that would prevent Executive from entering into employment with or carrying out his responsibilities for the Company, or which is in any way inconsistent with the terms of this Agreement.. The Executive represents to the Company that the Executive's execution of this Agreement, the Executive's employment with the Company and the performance of the Executive's proposed duties for the Company will not violate any obligations the Executive may have to any such previous employer or other party. In the Executive's work for the Company, the Executive will not disclose or make use of any information in violation of any agreements with or rights of any such previous employer or other party, and the Executive will not bring to the premises of the Company any copies or other tangible embodiments of non-public information belonging to or obtained from any such previous employment or other party.

(b) Litigation and Regulatory Cooperation. During and after the Executive's employment, the Executive shall cooperate fully with the Company in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that transpired while the Executive was employed by the Company. The Executive's full cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after the Executive's employment, the Executive also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Executive was employed by the Company. The Company shall reimburse the Executive for any reasonable out-of-pocket expenses incurred in connection with the Executive's performance of obligations pursuant to this Section 7(b).

(c) Relief. The Executive agrees that it would be difficult to measure any damages caused to the Company which might result from any breach by the Executive of the promises set forth in this Section 7, and that in any event money damages would be an inadequate remedy for any such breach. Accordingly, the Executive agrees that if the Executive breaches, or proposes to breach, any portion of this Agreement, the Company shall be entitled, in

addition to all other remedies that it may have, to an injunction or other appropriate equitable relief to restrain any such breach without showing or proving any actual damage to the Company. In addition, in the event the Executive breaches the Restrictive Covenants during a period when the Executive is receiving Severance, the Company shall have the right to suspend or terminate the Severance. Such suspension or termination shall not limit the Company's other options with respect to relief for such breach and shall not relieve the Executive of Executive's duties under this Agreement.

(d) **Protected Disclosures**. The Executive understands that nothing contained in this Agreement or the Restrictive Covenants limits the Executive's ability to communicate with any federal, state or local governmental agency or commission, including to provide documents or other information, without notice to the Company.

8. **Additional Limitation**.

(a) Anything in this Agreement to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Code and the applicable regulations thereunder (the "Severance Payments"), would be subject to the excise tax imposed by Section 4999 of the Code, the following provisions shall apply:

(i) If the Severance Payments, reduced by the sum of (A) the Excise Tax and (B) the total of the federal, state, and local income and employment taxes payable by the Executive on the amount of the Severance Payments which are in excess of the Threshold Amount, are greater than or equal to the Threshold Amount, the Executive shall be entitled to the full amount of Severance Payments.

(ii) If the Threshold Amount is less than (x) the Severance Payments, but greater than (y) the Severance Payments reduced by the sum of (A) the Excise Tax and (B) the total of the federal, state, and local income and employment taxes on the amount of the Severance Payments which are in excess of the Threshold Amount, then the Severance Payments shall be reduced (but not below zero) to the extent necessary so that the sum of all Severance Payments shall not exceed the Threshold Amount. In such event, the Severance Payments shall be reduced in the following order: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits. To the extent any payment is to be made over time (e.g., in installments, etc.), then the payments shall be reduced in reverse chronological order.

(b) For the purposes of this Section 8, "Threshold Amount" shall mean three times the Executive's "base amount" within the meaning of Section 280G(b)(3) of the Code and the regulations promulgated thereunder less one dollar ($1.00); and "Excise Tax" shall mean the excise tax imposed by Section 4999 of the Code, and any interest or penalties incurred by the Executive with respect to such excise tax.

(c) The determination as to which of the alternative provisions of Section 8(a) above shall apply to the Executive shall be made by a nationally recognized accounting firm selected by the Company (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. For purposes of determining which of the alternative provisions of Section 8(a) above shall apply, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in the state and locality of the Executive's residence on the Date of Termination, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

9. **Section 409A**.

(a) Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive's "separation from service" within the meaning of Section 409A of the Code, the Company determines that the Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement on account of the Executive's separation from service would be considered deferred compensation subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after the Executive's separation from service, or (B) the Executive's death.

(b) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(c) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year. Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(d) To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive's termination of employment, then such payments or benefits shall be payable only upon the Executive's "separation from service." The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(e) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

10. Withholding. All payments made by the Company to the Executive under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law.

11. Notice and Date of Termination.

(a) Notice of Termination. The Executive's employment with the Company may be terminated by the Company or the Executive at any time and for any reason. During the Term, any termination of the Executive's employment (other than by reason of death) shall be communicated by written Notice of Termination from one party hereto to the other party hereto in accordance with this Section 11. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon.

(b) Date of Termination. "Date of Termination" shall mean: (i) if the Executive's employment is terminated by Executive's death, the date of Executive's death; (ii) if the Executive's employment is terminated on account of Executive's Disability or by the Company for Cause or without Cause the date on which Notice of Termination is given; (iii) if the Executive's employment is terminated by the Executive for any reason except for Good Reason during a Sale Event Period, 30 days after the date on which a Notice of Termination is given, and (v) if the Executive's employment is terminated by the Executive with Good Reason within a Sale Event Period, the date on which a Notice of Termination is given after the end of the Cure Period. Notwithstanding the foregoing, in the event that the Executive gives a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in a termination by the Company for purposes of this Agreement.

12. No Mitigation. The Company agrees that, if the Executive's employment by the Company is terminated during the term of this Agreement, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the Company pursuant to Section 5 or Section 6 hereof. Further, the amount of any payment provided for in this Agreement shall not be reduced by any compensation earned by the Executive as the result of employment by another employer.

13. **Consent to Jurisdiction**. The parties hereby consent to the jurisdiction of the state and federal court in the Commonwealth of Massachusetts. Accordingly, with respect to any such court action, the Executive (a) submits to the personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process.

14. **Integration**. This Agreement constitutes the entire agreement between the parties with respect to compensation, severance pay, benefits and accelerated vesting and supersedes in all respects all prior agreements between the parties concerning such subject matter, including without limitation any offer letter or employment agreement relating to the Executive's employment relationship with the Company. Provided, and notwithstanding the foregoing, the Restrictive Covenants and any other agreement relating to confidentiality, noncompetition, nonsolicitation or assignment of inventions shall not be superseded by this Agreement and the Executive acknowledges and agrees that any such agreement shall remain in full force and effect.

15. **Successor to the Executive**. This Agreement shall inure to the benefit of and be enforceable by the Executive's personal representatives, executors, administrators, heirs, distributees, devisees and legatees. In the event of the Executive's death after a Terminating Event but prior to the completion by the Company of all payments due the Executive under this Agreement, the Company shall continue such payments to the Executive's beneficiary designated in writing to the Company prior to Executive's death (or to Executive's estate, if the Executive fails to make such designation).

16. **Enforceability**. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any Section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

17. **Waiver**. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

18. **Notices**. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight currier service of by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company, or to the Company at its main office, attention of the Board.

19. **Amendment**. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company.

20. Effect on Other Plans and Agreements. An election by the Executive to resign for Good Reason during a Sale Event Period under the provisions of this Agreement shall not be deemed a voluntary termination of employment by the Executive for the purpose of interpreting the provisions of any of the Company's benefit plans, programs or policies. Nothing in this Agreement shall be construed to limit the rights of the Executive under the Company's benefit plans, programs or policies except as otherwise provided in Section 7 hereof, and except that the Executive shall have no rights to any severance benefits under any Company severance pay plan, offer letter or otherwise. In the event that the Executive is party to an agreement with the Company providing for payments or benefits under such agreement and this Agreement, the terms of this Agreement shall govern and Executive may receive payment under this Agreement only and not both. Further, Section 5 and Section 6 of this Agreement are mutually exclusive and in no event shall Executive be entitled to payments or benefits pursuant to Section 5 and Section 6 of this Agreement.

21. Governing Law. This is a Massachusetts contract and shall be construed under and be governed in all respects by the laws of the Commonwealth of Massachusetts, without giving effect to the conflict of laws principles.

22. Successor to Company. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and agree to perform this Agreement to the same extent that the Company would be required to perform it if no succession had taken place. Failure of the Company to obtain an assumption of this Agreement at or prior to the effectiveness of any succession shall be a material breach of this Agreement.

23. Gender Neutral. Wherever used herein, a pronoun in the masculine or feminine gender shall be considered as including the opposite gender unless the context clearly indicates otherwise.

24. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on this date and year first written.

JOUNCE THERAPEUTICS, INC.

By: /s/ Richard Murray
Name: Richard Murray
Title: President & Chief Executive Officer

EXECUTIVE:

/s/ Hugh M. Cole
Hugh M. Cole
Chief Business Officer

EXHIBIT A

Employee Non-Competition, Non-Solicitation, Confidentiality and Assignment Agreement dated July 21, 2017

JOUNCE THERAPEUTICS, INC.

Employee Non-Competition, Non-Solicitation, Confidentiality and Assignment Agreement

In consideration and as a condition of my employment or continued employment by Jounce Therapeutics, Inc., a Delaware corporation (the "Company"), I agree as follows:

1. Proprietary Information. I agree that all information, whether or not in writing, concerning the Company's business, technology, business relationships or financial affairs which the Company has not released to the general public (collectively, "Proprietary Information") is and will be the exclusive property of the Company. By way of illustration, Proprietary Information may include information or material which has not been made generally available to the public, such as: (a) *corporate information*, including plans, strategies, methods, policies, resolutions, negotiations or litigation; (b) *marketing information*, including strategies, methods, customer identities or other information about customers, prospect identities or other information about prospects, or market analyses or projections; (c) *financial information*, including cost and performance data, debt arrangements, equity structure, investors and holdings, purchasing and sales data and price lists; (d) *operational and technological information*, including plans, specifications, manuals, forms, templates, software, designs, methods, procedures, formulas, discoveries, inventions, improvements, concepts and ideas; and (e) *personnel information*, including personnel lists, reporting or organizational structure, resumes, personnel data, performance evaluations and termination arrangements or documents. Proprietary Information also includes information received in confidence by the Company from its customers or suppliers or other third parties.

2. Recognition of Company's Rights. I will not, at any time, without the Company's prior written permission, either during or after my employment, disclose or transfer any Proprietary Information to anyone outside of the Company, or use or permit to be used any Proprietary Information for any purpose other than the performance of my duties as an employee of the Company. I will cooperate with the Company and use my best efforts to prevent the unauthorized disclosure of all Proprietary Information. I will deliver to the Company all copies and other tangible embodiments of Proprietary Information in my possession or control upon the earlier of a request by the Company or termination of my employment.

3. Rights of Others. I understand that the Company is now and may hereafter be subject to non-disclosure or confidentiality agreements with third persons which require the Company to protect or refrain from use of Proprietary Information. I agree to be bound by the terms of such agreements in the event I have access to such Proprietary Information.

4. Commitment to Company; Avoidance of Conflict of Interest. While an employee of the Company, I will devote my full-time efforts to the Company's business and I will not engage in any other business activity that conflicts with my duties to the Company. I will advise the president of the Company or his or her nominee at such time as any activity of either the Company or another business presents me with a conflict of interest or the appearance of a conflict of interest as an employee of the Company. I will take whatever action is requested of me by the Company to resolve any conflict or appearance of conflict which it finds to exist.

5. Developments. I will make full and prompt disclosure to the Company of all inventions, discoveries, designs, developments, methods, modifications, improvements, processes, algorithms, databases, computer programs, formulae, techniques, trade secrets, graphics or images, audio or visual works and other works of authorship (collectively "Developments"), whether or not patentable or copyrightable, that are created, made, conceived or reduced to practice by me (alone or jointly with others) or under my direction during the period of my employment. I acknowledge that all work performed by me is on a "work for hire" basis, and I hereby do assign and transfer and, to the extent any such assignment cannot be made at present, will assign and transfer, to the Company and its successors and assigns all my right, title and interest in all Developments that (a) relate to the business of the Company or any customer of or supplier to the Company or any of the products or services being researched, developed, manufactured or sold by the Company or which may be used with such products or services; or (b) result from tasks assigned to me by the Company; or (c) result from the use of premises or personal property (whether tangible or intangible) owned, leased or contracted for by the Company ("Company-Related Developments"), and all related patents, patent applications, trademarks and trademark applications, copyrights and copyright applications, and other intellectual property rights in all countries and territories worldwide and under any international conventions ("Intellectual Property Rights").

To preclude any possible uncertainty, I have set forth on Exhibit A attached hereto a complete list of Developments that I have, alone or jointly with others, conceived, developed or reduced to practice prior to the commencement of my employment with the Company that I consider to be my property or the property of third parties and that I wish to have excluded from the scope of this Agreement ("Prior Inventions"). If disclosure of any such Prior Invention would cause me to violate any prior confidentiality agreement, I understand that I am not to list such Prior Inventions in Exhibit A but am only to disclose a cursory name for each such invention, a listing of the party(ies) to whom it belongs and the fact that full disclosure as to such inventions has not been made for that reason. I have also listed on Exhibit A all patents and patent applications in which I am named as an inventor,

other than those which have been assigned to the Company ("Other Patent Rights"). If no such disclosure is attached, I represent that there are no Prior Inventions or Other Patent Rights. If, in the course of my employment with the Company, I incorporate a Prior Invention into a Company product, process or machine or other work done for the Company, I hereby grant to the Company a nonexclusive, royalty-free, paid-up, irrevocable, worldwide license (with the full right to sublicense) to make, have made, modify, use, sell, offer for sale and import such Prior Invention. Notwithstanding the foregoing, I will not incorporate, or permit to be incorporated, Prior Inventions in any Company-Related Development without the Company's prior written consent.

This Agreement does not obligate me to assign to the Company any Development which, in the sole judgment of the Company, reasonably exercised, is developed entirely on my own time and does not relate to the business efforts or research and development efforts in which, during the period of my employment, the Company actually is engaged or reasonably would be engaged, and does not result from the use of premises or equipment owned or leased by the Company. However, I will also promptly disclose to the Company any such Developments for the purpose of determining whether they qualify for such exclusion. I understand that to the extent this Agreement is required to be construed in accordance with the laws of any state which precludes a requirement in an employee agreement to assign certain classes of inventions made by an employee, this paragraph 5 will be interpreted not to apply to any invention which a court rules and/or the Company agrees falls within such classes. I also hereby waive all claims to any moral rights or other special rights which I may have or accrue in any Company-Related Developments.

6. Documents and Other Materials. I will keep and maintain adequate and current records of all Proprietary Information and Company-Related Developments developed by me during my employment, which records will be available to and remain the sole property of the Company at all times.

All files, letters, notes, memoranda, reports, records, data, sketches, drawings, notebooks, layouts, charts, quotations and proposals, specification sheets, program listings, blueprints, models, prototypes, or other written, photographic or other tangible material containing Proprietary Information, whether created by me or others, which come into my custody or possession, are the exclusive property of the Company to be used by me only in the performance of my duties for the Company. Any property situated on the Company's premises and owned by the Company, including without limitation computers, disks and other storage media, filing cabinets or other work areas, is subject to inspection by the Company at any time with or without notice. In the event of the termination of my employment for any reason, I will deliver to the Company all files, letters, notes, memoranda, reports, records, data, sketches, drawings, notebooks, layouts, charts, quotations and proposals, specification sheets, program listings, blueprints, models, prototypes, or other written, photographic or other tangible material containing Proprietary Information, and other materials of any nature pertaining to the Proprietary Information of the Company and to my work, and will not take or keep in my possession any of the foregoing or any copies.

7. Enforcement of Intellectual Property Rights. I will cooperate fully with the Company, both during and after my employment with the Company, with respect to the procurement, maintenance and enforcement of Intellectual Property Rights in Company-Related Developments. I will sign, both during and after the term of this Agreement, all papers, including without limitation copyright applications, patent applications, declarations, oaths, assignments of priority rights, and powers of attorney, which the Company may deem necessary or desirable in order to protect its rights and interests in any Company-Related Development. If the Company is unable, after reasonable effort, to secure my signature on any such papers, I hereby irrevocably designate and appoint each officer of the Company as my agent and attorney-in-fact to execute any such papers on my behalf, and to take any and all actions as the Company may deem necessary or desirable in order to protect its rights and interests in any Company-Related Development.

8. Non-Competition and Non-Solicitation. In order to protect the Company's Proprietary Information and good will, during my employment and for a period of twelve (12) months following the termination of my employment for any reason (the "Restricted Period"), I will not directly or indirectly, whether as owner, partner, shareholder, director, consultant, agent, employee, co-venturer or otherwise, (1) engage, participate, or invest in, be employed by, consult or otherwise associated with any other business, enterprise or venture that, as its primary business activity, performs research or services, or develops, manufactures or markets any products that are same as, similar to or competitive with the research, services or products of the Company or that the Company has under development or active planning (the "Restricted Field"), or (2) perform or otherwise be involved in any business activity related to the Restricted Field. This paragraph 8 shall not prohibit any possible investment in publicly traded stock of a company representing less than one percent of the stock of such company. In addition, during the Restricted Period, I will not, directly or indirectly, in any manner, other than for the benefit of the Company, (a) call upon, solicit, divert or take away any of the customers, business or prospective customers of the Company or any of its suppliers, and/or (b) solicit, entice or attempt to persuade any other employee or consultant of the Company to leave the services of the Company for any reason. I acknowledge and agree that if I violate any of the provisions of this paragraph 8, the running of the Restricted Period will be extended by the time during which I engage in such violation(s).

9. Government Contracts. I acknowledge that the Company may have from time to time agreements with other persons or with the United States Government or its agencies which impose obligations or restrictions on the Company regarding inventions made during the course of work under such agreements or regarding the confidential nature of such work. I agree to comply with any such obligations or restrictions upon the direction of the Company. In addition to the rights assigned under paragraph 5, I also assign to the Company (or any of its nominees) all rights which I have or acquired in any Developments, full title to which is required to be in the United States under any contract between the Company and the United States or any of its agencies.

10. Prior Agreements. I hereby represent that, except as I have fully disclosed previously in writing to the Company, I am not bound by the terms of any agreement with any previous employer or other party to refrain from using or disclosing any trade secret or confidential or proprietary information in the course of my employment with the Company or to refrain from competing, directly or indirectly, with the business of such previous employer or any other party. I further represent that my performance of all the terms of this Agreement as an employee of the Company does not and will not breach any agreement to keep in confidence proprietary information, knowledge or data acquired by me in confidence or in trust prior to my employment with the Company. I will not disclose to the Company or induce the Company to use any confidential or proprietary information or material belonging to any previous employer or others.

11. Remedies Upon Breach. I understand that the restrictions contained in this Agreement are necessary for the protection of the business and goodwill of the Company and I consider them to be reasonable for such purpose. Any breach of this Agreement is likely to cause the Company substantial and irrevocable damage and therefore, in the event of such breach, the Company, in addition to such other remedies which may be available, will be entitled to specific performance and other injunctive relief.

12. Use of Voice, Image and Likeness. I give the Company permission to use my voice, image or likeness, with or without using my name, for the purposes of advertising and promoting the Company, or for other purposes deemed appropriate by the Company in its reasonable discretion, except to the extent expressly prohibited by law.

13. Publications and Public Statements. I will obtain the Company's written approval before publishing or submitting for publication any material that relates to my work at the Company and/or incorporates any Proprietary Information. To ensure that the Company delivers a consistent message about its products, services and operations to the public, and further in recognition that even positive statements may have a detrimental effect on the Company in certain securities transactions and other contexts, any statement about the Company which I create, publish or post during my period of employment and for six (6) months thereafter, on any media accessible by the public, including but not limited to social media sites, electronic bulletin boards and Internet-based chat rooms, must first be reviewed and approved by an officer of the Company before it is released in the public domain. Notwithstanding the foregoing, any statement relating to any Proprietary Information shall not be published or posted on any media anytime during or after my employment without the Company's prior written consent.

14. No Employment Obligation. I understand that this Agreement does not create an obligation on the Company or any other person to continue my employment. I acknowledge that, unless otherwise agreed in a formal written employment agreement signed on behalf of the Company by an authorized officer, my employment with the Company is at will and therefore may be terminated by the Company or me at any time and for any reason.

15. Survival and Assignment by the Company. I understand that my obligations under this Agreement will continue in accordance with its express terms regardless of any changes in my title, position, duties, salary, compensation or benefits or other terms and conditions of employment. I further understand that my obligations under this Agreement will continue following the termination of my employment regardless of the manner of such termination and will be binding upon my heirs, executors and administrators. The Company will have the right to assign this Agreement to its affiliates, successors and assigns. I expressly consent to be bound by the provisions of this Agreement for the benefit of the Company or any parent, subsidiary or affiliate to whose employ I may be transferred without the necessity that this Agreement be resigned at the time of such transfer.

16. Disclosure to Future Employers. The Company has the right to provide a copy of this Agreement to any future employer, partner or coventurer.

17. Severability. In case any provisions (or portions thereof) contained in this Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. If, moreover, any one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to duration, geographical scope, activity or subject, it shall be construed by limiting and reducing it, so as to be enforceable to the extent compatible with the applicable law as it shall then appear.

18. Interpretation. This Agreement will be deemed to be made and entered into in the Commonwealth of Massachusetts, and will in all respects be interpreted, enforced and governed under the laws of the Commonwealth of Massachusetts. I hereby agree to consent to personal jurisdiction of the state and federal

courts situated within Suffolk County, Massachusetts for purposes of enforcing this Agreement, and waive any objection that I might have to personal jurisdiction or venue in those courts.

19. Modification; Waiver. No modification, amendment, waiver or termination of this Agreement or of any provision hereof will be binding unless made in writing and signed by an authorized officer of the Company. Failure of the Company to insist upon strict compliance with any of the terms, covenants or conditions hereof will not be deemed a waiver of such terms, covenants or conditions. In the event of any inconsistency between this Agreement and any other contract between the Company and me, the provisions of this Agreement will prevail.

20. Protected Disclosures. I understand that nothing contained in this Agreement limits my ability to communicate with any federal, state or local governmental agency or commission, including to provide documents or other information, without notice to the Company. I also understand that nothing in this Agreement limits my ability to share compensation information concerning myself or others, except that this does not permit me to disclose compensation information concerning others that I obtain because my job responsibilities require or allow access to such information.

21. Defend Trade Secrets Act of 2016. I understand that pursuant to the federal Defend Trade Secrets Act of 2016, I shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

[End of Text]

I UNDERSTAND THAT THIS AGREEMENT AFFECTS IMPORTANT RIGHTS. BY SIGNING BELOW, I CERTIFY THAT I HAVE READ IT CAREFULLY AND AM SATISFIED THAT I UNDERSTAND IT COMPLETELY.

IN WITNESS WHEREOF, the undersigned has executed this Agreement as a sealed instrument as of the date set forth below.

Signed: /s/ Hugh M. Cole
(Employee's full name)

Type or print name: Hugh M. Cole

Date: July 21, 2017

EXHIBIT A

To: Jounce Therapeutics, Inc.

From: Hugh M. Cole

Date: July 21, 2017

SUBJECT: **Prior Inventions**

The following is a complete list of all inventions or improvements relevant to the subject matter of my employment by the Company that have been made or conceived or first reduced to practice by me alone or jointly with others prior to my engagement by the Company:

X No inventions or improvements

__ See below:

_____

_____

_____

__ Additional sheets attached

The following is a list of all patents and patent applications in which I have been named as an inventor:

X None

__ See below:

_____

_____

_____

Exhibit 21.1

Subsidiaries of the Registrant

Name	Jurisdiction of Organization	Percentage Ownership
Jounce Mass Securities, Inc.	Massachusetts	100%

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-215794) pertaining to the 2013 Stock Option and Grant Plan, the 2017 Stock Option and Incentive Plan, and the 2017 Employee Stock Purchase Plan of Jounce Therapeutics, Inc., of our report dated March 8, 2018, with respect to the consolidated financial statements of Jounce Therapeutics, Inc. included in this Annual Report (Form 10-K) for the year ended December 31, 2017.

/s/ Ernst & Young LLP

Boston, Massachusetts
March 8, 2018

Exhibit 31.1

CERTIFICATIONS

I, Richard Murray, certify that:

1. I have reviewed this Annual Report on Form 10-K of Jounce Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 8, 2018

By: /s/ Richard Murray

Richard Murray, Ph.D.
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, Kim C. Drapkin, certify that:

1. I have reviewed this Annual Report on Form 10-K of Jounce Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 8, 2018

By: /s/ Kim C. Drapkin

Kim C. Drapkin
Treasurer and Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

**CERTIFICATIONS OF CEO AND CFO PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this Annual Report on Form 10-K of Jounce Therapeutics, Inc. (the "Company") for the year ended December 31, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of her or his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 8, 2018 By: /s/ Richard Murray
Richard Murray, Ph.D.
President and Chief Executive Officer
(Principal Executive Officer)

Date: March 8, 2018 By: /s/ Kim C. Drapkin
Kim C. Drapkin
Treasurer and Chief Financial Officer
(Principal Financial and Accounting Officer)