

**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: 000-55866**

**MONOPAR THERAPEUTICS INC.**

**(Exact name of registrant as specified in its charter)**

**DELAWARE**

**32-0463781**

**(State or other jurisdiction of incorporation or organization)**

**(I.R.S. employer identification number)**

**1000 Skokie Blvd., Suite 350, Wilmette, IL**

**60091**

**(Address of principal executive offices)**

**(zip code)**

**(847) 388-0349**

**(Registrant's telephone number, including area code)**

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

**Title of each class**

**Name of each exchange on which registered**

N/A

N/A

**Securities registered pursuant to section 12(g) of the Act:**

**Common Stock, \$0.001 par value**

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. Yes  No

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") subsequent to the distribution of securities under a plan confirmed by a court. Yes  No

Not Applicable.

The number of shares outstanding with respect to each of the classes of our common stock, as of March 26, 2018, is set forth below:

<b>Class</b>	<b>Number of shares outstanding</b>
--------------	-------------------------------------

Class A common stock, par value \$0.001 per share  
Documents incorporated by reference:

9,291,420.614

---

---

---

**MONOPAR THERAPEUTICS INC.**  
**TABLE OF CONTENTS**

	<b>Page</b>
<u>Part I</u>	
<u>Item 1.</u> Business	3
<u>Item 1A.</u> Risk Factors	22
<u>Item 2.</u> Properties	33
<u>Item 3.</u> Legal Proceedings	33
<u>Part II</u>	
<u>Item 5.</u> Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	33
<u>Item 7.</u> Management's Discussion and Analysis of Financial Condition and Results of Operations	35
<u>Item 8.</u> Financial Statements and Supplementary Data	49
<u>Item 9.</u> Changes in and Disagreements with Accountants on Accounting and Financial Disclosures	50
<u>Item 9A.</u> Controls and Procedures	50
<u>Part III</u>	
<u>Item 10.</u> Directors, Executive Officers and Corporate Governance	51
<u>Item 11.</u> Executive Compensation	57
<u>Item 12.</u> Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	61
<u>Item 13.</u> Certain Relationships and Related Transactions and Director Independence	63
<u>Item 14.</u> Principal Accountant Fees and Services	65
<u>Part IV</u>	
<u>Item 15.</u> Exhibits and Financial Statement Schedules	66
Signatures	

## Forward-Looking Statements

This Annual Report on Form 10-K contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Act”) and Section 21E of the 34 Act. All statements other than statements of historical facts included in this Annual Report on Form 10-K are forward-looking statements. The words “hopes,” “believes,” “anticipates,” “plans,” “seeks,” “estimates,” “projects,” “expects,” “intends,” “may,” “could,” “should,” “would,” “will,” “continue,” and similar expressions are intended to identify forward-looking statements. Forward-looking statements contained in this Annual Report on Form 10-K include without limitation statements about the market for cancer products in general and statements about our:

- projections and related assumptions;
- business and corporate strategy;
- plans, objectives, expectations, and intentions;
- clinical and preclinical pipeline and the anticipated development of our technologies, products, and operations;
- anticipated revenue and growth in revenue from various product offerings;
- future operating results;
- intellectual property portfolio;
- projected liquidity and capital expenditures;
- development and expansion of strategic relationships, collaborations, and alliances; and
- market opportunity, including without limitation the potential market acceptance of our technologies and products and the size of the market for cancer products.

Although we believe that the expectations reflected in such forward-looking statements are appropriate, we can give no assurance that such expectations will be realized. Cautionary statements are disclosed in this Annual Report on Form 10-K, including without limitation statements in the section entitled “RISK FACTORS,” addressing forward-looking statements. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements. We undertake no obligation to update any statements made in this Annual Report on Form 10-K or elsewhere, including without limitation any forward-looking statements, except as required by law.

## PART I

### Item 1. Business

You should read the following discussion in conjunction with our financial statements as of December 31, 2017 and the notes to such financial statements included elsewhere in this Annual Report on Form 10-K.

#### *Overview*

We are a clinical-stage biotechnology company focused on developing innovative drugs and drug combinations to improve clinical outcomes for cancer patients. We are building a drug development pipeline through the licensing or acquisition of oncology therapeutics at the late preclinical through advanced clinical development stage, leveraging already existing scientific and clinical data as much as possible to de-risk clinical development.

Our lead drug product candidate is Validive® (clonidine mucobuccal tablet; clonidine MBT), a Phase 3-ready molecule for the prevention and treatment of severe oral mucositis (“SOM”) in patients undergoing radiotherapy for oropharyngeal cancer (“OPC”). In September 2017, we exercised our exclusive option with Onxeo S.A. to license worldwide rights to Validive.

Increased expression of pro-inflammatory cytokines by macrophages is believed to be the mechanism of radiotherapy-induced severe oral mucositis. Oropharyngeal cancer arises in the immune tissue at the back of the throat, which is characterized by a high localization of macrophages. As a mucoadhesive tablet that works locally through agonizing a receptor on macrophages that suppresses cytokine expression at the sites of radiation, we believe Validive® has significant promise in addressing this large unmet medical need. Currently, there are no U.S. Food and Drug Administration (“FDA”)-approved preventive or therapeutic options for patients that develop radiation-induced SOM.

A Phase 1 and Phase 2 trial with Validive have been completed, with encouraging results. We anticipate a pre-Phase 3 meeting with the FDA in the second quarter of 2018, and are aiming to initiate our Phase 3 development program in the second half of 2018. Assuming the FDA concurs with our clinical plan, an interim analysis of the Phase 3 clinical data is currently planned for the fourth quarter of 2019, with final data anticipated to be released in the first half of 2021. In anticipation of initiating the international Phase 3 development program for Validive, we created a wholly-owned French subsidiary, Monopar Therapeutics, SARL in January 2018, and a wholly-owned Australian subsidiary, Monopar Therapeutics Australia Pty Ltd. in March 2018.

In August 2017, we acquired the clinical stage drug product candidate MNPR-201 (GPX-150) from TacticGem, LLC. MNPR-201 is a novel doxorubicin analog engineered to eliminate the cardiotoxic side effects typically generated by anthracycline-based cancer drugs. MNPR-201 has completed a small Phase 2 clinical trial in soft tissue sarcoma patients. We are aiming to initiate one or more Phase 2 trials for MNPR-201 in the first half of 2019.

As part of the transaction to acquire MNPR-201, TacticGem, LLC became our majority shareholder. Surrounding this transaction, we raised approximately \$9.5 million (net of transaction costs) and filed a Form 10 with the SEC which became effective on January 8, 2018.

We also own several discovery and preclinical stage drug product candidates, the furthest along being MNPR-101 (huATN-658). MNPR-101 is a novel first-in-class humanized monoclonal antibody to the urokinase plasminogen activator receptor (“uPAR”) for the treatment of advanced cancers. It has nearly completed IND-enabling work and we anticipate a pre-IND meeting with the FDA in the third quarter of 2018.

In order to fund our planned operations, including executing our clinical development plans and advancing our drug product candidates, we will need to obtain additional significant capital through the sale of equity securities or other financial arrangements; however, there can be no assurance that we will be able to raise needed capital under acceptable terms, if at all. The sale of additional equity will dilute our existing stockholders.

#### *Corporate Information*

We were formed as a Delaware limited liability company in December 2014, with the name Monopar Therapeutics, LLC. In December 2015, we converted into a Delaware C corporation. Our principal executive offices are located at 1000 Skokie Blvd, Suite 350, Wilmette, IL 60091. Our telephone number is (847) 388-0349, and our email address is [info@monopartx.com](mailto:info@monopartx.com).

Our corporate website is located at [www.monopartx.com](http://www.monopartx.com). Any information contained in, or that can be accessed through our website is not incorporated by reference in this Annual Report on Form 10-K.

### ***Our Strategy***

Our goal is to leverage the experience and competencies of our management team to acquire, in-license and develop promising drug product candidates and to commercialize cancer therapeutics that address unmet medical needs in the oncology market. The key elements of our strategy include:

- Initiate our Phase 3 development program for Validive;
- Obtain FDA approval of Validive for reducing the risk of onset of SOM in patients undergoing radiotherapy for oropharyngeal cancer;
- Commercialize Validive in the U.S. and EU;
- Maintain, expand and protect our intellectual property portfolio around Validive;
- Initiate clinical trial(s) for MNPR-201 in indications where we can leverage existing data of doxorubicin's efficacy (breast cancer, sarcoma, rare pediatric cancers);
- Request pre-IND meeting for MNPR-101; and
- Expand our product portfolio through acquiring or in-licensing additional product candidates, especially ones where we can leverage already existing scientific and clinical data to help de-risk further clinical development.

### ***The Oncology Therapeutics Market***

Cancer is a collection of diseases characterized by uncontrolled growth and spread of abnormal cells. In January 2018, the American Cancer Society projected that there will be an estimated 1.7 million new cancer cases diagnosed and 609,640 cancer deaths in the U.S. in 2018. Current treatments for cancer include surgery, radiation therapy, chemotherapy, hormone therapy, targeted therapy and immunotherapy. The IQVIA Institute for Human Data Science reported in 2017 that total global spending on oncology medicines, including therapeutic treatments and supportive care, reached \$113 billion in 2016.

Many currently marketed cancer drugs do not distinguish between rapidly growing healthy cells and cancer cells. This leads to serious side effects and a very narrow therapeutic index. Often, treatment is discontinued because of adverse effects or cumulative toxicities, rendering chronic treatment impossible. Since tumors are generally not completely eradicated by chemotherapy, cessation of treatment often leads to a regrowth of the malignancy. Furthermore, many tumors mutate rapidly and develop resistance, thereby further rendering existing treatments ineffective. While newer immunotherapies have shown promising results, only a portion of patients will respond to such treatments. There is an urgent need for additional drugs to improve cancer treatment.

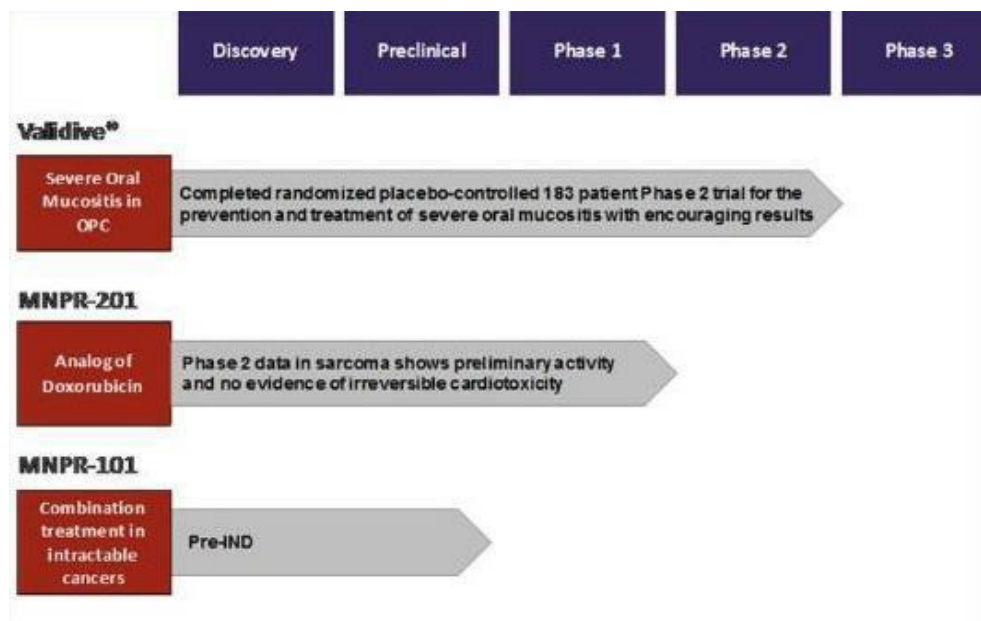
Advances in the understanding of how tumor cells differ from normal tissue have made possible the development of a new class of targeted cancer therapies that interrupt processes important to tumor survival and progression. These include anti-angiogenic drugs, anti-metastatic drugs, and cell-signaling inhibitors.

All of these approaches may be associated with various side effects experienced by cancer patients that result from the treatments having an adverse impact on normal functioning cells and organ systems. Supportive care products are frequently prescribed or administered to cancer patients to prevent or treat these side effects thereby allowing the patients to continue to receive potentially life prolonging cancer therapies and to minimize long term consequences from these treatments.

Our pipeline and strategy are aligned with the trends in cancer care. Validive is intended to reduce the incidence of SOM and keep OPC patients on treatment longer. MNPR-201 is a novel analog of doxorubicin designed to eliminate formation of dose limiting cardiotoxic metabolites generated by doxorubicin while retaining the anti-cancer activity. MNPR-101 is designed to bind a specific cell surface receptor found cancer cells (uPAR), to thereby interrupt several pathways required for tumor growth and progression.

## Our Drug Product Candidates

### MONOPAR PRODUCT PIPELINE



#### Validive® (clonidine mucobuccal tablet; clonidine MBT)

Validive (clonidine MBT) is a mucobuccal tablet (“MBT”) of clonidine based on the Lauriad® mucoadhesive technology. The Lauriad technology was developed for oral transmucosal drug delivery and significantly increases the mucous and salivary concentrations of the active ingredient it contains, with decreased systemic absorption. The tablet is placed under the patient’s upper lip and remains there for several hours a day, releasing the active ingredient into the saliva.

#### Mechanism of Action

Validive is designed to deliver high local concentrations of the active pharmaceutical ingredient clonidine, an agonist of alpha-2 adrenergic receptors (“alpha-2AR”), to the oropharynx, the site of irradiation in the treatment of OPC. In the oropharynx, alpha-2AR are expressed on macrophages, immune cells that produce cytokines, the molecules that are responsible for the development of SOM (Maria et al., 2017). A recent clinical study demonstrated that radiation treatment substantially increased salivary cytokine levels and that these were positively associated with the formation of SOM in patients with head and neck cancer (Bossi et al., 2016). OPC patients with human papilloma virus positive (“HPV+”) OPC demonstrate an increased accumulation of macrophages in the tumor microenvironment compared to patients with OPC without human papilloma virus (“HPV-”), thus further priming HPV+ OPC patients for the development of SOM (Ogwejiofor et al., 2017). The alpha-2AR regulates the expression of cytokines by macrophages, and clonidine reduces this cytokine production (Romero-Sandoval et al., 2005; Spengler et al., 1990). Macrophages are the primary immune cells that express alpha-2AR, making clonidine’s mechanism of cytokine suppression macrophage selective and distinct from the mechanism of other anti-inflammatory drugs (Handy et al., 1998; Perälä et al., 1992; Laukova et al., 2010). Further, Validive delivers clonidine transmucosally, to the sites of radiation treatment in OPC. This results in high salivary concentrations of clonidine and minimizes systemic absorption, allowing for maximal dosing of drug to the at-risk oral mucosa and the OPC microenvironment (Vasseur et al., 2017). Onxeo’s preclinical studies and Phase 2 clinical trial have provided data that support Validive’s mechanism of action and therapeutic potential for reducing the development of SOM in patients with OPC, improving oral mucositis-related symptoms, and decreasing radiotherapy-related adverse events, while exhibiting a favorable safety profile and high compliance rate with patients.

### ***Severe Oral Mucositis (“SOM”)***

SOM is induced by radiation treatment and is the most frequent major radiation-induced side effect observed in patients with head and neck cancer (“HNC”). SOM induces intense oral pain and dysphagia and limits a patient’s ability to eat and drink, which can lead to severe weight loss and a requirement for enteral or parenteral nutritional support. Patients that develop SOM are often hospitalized, and symptoms can force patients to stop cancer treatment for an undefined period of time or terminate early, thus reducing cancer treatment efficacy (Elting et al., 2008; Vera-Llonch et al., 2006). Thus, SOM impacts both quality of life and clinical outcomes in HNC patients. Currently, there are no FDA-approved preventive or therapeutic options for patients that develop radiation-induced SOM. Only symptomatic treatments such as opioids and mouthwashes are currently considered as part of the standard of care for this indication.

The global incidence of HNC was approximately 690,000 cases in 2012 (Globocan 2012; Gupta, 2016). The incidence of HNC in the U.S. was approximately 63,000 cases in 2017 (cancer.net) and is projected to increase to more than 93,000 new cases by 2030 (Gupta et al., 2016). A similar increase is also predicted in the European Union (“EU”) Five (France, Germany, Italy, Spain and the United Kingdom).

These projections include all HNC patients, regardless of the anatomic location of their disease. However, the most rapidly growing sub-population of HNC are patients with OPC (Chaturvedi et al., 2011; Ramqvist et al., 2010). The oropharynx is comprised largely of immune tissue and includes the soft palate, the base (rear one third) of the tongue, and the tonsils. In the U.S., the incidence of OPC is approaching 70% of all HNC, the majority of which (approximately 70%) is HPV+ (Chaturvedi et al., 2011; Jordan et al., 2012; Gooi et al., 2016). The incidence of OPC is also increasing in the rest of the world (>30% of HNC) (Taberna et al., 2017), with >50% of all OPC being HPV+ (Gupta et al., 2016; Fakhry et al., 2015).

Recent data (Vatca et al., 2014) have demonstrated that HPV+ OPC patients have a 6.9-fold increased risk of developing SOM during radiation treatment, and that onset of SOM occurs sooner than in HPV– OPC patients. These observations suggest that HPV+ OPC patients may be more likely to benefit from Validive (clonidine MBT) treatment than other HNC patients. The incidence of HPV+ OPC has outpaced the incidence of HPV– HNC by 4-5-fold over the past decade (Chaturvedi et al., 2011; Castellsagué et al., 2017). We project that this trend will continue for at least the next 20-25 years (another generation) in the U.S. based on the predicted increase in high-risk oral HPV infections due to the lack of adequate use of HPV vaccinations in children (Castellsagué et al., 2017). Thus, the HPV+ OPC population could be a driver of market growth for Validive (clonidine MBT), and also represents a potentially molecularly defined population for the clinical development of this drug (Taberna et al., 2017; Castellsagué et al., 2017).

### ***Clinical Data***

In November 2012, Onxeo submitted an Investigational New Drug application (“IND”) for Validive with the FDA for the prevention and treatment of oral mucositis induced by radiotherapy and/or chemotherapy in cancer patients. On March 12, 2018, we received a notification from the FDA confirming the IND transfer from Onxeo to us. We believe that Onxeo’s Phase 2 data support the development of Validive for SOM in OPC patients, with an enhanced response anticipated in HPV+ patients. Patients with HPV+ OPC have a 6.9-fold higher risk of developing SOM (Vatca et al., 2014) possibly due to the increased accumulation of immune cells in the tumor due to the presence of the HPV infection (Lyford-Pike et al., 2013; Vatca et al., 2014; Oguejiofor et al., 2017). These immune cells may release oral mucosa damaging cytokines in response to radiation and may therefore be more responsive to Validive, which suppresses the production of these cytokines.

In October 2015, the results from an international Phase 2 clinical trial of Validive were announced by Onxeo, demonstrating encouraging signs of clinical activity and safety compared to placebo. The trial enrolled 183 patients and was conducted in more than thirty centers in Europe and the U.S. This global, multi-center, double-blind, randomized, placebo-controlled, three-arm study (NCT01385748) compared the efficacy and safety of Validive (50 microgram (µg) and 100 µg) to placebo in patients with HNC receiving chemoradiation therapy. Validive and placebo were applied to the gum of the mouth once daily beginning 1 to 3 days prior to chemoradiotherapy and continuing until the end of chemoradiation treatment.



The safety profile of Validive was similar to placebo. Patients treated with Validive experienced less nausea and dysphagia compared to placebo.

The mean overall patient compliance was approximately 90% across all treatment groups. Overall compliance according to patient diaries was similar in all treatment groups and consistent with the compliance according to the investigator's evaluation.

The analysis of OPC patients in this study showed:

- The incidence of severe oral mucositis (primary endpoint) was reduced by 26.3% (40% relative to placebo) in OPC patients treated with Validive (100 µg) ( $p=0.09$ † which is a meaningful trend but not statistically significant). 65.2% of OPC patients on placebo experienced severe oral mucositis compared to only 38.9% of OPC patients on Validive 100 µg.
- Validive (100 µg) reduced the risk of onset of SOM by 52% compared to placebo
- Secondary endpoints of severe drinking, eating, and speaking limitations due to mouth and throat soreness (“MTS”) score were reduced in the Validive (100µg) treated cohort.
- Decreases in other indicators of clinical benefit, including decreased duration of severe oral mucositis (by 15 days versus placebo), weight loss, decreased opiate use and increased cumulative dose of radiation received, strongly favored the Validive (100 µg) treated cohort.
- A dose response was observed with the Validive (100 µg) dose, demonstrating a trend toward superiority over the Validive (50 µg) dose as well as placebo.

† $p$ -value or probability value, is a statistical measurement of the likelihood a drug does not actually work based on the clinical data compared to a control such as a placebo (with no active pharmaceutical ingredient). In general, the FDA requires a  $p$ -value of less than 5% or  $p < 0.05$ , which is considered statistically significant, for marketing approval. A  $p$ -value of  $p < 0.05$  for a clinical trial comparing a drug and placebo means that there is less than a 5% chance the drug is actually inactive.

Our review of Onxeo's Phase 2 data indicated that the effect of Validive was much greater in OPC compared to non-OPC patients. We believe the data along with the mechanism of action of Validive provide a rationale for developing Validive for the treatment of radiation induced SOM in OPC patients as a first indication. The most rapidly growing sub-population of HNC in the U.S. and Europe are patients with HPV+ disease, which are primarily HNC patients with OPC. The oropharynx is the part of the throat at the back of the mouth, which includes the soft palate, the base (rear one third) of the tongue, and the tonsils. HPV+ OPC is a molecularly defined population of HNC characterized by the expression of a protein biomarker, p16 INK4a, and the presence of HPV DNA in the tumor. Evaluation of HPV status is part of the routine clinical assessment of patients with OPC prior to initiating treatment. The incidence of HPV+ OPC has outpaced the incidence of HPV- HNC in the U.S. and Europe by 4 to 5-fold over the past decade (Chaturvedi et al., 2011; Castellsagué et al., 2017).

#### ***Validive Development Strategy***

Based on the existing Phase 2 data in patients with OPC treated with Validive, we are planning an adaptive design Phase 3 development program that will evaluate Validive compared to placebo in OPC patients stratified for HPV status. This design will allow us to prospectively confirm the observation made from the Phase 2 trial, that Validive will be effective in preventing radiation-induced SOM in patients with OPC. The Phase 3 program will also evaluate if Validive performs better in the HPV+ OPC cohort. We are currently working with the U.S. and EU regulatory agencies to design a development plan to move Validive toward registration in both a time- and cost- efficient manner. An optimal timeline of development milestones related to Validive include: FDA meeting to discuss Phase 3 in the second quarter of 2018, with Phase 3 trial being initiated in the third quarter of 2018, first patient dosed in the fourth quarter of 2018, interim analysis of Phase 3 trial in the fourth quarter of 2019, initiate stage 2 of the Phase 3 trial in the first half of 2020, data readout for the Phase 3 trial in the first half of 2021, and NDA submission in the second half of 2021. However, there are many risk factors which could delay or otherwise affect Validive's development. See Item 1A – “Risk Factors.”

## **MNPR-201 (GPX-150; 5-imino-13-deoxydoxorubicin)**

MNPR-201 (GPX-150; 5-imino-13-deoxydoxorubicin) is a proprietary doxorubicin analog that is selective for topoisomerase II-alpha. Doxorubicin is used to treat adult and pediatric solid and blood (hematologic) cancers including breast, gastric, ovarian and bladder cancer, soft tissue sarcomas, leukemias and lymphomas. A number of clinical studies have demonstrated the anti-cancer benefit of higher doses of doxorubicin administered for longer periods of time. The optimal clinical efficacy of doxorubicin, however, has been limited historically by the risk of patients developing irreversible, potentially life-threatening cardiotoxicity. MNPR-201 has been engineered specifically to retain the anticancer activity of doxorubicin while minimizing the toxic effects on the heart. We believe the results of these studies, along with the potential to combine a less or non-cardiotoxic analog of doxorubicin with other anticancer agents, emphasizes that there is a large market opportunity for MNPR-201 in a broad spectrum of cancer types.

The antitumor effects of MNPR-201 are mediated through the stabilization of the topoisomerase II complex after a DNA strand break and DNA intercalation leading to apoptosis (cell death) through a mechanism similar to doxorubicin and other anthracycline drugs. Inhibiting the topoisomerase II-alpha isoform is desired for the anti-cancer effect, while inhibiting the topoisomerase II-beta isoform has been demonstrated to mediate, at least in part, the cardiotoxicity associated with all anthracycline drugs currently used in the clinic. MNPR-201 is substantially more selective than doxorubicin for inhibiting topoisomerase II-alpha versus topoisomerase II-beta. This selectivity may at least partly explain the minimal cardiotoxicity that MNPR-201 has demonstrated in clinical studies to date.

### ***Clinical Data***

In February 2007, Gem Pharmaceuticals, LLC (a partner of TacticGem LLC) submitted an IND for MNPR-201 (GPX-150) for the treatment of cancer. The IND remains open and was transferred to us in February 2018. Several clinical studies of MNPR-201 (GPX-150) have been completed. A Phase I dose escalation study conducted at the University of Iowa enrolled 24 patients at 5 different dose levels of MNPR-201 (GPX-150) ranging from 14-265 mg/m<sup>2</sup>. No evidence of irreversible cardiotoxicity was observed in any of these patients, including 4 patients that had received prior anthracycline (doxorubicin or related molecules) treatment. In the four highest dose levels (>84 mg/m<sup>2</sup>), 9/17 patients showed a stabilization of disease including 3 out of 4 patients with leiomyosarcoma, which is a type of cancer that originates in connective tissue and smooth muscle most commonly in the uterus, stomach and small intestine.

Based on the demonstration of stable disease in patients with leiomyosarcoma in the Phase I trial, a multi-center open label single arm Phase 2 trial was run in doxorubicin-naïve patients with non-resectable or metastatic soft tissue sarcoma ("STS"). Doxorubicin has historically been the standard of care for the treatment of leiomyosarcoma and other STS. This Phase 2 clinical trial enrolled 22 patients and was completed in early 2017. MNPR-201 was administered intravenously at 265 mg/m<sup>2</sup> every 3 weeks for up to 16 doses and there was clear indication of anticancer activity and no evidence of irreversible cardiotoxicity. One patient went on compassionate use and received 20 cycles of MNPR-201, many more than the 6 to 8 cycles patients on doxorubicin are typically limited to. The progression free survival at 6 months was 38%, versus doxorubicin's 6-month progression free survival of 25%, 33%, and 23% in three separate studies in this patient population (Lorigan et al., 2007; Judson et al., 2014; Chawla et al., 2015).

### ***MNPR-201 Development Strategy***

We will need to raise additional funds to support the next stage of clinical development of MNPR-201, which is planned to include Phase 2 trials that will evaluate MNPR-201 in cancer indications where doxorubicin has shown efficacy but its use is restricted due to cardiotoxicity. The objective of these trials would be to demonstrate signals of efficacy where MNPR-201 dosing does not have to be restricted due to cardiotoxicity. For example, several clinical studies completed in the 1990s demonstrated that concurrent doxorubicin (60 mg/m<sup>2</sup>, 8 cycles) and paclitaxel gave a 94% overall response rate in patients with metastatic breast cancer but led to 18% of these patients developing congestive heart failure (Gianni et al., 1995). Reduction of doxorubicin to 4-6 cycles of treatment decreased occurrence of congestive heart failure, but also reduced response rate to 45-55% (Sparano et al., 1999; Valero et al., 2001). A potential Phase 2 screening trial in patients with metastatic breast cancer would evaluate concurrent MNPR-201 plus paclitaxel to see if a higher response rate than 45-55% could be observed in the absence of irreversible cardiotoxicity. Concomitant administration of paclitaxel and MNPR-201 in the absence of cardiotoxicity would also provide rationale for this same combination in other clinical settings. Similar studies are also under consideration for the combination of MNPR-201 + trastuzumab in metastatic HER2+ breast cancer patients. Additional studies will evaluate cross-over to MNPR-201 in patients benefiting from doxorubicin that have reached their lifetime limit of doxorubicin exposure in STS and other cancer indications including several pediatric cancer indications. The results of these Phase 2 studies would be used to inform an initial registration strategy for MNPR-201, as well as to support collaborative clinical development efforts with cooperative groups and cancer-focused foundations. Ideally, we would like to initiate the Phase 2 clinical trial(s) in the first half of 2019. However, there are many risk factors which could delay or otherwise affect MNPR-201's development. See Item 1A – "Risk Factors."

## **MNPR-101 (formerly huATN-658)**

No IND is required for MNPR-101 at this time because it is not yet in human clinical trials.

### ***uPA/uPAR Antibodies***

A significant body of *in vitro* and *in vivo* data have established the urokinase plasminogen activator ("uPA") system as being central to the processes of angiogenesis and metastasis, and therefore as a potentially promising target for cancer drug development. The uPA system is involved in the tissue remodeling and tumor signaling that leads to the progression of cancer. Recent evidence suggests that, in addition to uPA, its cell surface receptor, uPAR, may also be a suitable target for cancer therapeutics and diagnostics because it:

- is selectively expressed on metastatic tumor, tumor-associated immune and angiogenic endothelial cells, but not on most normal cells (several Phase 1 imaging studies in human advanced cancer patients show that uPAR can only be detected in the tumor and not in normal tissues);
- is central to several extracellular and intracellular oncogenic pathways required for metastasis (inhibiting the uPA system in turn inhibits many other downstream targets that are currently being targeted by other companies);
- is expressed on immune cells that allow the tumor to evade recognition by the immune system; and
- has the potential to interfere at several different signaling pathways that converge at uPAR.

Thus, uPAR-targeted therapies may have broad-spectrum activity against many different cancer types.

We have developed a set of monoclonal antibodies that target uPA and uPAR. Our lead antibody, MNPR-101, demonstrated significant anti-tumor activity in numerous preclinical models of tumor growth and is being advanced for clinical evaluation. Based on the selective expression of uPAR in tumor, MNPR-101 is expected to be well-tolerated and amenable to a variety of combination treatment approaches.

### ***Efficacy and Safety***

MNPR-101 is designed to interrupt several pathways required for tumor growth and progression. The compound's mechanism of action is designed to block several particular cellular activities that are only turned "on" in a tumor rather than to destroy the tumor cell directly. For this reason, we believe that MNPR-101 may have fewer side effects than current cytotoxic agents which kill cells indiscriminately. In addition, by inhibiting multiple pathways required for tumor growth and progression, we believe MNPR-101 may lead to more effective tumor control than therapies that target only a single such pathway. We believe that most tumors, regardless of the tissue from which they originate, rely on the pathways that we are targeting; therefore, therapies directed at such pathways have the potential to be used against many different types of cancers.

### ***Drug Resistance***

MNPR-101 may also avoid some of the drug resistance problems caused by genetic instability that plague many conventional chemotherapies. Cancerous cells mutate and reproduce rapidly, meaning that there is great genetic heterogeneity among cells in a tumor. A given chemotherapy may be effective against the vast majority of these cells, but if even a small number have mutations that confer resistance, these cells will likely survive the treatment. The tumor will grow back composed almost entirely of these mutated cells, making the cancer resistant to further treatments with that particular chemotherapy. By targeting multiple tumor progression pathways, using drugs in combination regimens, and targeting more genetically stable endothelial and immune cells in addition to tumor cells, we believe that MNPR-101 has the potential to avoid these drug resistance problems.

### ***Combination Use***

Published preclinical data have shown the ability of MNPR-101 to enhance the anti-tumor activity of chemotherapies such as paclitaxel and gemcitabine (Bauer et al., 2005; Kenny et al., 2011). The expression and targeting of uPAR in general also suggests that MNPR-101 may combine with other targeted agents that affect signaling leading to tumor growth including the ability of tumors to evade immune response. In particular, uPAR is selectively expressed on cells of the myeloid lineage such as myeloid derived suppressor cells, neutrophils and macrophages, all of which drive tumor progression and may mediate resistance to immune checkpoint inhibitors.

Reports of successful cancer therapy increasingly involve the use of drug combinations that target multiple metabolic pathways simultaneously. To that end, oncologists are increasingly exploring the combined use of approved drugs when treating their patients. MNPR-101 is not expected to replace existing therapies, but rather to complement them. MNPR-101 is intended to be combined with existing therapies used to reduce tumor mass in order to make the overall treatment more effective in the acute setting. MNPR-101 could make chemotherapy more effective by making tumors more susceptible to chemotherapy by interrupting the tumors' protective mechanisms. MNPR-101 could also potentially be used as a standard follow-up therapy after chemotherapy to prevent tumor regrowth and metastasis or in combination with immunotherapy including immune checkpoint inhibitors. Many cancers are not fatal unless tumors metastasize beyond their primary site and interfere with normal function in critical organs of the body. Current thinking suggests that by containing or preventing tumor growth, it may be possible to transform cancer into a manageable, non-fatal condition treated with chronic drug therapy. Given these potential uses, new treatments that target multiple pathways and are designed to be used in drug combinations, like MNPR-101, have the potential to significantly improve treatment outcomes, rather than merely competing with each other in the market.

### ***MNPR-101 Development Strategy***

We currently plan to request a pre-IND meeting with the FDA to discuss MNPR-101 in the third quarter of 2018. However, there are many risk factors which could delay or otherwise affect MNPR-101's development. See Item 1A – "Risk Factors."

### **Material Agreements**

Since our inception, we have entered into three material agreements, one with Onxeo S.A., one with Cancer Research UK, and one with XOMA Ltd. None of the agreements requires any issuance of equity or any annual maintenance fee. See the summary of each material agreement below.

In June 2016, we executed an option agreement with Onxeo S.A., a French public company, which gave us the option to license Validive (clonidine mucobuccal tablet), a mucoadhesive tablet of clonidine based on the Lauriad mucoadhesive technology to potentially treat severe oral mucositis in patients undergoing treatment for head and neck cancers. The pre-negotiated license terms included as part of the option agreement included clinical, regulatory, developmental and sales milestones that could reach up to \$108 million if we achieve all milestones, and escalating royalties on net sales from 5 - 10%. On September 8, 2017, pursuant to the Onxeo license option agreement, we exercised the option to license Validive for \$1 million. The exercise of the option assigns all of Onxeo's rights to the Validive intellectual property to us, which allows us to commence the planning of our Phase 3 clinical trial in severe oral mucositis. Under the agreement, we are required to pay royalties to Onxeo on a product-by-product and country-by-country basis until the later of (1) the date when a given product is no longer within the scope of a patent claim in the country of sale or manufacture, (2) the expiry of any extended exclusivity period in the relevant country (such as orphan drug exclusivity, pediatric exclusivity, new chemical entity exclusivity, or other exclusivity granted beyond the expiry of the relevant patent), or (3) a specific time period after the first commercial sale of the product in such country. In most countries, including the U.S., the patent term is generally 20 years from the earliest claimed filing date of a non-provisional patent application in the applicable country, not taking into consideration any potential patent term adjustment that may be filed in the future or any regulatory extensions that may be obtained. The royalty termination provision pursuant to (3) described above is shorter than 20 years and is the least likely cause of termination of royalty payments.

The Onxeo license agreement does not have a pre-determined term, but expires on a product-by-product and country-by-country basis; that is, the agreement expires with respect to a given product in a given country whenever our royalty payment obligations with respect to such product have expired. The agreement may also be terminated early for cause if either we or Onxeo materially breach the agreement, or if either we or Onxeo become insolvent. We may also choose to terminate the agreement, either in its entirety or as to a certain product and a certain country, by providing Onxeo with advance notice.

On May 15, 2015, we entered into a Clinical Trial and Option Agreement ("CTOA") with Cancer Research UK. Being a new entity at the time of the agreement negotiations, one of the requirements under the CTOA, which has already been fulfilled, was for us to deposit \$800,000 into an escrow to cover indemnities in the event of third party claims resulting from actions or inactions of ours, patent infringement claims, or potential costs on termination of the CTOA by Cancer Research UK for cause. Pursuant to this agreement Cancer Research UK conducted preclinical work, improved the manufacturing, and planned to conduct a Phase 1a/1b clinical trial in cancer patients. Under this agreement, Cancer Research UK was to cover all costs through Phase 1a/1b clinical studies, including manufacturing. As part of a portfolio reprioritization review, on March 21, 2018, Cancer Research UK notified us it was terminating the agreement and would work to transfer to us the data generated under the agreement. We are currently reviewing potential alternative collaboration opportunities for MNPR-101 and continue to maintain the program's intellectual property portfolio.

To humanize our MNPR-101 antibody, we have taken a non-exclusive license to XOMA Ltd.'s humanization technology and know-how. Under the terms of the license, we are to pay only upon developmental and sales milestone achievements which could reach up to \$14.925 million if we achieve all milestones. The agreement does not require the payment of sales royalties. There can be no assurance that we will reach any milestones. The first milestone payment is payable upon first dosing of a human patient in a Phase 2 clinical trial.

### **Oncology Market Competition**

The pharmaceutical industry in general, and the oncology therapeutics sector in particular, are characterized by intense competition. We face competition from pharmaceutical and biotechnology companies, many of which are larger and better financed than us. We also face competition in our efforts to develop and commercialize new oncology therapeutics from academic and government laboratories. The therapeutics that we are developing, if successfully commercialized, will have to compete with existing therapeutics already on the market and novel therapeutics currently in development, as well as new therapeutics that may be discovered and developed in the future. Our product candidates will also have to compete with alternate treatment modalities, such as radiation, which is also subject to continual innovation and improvement. Additional information can be found in the section entitled "Risk Factors – Risks Related to Our Business Operations and Industry."

### **Intellectual Property Portfolio and Exclusivity**

An important part of our strategy is obtaining patent protection to help preserve the proprietary nature of our drug product candidates, and to prevent others from developing competitive agents that are similar. Our patent portfolio includes issued patents and pending patent applications in the U.S. and in foreign countries. Our general practice is to seek patent protection in major markets worldwide.

We license all intellectual property related to Validive from Onxeo S.A., a French public company. See "Material Agreements". Validive is covered by 32 issued patents and allowed patent applications and corresponding patents and applications in 32 jurisdictions, including the U.S., EU, Japan, and other Asian countries, and has orphan drug designation in the EU as well as Fast Track designation from the FDA. These patents are methods of use patents that cover the use of Validive to prevent and/or treat inflammation and inflammatory pain of the mucosa including cancer therapy-induced mucositis, and have been assigned to us pursuant to our license agreement with Onxeo. These patents expire in 2029.

MNPR-201 (GPX-150) is covered by both composition of matter as well as manufacturing process patents. We have a patent for chemical synthesis technology that efficiently converts cardiotoxic "13-keto" anthracyclines such as doxorubicin, daunorubicin, epirubicin, and idarubicin into novel, patentable, and most likely less-cardiotoxic "5-imino-13-deoxy" analogs. A novel chemical composition of an intermediate for this synthesis is also patented. In addition, we have a patent covering the combination of MNPR-201 with paclitaxel for the treatment of cancer, plus covering the method of use of these two drugs for this purpose. Our MNPR-201 patent portfolio, which is still in the process of completing transfer of ownership subsequent to the purchase from TacticGem LLC, contains seven issued and allowed U.S. patents and allowed patent applications and one U.S. pending patent application. We have certain corresponding patents and applications in twenty-nine foreign jurisdictions, including the U.S., EU, Japan, and other Asian countries. The composition of matter patents will expire in 2018, the process patents for the synthesis of MNPR-201 intermediates will expire in 2024 and the patents covering the combination use of MNPR-201 and its analogs with taxanes will expire in 2026. We may pursue patent term extensions where appropriate. We do not believe that expiration of the MNPR-201 composition of matter patents will significantly affect our ability to develop or maintain our proprietary position around MNPR-201, given that we have obtained patent protection around the intermediates and process used to manufacture MNPR-201, will have Hatch-Waxman exclusivity (applicable to new chemical entities) for 5 years that will prevent generic competition, and have obtained U.S. orphan drug status in soft tissue sarcoma with additional orphan cancer indications to follow. We also have a pending International Nonproprietary Name ("INN") request with the World Health Organization for a non-proprietary (generic) name for MNPR-201.

Our patent portfolio for our MNPR-101 antibody (huATN-658), as well as its epitope, consists of two issued U.S. composition of matter and their methods of use patents, and allowed patent applications and corresponding (granted and pending) patents and patent applications in twenty-two foreign jurisdictions, including the European Union, Japan, and other Asian countries. These patents are owned by us. The patents covering the composition of matter of MNPR-101 will expire in 2025 and the patents covering the MNPR-101 epitope will expire in 2027. Being a novel biologic, it is eligible for 12 years of exclusivity in the U.S. under the Biologics Price Competition and Innovation Act ("BPCI Act"), and in numerous other countries it will benefit from varying durations of similar exclusivity, as well.

Patent life determination depends on the date of filing of the application and other factors as promulgated under the patent laws. In most countries, including the U.S., the patent term is generally 20 years from the earliest claimed filing date (the priority date) of a non-provisional patent application in the applicable country, not taking into consideration any potential patent term adjustment that may be filed in the future or any regulatory extensions that may be obtained. Some of our patents are currently near expiration and we may pursue patent term extensions for these where appropriate. See “Risk Factors – Risks Related to Our Intellectual Property.”

### **Manufacturing**

We do not currently own or operate manufacturing facilities for the production or testing of Validive, MNPR-201, MNPR-101 or any other product candidates, nor do we have plans to develop our own manufacturing operations in the foreseeable future. We presently depend on third party contract manufacturers for all our required raw materials, Active Pharmaceutical Ingredients (“API”), and finished drug products for our preclinical and clinical studies. We have not yet executed manufacturing agreements for our API and supplies of Validive, MNPR-201, or MNPR-101. See “Risk Factors – Risks Related to Our Reliance on Third Parties.”

### **Research and Development Costs**

Research and development (“R&D”) costs including in-process R&D are expensed as incurred. Major components of R&D expenses include R&D salaries and benefits, materials and supplies and fees paid to consultants and to the entities that conduct certain development activities on our behalf. R&D expense, including upfront fees and milestones paid to collaborators, are expensed as goods are received or services rendered. Costs to acquire technologies, including license fees, to be used in R&D that have not reached technological feasibility and have no alternative future use are expensed as in-process R&D as incurred, except in the case of a business combination when such costs are capitalized as part of the purchase price allocation. During the fiscal years ended December 31, 2017 and 2016, in aggregate we spent approximately \$15.7 million (which includes \$14.5 million of in-process R&D) on research and development costs (not including approximately \$1.5 million spent by Gem in development of MNPR-201). See “Risk Factors – Risks Related to Clinical Development and Regulatory Approval.”

### **Government Regulation and Product Approval**

Government authorities in the U.S., at the federal, state and local level, and other countries extensively 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 products such as those we are developing. The pharmaceutical drug product candidates that we develop must be approved by the FDA before they may be legally marketed in the U.S. See “Risk Factors – Risks Related to Clinical Development and Regulatory Approval.”

### ***U.S. Pharmaceutical Product Development Process***

In the U.S., the FDA regulates pharmaceutical products under the Federal Food, Drug and Cosmetic Act (“FDCA”) and implementing regulations. Pharmaceutical products are also 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 require 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 after approval, may subject an applicant to administrative or judicial enforcement. FDA enforcement could result in refusal to approve pending applications, withdrawal of an approval, a clinical hold, warning letters, product recalls, product seizures, total or partial suspension of production or distribution injunctions, fines, refusals of government contracts, restitution, disgorgement or civil or criminal penalties. Any agency or judicial enforcement action could have a material adverse effect on us. The process required by the FDA before a non-biological pharmaceutical product may be marketed in the U.S. generally involves the following:

- Completion of preclinical laboratory tests, animal studies and formulation studies according to Good Laboratory Practices (“GLP”), or other applicable regulations;
- Submission to the FDA of an Investigational New Drug application (“IND”), which must become effective before human clinical studies may begin;
- Performance of adequate and well-controlled human clinical studies according to the FDA’s current Good Clinical Practices (“GCP”), to establish the safety and efficacy of the proposed pharmaceutical product for its intended use;

- Submission to the FDA of a New Drug Application (“NDA”), for a new pharmaceutical product;
- Satisfactory completion of an FDA inspection of the manufacturing facility or facilities where the pharmaceutical product is produced to assess compliance with the FDA’s current Good Manufacturing Practice standards (“cGMP:”), to assure that the facilities, methods and controls are adequate to preserve the pharmaceutical product’s identity, strength, quality and purity;
- Potential FDA audit of the preclinical and clinical study sites that generated the data in support of the NDA; and
- FDA review and approval of the NDA.

The lengthy process of seeking required approvals and the continuing need for compliance with applicable statutes and regulations require the expenditure of substantial resources and approvals are inherently uncertain.

Before testing any compounds with potential therapeutic value in humans, the pharmaceutical product candidate enters the preclinical testing stage. Preclinical tests include laboratory evaluations of product chemistry, toxicity and formulation, as well as animal studies to assess the potential safety and activity of the pharmaceutical product candidate. These early proof-of-principle studies are done using sound scientific procedures and thorough documentation. The conduct of the single and repeat dose toxicology and toxicokinetic studies in animals must comply with federal regulations and requirements including GLP. The sponsor must submit the results of the preclinical tests, together with manufacturing information, analytical data, any available clinical data or literature and a proposed clinical protocol, to the FDA as part of the IND. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA has concerns and notifies the sponsor. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical study can begin. If resolution cannot be reached within the 30-day review period, either the FDA places the IND on clinical hold or the sponsor withdraws the application. The FDA may also impose clinical holds on a pharmaceutical product candidate at any time before or during clinical studies due to safety concerns or non-compliance. Accordingly, it is not certain that submission of an IND will result in the FDA allowing clinical studies to begin, or that, once begun, issues will not arise that suspend or terminate such clinical studies.

During the development of a new drug, sponsors are given opportunities to meet with the FDA at certain points. These points may be prior to submission of an IND, at the end of Phase 2, and before an NDA is submitted. Meetings at other times may be requested. These meetings can provide an opportunity for the sponsor to share information about the data gathered to date, for the sponsor to ask specific questions to the FDA, for the FDA to provide advice, and for the sponsor and FDA to reach agreement on the next phase of development. Sponsors typically use the end of Phase 2 meeting to discuss their Phase 2 clinical results and present their plans for the pivotal Phase 3 clinical (registration) trial(s) that they believe will support approval of the new drug. A sponsor may be able to request a Special Protocol Assessment (“SPA”), the purpose of which is to reach agreement with the FDA on the design of the Phase 3 clinical trial protocol design and analyses that will form the primary basis of an efficacy claim.

According to FDA guidance for industry on the SPA process, a sponsor which meets the prerequisites may make a specific request for a SPA and provide information regarding the design and size of the proposed clinical trial. The FDA’s goal is to evaluate the protocol within 45 days of the request to assess whether the proposed trial is adequate, and that evaluation may result in discussions and a request for additional information. A SPA request must be made before the proposed trial begins, and all open issues must be resolved before the trial begins. If a written agreement is reached, it will be documented and made part of the IND record. The agreement will be binding on the FDA and may not be changed by the sponsor or the FDA after the trial begins except with the written agreement of the sponsor and the FDA or if the FDA determines that a substantial scientific issue essential to determining the safety or efficacy of the drug was identified after the testing began.

Clinical studies involve the administration of the pharmaceutical product candidate to healthy volunteers or patients under the supervision of qualified investigators, generally physicians not employed by or under the clinical study sponsor’s control. Clinical studies are conducted under protocols detailing, among other things, the objectives of the clinical study, dosing procedures, subject selection and exclusion criteria, how the results will be analyzed and presented and the parameters to be used to monitor subject safety. Each protocol must be submitted to the FDA as part of the IND. Clinical studies must be conducted in accordance with Good Clinical Practice (“GCP”) guidelines. Further, each clinical study must be reviewed and approved by an independent institutional review board (“IRB”), at, or servicing, each institution at which the clinical study will be conducted. An IRB is charged with protecting the welfare and rights of study participants and is tasked with considering such items as whether the risks to individuals participating in the clinical studies are minimized and are reasonable in relation to anticipated benefits. The IRB also approves the informed consent form that must be provided to each clinical study subject or his or her legal representative and must monitor the clinical study until completed.

Human clinical studies are typically conducted in three sequential phases that may overlap or be combined:

- Phase I. The pharmaceutical product is initially introduced into healthy human subjects and tested for safety, dosage tolerance, absorption, metabolism, distribution and excretion.
- Phase 2. The pharmaceutical product is evaluated in a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases, to determine dosage tolerance, optimal dosage and dosing schedule and to identify patient populations with specific characteristics where the pharmaceutical product may be more effective.
- Phase 3. Clinical studies are undertaken to further evaluate dosage, clinical efficacy and safety in an expanded patient population at geographically dispersed clinical study sites. These clinical studies are intended to establish the overall risk/benefit ratio of the product and provide an adequate basis for product labeling. The studies must be well-controlled and usually include a control arm for comparison. One or two Phase 3 studies are required by the FDA for an NDA approval, depending on the disease severity and other available treatment options.
- Post-approval studies, or phase IV clinical studies, may be conducted after initial marketing approval. These studies are used to gain additional experience from the treatment of patients in the intended therapeutic indication.
- Progress reports detailing the results of the clinical studies 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 adverse events or any finding from tests in laboratory animals that suggests a significant risk for human subjects. Phase I, Phase 2 and Phase 3 clinical studies may not be completed successfully within any specified period, if at all. The FDA or the sponsor or its data safety monitoring board may suspend a clinical study 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 study at its institution if the clinical study is not being conducted in accordance with the IRB's requirements or if the pharmaceutical product has been associated with unexpected serious harm to patients.

Concurrent with clinical studies, companies usually complete additional animal studies and must also develop additional information about the chemistry and physical characteristics of the pharmaceutical product 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 pharmaceutical product candidate and, among other things, must develop methods for testing the identity, strength, quality and purity of the final pharmaceutical product. Additionally, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that the pharmaceutical product candidate does not undergo unacceptable deterioration over its shelf life.

#### ***U.S. Review and Approval Processes***

The results of product development, preclinical studies and clinical studies, along with descriptions of the manufacturing process, analytical tests conducted on the chemistry of the pharmaceutical product, proposed labeling and other relevant information are submitted to the FDA as part of an NDA requesting approval to market the product. The submission of an NDA is subject to the payment of substantial user fees; a waiver of such fees may be obtained under certain limited circumstances.

In addition, under the Pediatric Research Equity Act ("PREA"), an NDA or supplement to an NDA must contain data to assess the safety and effectiveness of the pharmaceutical product for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective. The FDA may grant deferrals for submission of data or full or partial waivers. Unless otherwise required by regulation, PREA does not apply to any pharmaceutical product for an indication for which orphan designation has been granted.

The FDA reviews all NDAs submitted before it accepts them for filing and may request additional information rather than accepting an NDA for filing. Once the submission is accepted for filing, the FDA begins an in-depth review of the NDA. Under the goals and policies agreed to by the FDA under the Prescription Drug User Fee Act ("PDUFA"), the FDA has 10 months in which to complete its initial review of a standard NDA and respond to the applicant, and six months for a priority NDA. The FDA does not always meet its PDUFA goal dates for standard and priority NDAs. The review process and the PDUFA goal date may be extended by three months if the FDA requests or if the NDA sponsor otherwise provides additional information or clarification regarding information already provided in the submission within the last three months before the PDUFA goal date.



After the NDA submission is accepted for filing, the FDA reviews the NDA application to determine, among other things, whether the proposed product is safe and effective for its intended use, and whether the product is being manufactured in accordance with cGMP to assure and preserve the product's identity, strength, quality and purity. The FDA may refer applications for novel pharmaceutical products or pharmaceutical 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. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions. During the pharmaceutical product approval process, the FDA also will determine whether a risk evaluation and mitigation strategy ("REMS"), is necessary to assure the safe use of the pharmaceutical product. If the FDA concludes that a REMS is needed, the sponsor of the NDA must submit a proposed REMS; the FDA will not approve the NDA without a REMS, if required.

Before approving an NDA, the FDA will inspect the facilities at which the product is manufactured. The FDA will not approve the product unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. Additionally, before approving an NDA, the FDA will typically inspect one or more clinical sites as well as the site where the pharmaceutical product is manufactured to assure compliance with GCP and cGMP. If the FDA determines the application, manufacturing process or manufacturing facilities are not acceptable, it will outline the deficiencies in the submission and often will request additional testing or information. In addition, the FDA will require the review and approval of product labeling.

The NDA review and approval process is lengthy and difficult and the FDA may refuse to approve an NDA if the applicable regulatory criteria are not satisfied or may require additional clinical data or other data and information. Even if such data and information are submitted, the FDA may ultimately decide that the NDA does not satisfy the criteria for approval. Data obtained from clinical studies are not always conclusive and the FDA may interpret data differently than the sponsor interprets the same data. The FDA will issue a complete response letter if the agency decides not to approve the NDA. The complete response letter usually describes all of the specific deficiencies in the NDA identified by the FDA. The deficiencies identified may be minor, for example, requiring labeling changes, or major, for example, requiring additional clinical studies. Additionally, the complete response letter may include recommended actions that the applicant might take to place the application in a condition for approval. If a complete response letter is issued, the applicant may either resubmit the NDA, addressing all of the deficiencies identified in the letter, or withdraw the application.

If a product receives regulatory approval, the approval may be significantly limited to specific diseases and dosages or the indications for use may otherwise be limited, which could restrict the commercial value of the product. Further, the FDA may require that certain contraindications, warnings or precautions be included in the product labeling. In addition, the FDA may require Phase IV testing which involves clinical studies designed to further assess pharmaceutical product safety and effectiveness and may require testing and surveillance programs to monitor the safety of approved products that have been commercialized.

#### ***Expedited Development and Review Programs***

The FDA has a Fast Track program that is intended to expedite or facilitate the process for reviewing new pharmaceutical products that meet certain criteria. Specifically, new pharmaceutical products are eligible for Fast Track designation if they are intended to treat a serious or life-threatening condition and demonstrate the potential to address unmet medical needs for the condition. The Fast Track designation must be requested by the sponsor. Fast Track designation applies to the combination of the product and the specific indication for which it is being studied. With a Fast Track designated product, the FDA may consider for review sections of the NDA on a rolling basis before the complete application is submitted, if the sponsor provides a schedule for the submission of the sections of the NDA, if the FDA agrees to accept sections of the NDA and determines that the schedule is acceptable and if the sponsor pays any required user fees upon submission of the first section of the NDA.

Any product submitted to the FDA for marketing approval, including a Fast Track program, may also be eligible for other types of FDA programs intended to expedite development and review, such as priority review and accelerated approval. Any product is eligible for priority review if it has the potential to provide safe and effective therapy where no satisfactory alternative therapy exists or a significant improvement in the treatment, diagnosis or prevention of a disease compared to marketed products. The FDA will attempt to direct additional resources to the evaluation of an application for a new pharmaceutical product designated for priority review in an effort to facilitate the review. Additionally, a product may be eligible for accelerated approval. Pharmaceutical products studied for their safety and effectiveness in treating serious or life-threatening illnesses and that provide meaningful therapeutic benefit over existing treatments may receive accelerated approval, which means that the products may be approved on the basis of adequate and well-controlled clinical studies establishing that the product has an effect on a surrogate endpoint that is reasonably likely to predict a clinical benefit, or on the basis of an effect on a clinical endpoint other than survival or irreversible morbidity. As a condition of approval, the FDA may require that a sponsor of a pharmaceutical product receiving accelerated approval perform adequate and well-controlled post-marketing clinical studies. In addition, the FDA currently requires as a condition for accelerated approval pre-approval of promotional materials, which could adversely impact the timing of the commercial launch of the product. Fast Track designation, priority review and accelerated approval do not change the standards for approval but may expedite the development or approval process.

### ***Breakthrough Therapy Designation***

The FDA is also required to expedite the development and review of the application for approval of drugs that are intended to treat a serious or life-threatening disease or condition where preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints. Under the breakthrough therapy program, the sponsor of a new drug candidate may request that the FDA designate the drug candidate for a specific indication as a breakthrough therapy concurrent with, or after, the filing of the IND for the drug candidate. The FDA must determine if the drug candidate qualifies for breakthrough therapy designation within 60 days of receipt of the sponsor's request. Valdivie and MNPR-101 may both be eligible for breakthrough therapy designation.

### **European Union Drug Review and Approval**

In the European Economic Area ("EEA") (which is comprised of the 28 Member States of the European Union plus Norway, Iceland and Liechtenstein), medicinal products can only be commercialized after obtaining a Marketing Authorization ("MA"). There are two types of MA:

The Community MA, which is issued by the European Commission through the Centralized Procedure, based on the opinion of the CHMP, or Committee for Medicinal Products for Human Use, of the European Medicines Agency ("EMA"), is valid throughout the entire territory of the EEA. The Centralized Procedure is mandatory for certain types of products, such as biotechnology medicinal products, orphan medicinal products, and medicinal products containing a new active substance indicated for the treatment of AIDS, cancer, neurodegenerative disorders, diabetes and auto-immune and viral diseases. The Centralized Procedure is optional for products containing a new active substance not yet authorized in the EEA, or for products that constitute a significant therapeutic, scientific or technical innovation or which are in the interest of public health in the EU.

National MAs, which are issued by the competent authorities of the Member States of the EEA and only cover their respective territory, are available for products not falling within the mandatory scope of the Centralized Procedure. Where a product has already been authorized for marketing in a Member State of the EEA, this National MA can be recognized in other Member States through the Mutual Recognition Procedure. If the product has not received a National MA in any Member State at the time of application, it can be approved simultaneously in various Member States through the Decentralized Procedure. Under the above described procedures, before granting the MA, the EMA or the competent authorities of the Member States of the EEA make an assessment of the risk-benefit balance of the product on the basis of scientific criteria concerning its quality, safety and efficacy.

### ***PRIME Designation***

The EMA launched its PRIME regulatory initiative to enhance support for the development of therapies that target an unmet medical need. The initiative focuses on drugs that may offer a major therapeutic advantage over existing treatments, or benefit patients with no treatment options. These therapies are considered priority medicines within the EU. Through PRIME, the EMA offers early, proactive and enhanced support to drug developers to optimize the generation of robust data on a therapy's benefits and risks and enable accelerated assessment of drug applications. MNPR-101 may be eligible for PRIME designation.

### **Post-Approval Requirements**

Any pharmaceutical products for which a sponsor receives FDA approvals are subject to continuing regulation by the FDA, including, among other things, record-keeping requirements, reporting of adverse experiences with the product, providing the FDA with updated safety and efficacy information, product sampling and distribution requirements, complying with certain electronic records and signature requirements and complying with FDA and FTC promotion and advertising requirements, which include, among others, standards for direct-to-consumer advertising, prohibitions on promoting pharmaceutical products for uses or in patient populations that are not described in the pharmaceutical product's approved labeling (known as "off-label use"), industry-sponsored scientific and educational activities and promotional activities involving the internet. Failure to comply with FDA requirements can have negative consequences, including adverse publicity, enforcement letters from the FDA, actions by the U.S. Department of Justice and/or U.S. Department of Health and Human Services Office of Inspector General, mandated corrective advertising or communications with doctors, and civil or criminal penalties. Although physicians may prescribe legally available pharmaceutical products for off-label uses, manufacturers may not directly or indirectly market or promote such off-label uses.

Manufacturers of FDA approved products are required to comply with applicable FDA manufacturing requirements contained in the FDA's cGMP regulations. cGMP regulations require, among other things, quality control and quality assurance, as well as the corresponding maintenance of records and documentation. Pharmaceutical product manufacturers and other entities involved in the manufacture and distribution of approved pharmaceutical products are required to register their establishments with the FDA and certain state agencies, and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with cGMP and other laws. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain cGMP compliance. Discovery of problems with a product after approval may result in restrictions on a product, manufacturer or holder of an approved NDA, including withdrawal of the product from the market. In addition, changes to the manufacturing process generally require prior FDA approval before being implemented and other types of changes to the approved product, such as adding new indications and additional labeling claims, are also subject to further FDA review and approval. The FDA also may require post-marketing testing, known as Phase IV testing, risk minimization action plans and surveillance to monitor the effects of an approved product or place conditions on an approval that could restrict the distribution or use of the product.

### **U.S. Foreign Corrupt Practices Act**

The U.S. Foreign Corrupt Practices Act ("FCPA"), prohibits certain individuals and entities from promising, paying, offering to pay, or authorizing the payment of anything of value to any foreign government official, directly or indirectly, to obtain or retain business or an improper advantage. The U.S. Department of Justice and the SEC have increased their enforcement efforts with respect to the FCPA. Violations of the FCPA may result in large civil and criminal penalties and could result in an adverse effect on a company's reputation, operations, and financial condition. A company may also face collateral consequences such as debarment and the loss of export privileges.

### **Federal and State Pharmaceutical Legislation**

In addition to FDA restrictions on marketing of pharmaceutical products, several other types of state and federal laws have been applied to restrict certain business practices in the biopharmaceutical industry.

#### **Anti-Kickback Statute of 1972**

The federal Anti-Kickback Statute prohibits, among other things, knowingly and willfully offering, paying, soliciting, or receiving remuneration to induce or in return for purchasing, leasing, ordering, or arranging for the purchase, lease, or order of any healthcare item or service reimbursable under Medicare, Medicaid, or other federally financed healthcare programs. The term "remuneration" has been broadly interpreted to include anything of value, including for example, gifts, discounts, the furnishing of supplies or equipment, credit arrangements, payments of cash, waivers of payment, ownership interests and providing anything at less than its fair market value. The Anti-Kickback Statute has been interpreted to apply to arrangements between pharmaceutical manufacturers on one hand and prescribers, purchasers, and formulary managers on the other. Although there are a number of statutory exemptions and regulatory safe harbors protecting certain common activities from prosecution, the exemptions and safe harbors are drawn narrowly, and a company's practices may not in all cases meet all of the criteria for statutory exemptions or safe harbor protection. Practices that involve remuneration that may be alleged to be intended to induce prescribing, purchases, or recommendations may be subject to scrutiny if they do not qualify for an exemption or safe harbor. Several courts have interpreted the statute's intent requirement to mean that if any one purpose of an arrangement involving remuneration is to induce referrals of federal healthcare covered business, the statute has been violated. The reach of the Anti-Kickback Statute was also broadened by the PPACA, which, among other things, amends the intent requirement of the federal Anti-Kickback Statute. Pursuant to the statutory amendment, a person or entity no longer needs to have actual knowledge of this statute or specific intent to violate it in order to have committed a violation. In addition, the PPACA provides that the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the civil False Claims Act (discussed below) or the civil monetary penalties statute, which imposes penalties against any person who is determined to have presented or caused to be presented a claim to a federal health program that the person knows or should know is for an item or service that was not provided as claimed or is false or fraudulent.

#### **False Claims Act of 1986**

The federal False Claims Act prohibits any person from knowingly presenting, or causing to be presented, a false claim for payment to the federal government. Recently, several pharmaceutical and other healthcare companies have been prosecuted under these laws for allegedly providing free product to customers with the expectation that the customers would bill federal programs for the product. Other companies have been prosecuted for causing false claims to be submitted because of the companies' marketing of the product for unapproved, and thus non-reimbursable, uses. Many states also have statutes or regulations similar to the federal Anti-Kickback Statute and False Claims Act, which state laws apply to items and services reimbursed under Medicaid and other state programs, or, in several states, apply regardless of the payer.

### **Health Insurance Portability and Accountability Act of 1996 (“HIPAA”)**

The federal Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), created new federal criminal statutes that prohibit knowingly and willfully executing a scheme to defraud any healthcare benefit program, including private third-party payers and knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. Because of the breadth of these laws and the narrowness of the federal Anti-Kickback Statute’s safe harbors, it is possible that some of a company’s business activities could be subject to challenge under one or more of such laws. Such a challenge could have a material adverse effect on a company’s business, financial condition and results of operations. See “Risk Factors - Risks Related to Commercialization of Our Product Candidates.”

### **Health Information Technology for Economic and Clinical Health Act of 2009 (“HITECH”)**

HIPAA, as amended by the Health Information Technology and Clinical Health Act (“HITECH”), and its implementing regulations, imposes certain requirements relating to the privacy, security and transmission of individually identifiable health information. Among other things, HITECH makes HIPAA’s privacy and security standards directly applicable to “business associates”—independent contractors or agents of covered entities that receive or obtain protected health information in connection with providing a service on behalf of a covered entity. HITECH also increased the civil and criminal penalties that may be imposed against covered entities, business associates and possibly other persons, and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce the federal HIPAA laws and seek attorney’s fees and costs associated with pursuing federal civil actions. In addition, state laws govern the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts. See “Risk Factors - Risks Related to Commercialization of Our Product Candidates.”

### **The Medicare Prescription Drug, Improvement and Modernization Act of 2003 (“MMA”)**

In the U.S. and foreign jurisdictions, there have been a number of legislative and regulatory changes to the healthcare system, in particular, there have been and continue to be a number of initiatives at the U.S. federal and state levels that seek to reduce healthcare costs. The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (“MMA”), imposed new requirements for the distribution and pricing of prescription drugs for Medicare beneficiaries. Under Part D, Medicare beneficiaries may enroll in prescription drug plans offered by private entities, which will provide coverage of outpatient prescription drugs. Part D plans include both stand-alone prescription drug benefit plans and prescription drug coverage as a supplement to Medicare Advantage plans. Unlike Medicare Part A and B, Part D coverage is not standardized. Part D prescription drug plan sponsors are not required to pay for all covered Part D drugs, and each drug plan can develop its own drug formulary that identifies which drugs it will cover and at what tier or level. However, Part D prescription drug formularies must include drugs within each therapeutic category and class of covered Part D drugs, though not necessarily all the drugs in each category or class. Any formulary used by a Part D prescription drug plan must be developed and reviewed by a pharmacy and therapeutic committee. Moreover, while the MMA applies only to drug benefits for Medicare beneficiaries, private payers often follow Medicare coverage policy and payment limitations in setting their own payment rates. Any reduction in payment that results from Medicare Part D may result in a similar reduction in payments from non-governmental payers.

### **The American Recovery and Reinvestment Act of 2009**

The American Recovery and Reinvestment Act of 2009 provides funding for the federal government to compare the effectiveness of different treatments for the same illness. A plan for the research will be developed by the Department of Health and Human Services, the Agency for Healthcare Research and Quality and the National Institutes for Health, and periodic reports on the status of the research and related expenditures will be made to Congress. Although the results of the comparative effectiveness studies are not intended to mandate coverage policies for public or private payers, it is not clear what effect, if any, the research will have on the sales of any product, if any such product or the condition that it is intended to treat is the subject of a study.

### **Physician Payments Sunshine Act of 2010**

The federal Physician Payments Sunshine Act requires certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children’s Health Insurance Program, with specific exceptions, to report annually to the Centers for Medicare & Medicaid Services (“CMS”) information related to payments or other transfers of value made to physicians and teaching hospitals, and applicable manufacturers and applicable group purchasing organizations to report annually to CMS ownership and investment interests held by the physicians and their immediate family members.

## **Patent Protection and Affordable Care Act of 2010**

In March 2010, the PPACA was enacted, which includes measures to significantly change the way healthcare is financed by both governmental and private insurers. Among the provisions of the PPACA of importance to the pharmaceutical and biotechnology industry are the following:

- an annual, nondeductible fee on any entity that manufactures or imports certain branded prescription drugs and biologic agents, apportioned among these entities according to their market share in certain government healthcare programs, that began in 2011;
- an increase in the rebates a manufacturer must pay under the Medicaid Drug Rebate Program to 23.1% and 13% of the average manufacturer price for branded and generic drugs, respectively;
- a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% point-of-sale discounts to negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D;
- extension of manufacturers' Medicaid rebate liability to covered drugs dispensed to individuals who are enrolled in Medicaid managed care organizations;
- expansion of eligibility criteria for Medicaid programs by, among other things, allowing states to offer Medicaid coverage to additional individuals and by adding new mandatory eligibility categories for certain individuals with income at or below 133% of the Federal Poverty Level beginning in 2014, thereby potentially increasing manufacturers' Medicaid rebate liability;
- expansion of the entities eligible for discounts under the Public Health Service pharmaceutical pricing program
- new requirements under the federal Open Payments program, created under Section 6002 of the PPACA and its implementing regulations, that manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) report annually to the U.S. Department of Health and Human Services ("HHS"), information related to "payments or other transfers of value" made or distributed to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals, and that applicable manufacturers and applicable group purchasing organizations report annually to HHS ownership and investment interests held by physicians (as defined above) and their immediate family members, with data collection required beginning August 1, 2013 and reporting to the Centers for Medicare & Medicaid Services ("CMS"), required by March 31, 2014 and by the 90th day of each subsequent calendar year;
- a requirement to annually report drug samples that manufacturers and distributors provide to physicians, effective April 1, 2012;
- expansion of health care fraud and abuse laws, including the False Claims Act and the Anti-Kickback Statute, new government investigative powers, and enhanced penalties for noncompliance;
- a licensure framework for follow-on biologic products;
- a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research;
- creation of the Independent Payment Advisory Board which, beginning in 2014, will have authority to recommend certain changes to the Medicare program that could result in reduced payments for prescription drugs and those recommendations could have the effect of law even if Congress does not act on the recommendations; and
- establishment of a Center for Medicare Innovation at CMS to test innovative payment and service delivery models to lower Medicare and Medicaid spending, potentially including prescription drug spending that began on January 1, 2011.

## **Budget Control Act of 2011**

In August 2011, the President signed into law the Budget Control Act of 2011, which, among other things, created the Joint Select Committee on Deficit Reduction, or joint committee, to recommend proposals in spending reductions to Congress. The joint committee did not achieve its targeted deficit reduction of at least \$1.2 trillion and for the years 2013 through 2021, triggering automatic reductions to several government programs. These reductions include aggregate reductions to Medicare payments to providers of up to 2% per fiscal year, starting in 2013.

## **American Taxpayer Relief Act of 2012**

In January 2013, the President signed into law the American Taxpayer Relief Act of 2012, which, among other things, reduced Medicare payments to several providers and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. These new laws may result in additional reductions in Medicare and other healthcare funding.

### **Proposals in Congress to repeal or replace parts of the PPACA**

There have been a number of proposals in the U.S. Congress to repeal or replace parts of the PPACA. Some of the proposals include the repeal of the tax on prescription medications, repeal of the medical device excise tax for sales, and repeal of the elimination of a deduction for expenses allocable to Medicare Part D subsidy. It is uncertain whether any repeal or replace legislation will be passed and signed into law or what effect any such legislation may have on our commercialization strategy. See “Risk Factors - Future Legislation, Executive or Private Sector Action May Increase the Difficulty and Cost for us to Commercialize our Products and Affect the Prices Obtained for Such Products.”

### **Patent Term Restoration and Marketing Exclusivity**

Depending upon the timing, duration and specifics of the FDA approval of the use of our pharmaceutical product candidates, some of our products to be licensed under 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 permits a patent restoration term of up to five years as compensation for patent term lost during product development and the FDA regulatory review process. However, patent term restoration cannot extend the remaining term of a patent beyond a total of 14 years from the product's approval date. The patent term restoration period is generally one-half the time between the effective date of an IND and the submission date of an NDA plus the time between the submission date of an NDA and the approval of that application. Only one patent applicable to an approved pharmaceutical product is eligible for the extension and the application for the extension must be submitted prior to the expiration of the patent. The U.S. Patent and Trademark Office (“USPTO”), in consultation with the FDA, reviews and approves the application for any patent term extension or restoration.

Market exclusivity provisions under the U.S. Food, Drug, and Cosmetic Act can also delay the submission or the approval of certain applications of other companies seeking to reference another company's NDA.

### **The Biologics Price Competition and Innovation Act (“BPCI Act”)**

The Biologics Price Competition and Innovation Act, (“BPCI Act”), authorizes the FDA to license a biological product that is biosimilar to an FDA-licensed biologic through an abbreviated pathway. The BPCI Act establishes criteria for determining that a product is biosimilar to an already-licensed biologic, or reference product, and establishes a process by which an abbreviated BLA for a biosimilar product is submitted, reviewed and approved. The BPCI Act provides periods of exclusivity that protect a reference product from biosimilars competition. Under the BPCI Act, the FDA may not accept a biosimilar application for review until four years after the date of first licensure of the reference product, and the biosimilar may not be licensed until at least 12 years after the reference product's approval. Additionally, the BPCI Act establishes procedures by which the biosimilar applicant provides information about its application and product to the reference product sponsor, and by which information about potentially relevant patents may be shared and litigation over patents may proceed in advance of approval. The BPCI Act also provides a period of exclusivity for the first biosimilar determined by the FDA to be interchangeable with the reference product.

We anticipate that the contours of the BPCI Act will continue to be defined as the statute is implemented over a period of years. This likely will be accomplished by a variety of means, including decisions related to the statute by the relevant federal courts, FDA issuance of guidance documents, and FDA decisions in the course of considering specific applications. The FDA has to date issued various guidance documents and other materials indicating the agency's thinking regarding a number of issues implicated by the BPCI Act. Additionally, the FDA's approval of several biosimilar applications in recent years has helped define the agency's approach to certain issues.

## **Pharmaceutical Coverage, Pricing and Reimbursement**

Significant uncertainty exists as to the coverage and reimbursement status of any pharmaceutical product candidates for which we obtain regulatory approval. In the U.S. and markets in other countries, sales of any products for which we receive regulatory approval for commercial sale will depend in part upon the availability of reimbursement from third-party payers. Third-party payers include government payers such as Medicare and Medicaid, managed care providers, private health insurers and other organizations. The process for determining whether a payer will provide coverage for a pharmaceutical product may be separate from the process for setting the price or reimbursement rate that the payer will pay for the pharmaceutical product. Third-party payers may limit coverage to specific pharmaceutical products on an approved list, or formulary, which might not include all of the FDA-approved pharmaceutical products for a particular indication. Third-party payers are increasingly challenging the price and examining the medical necessity and cost-effectiveness of medical products and services, in addition to their safety and efficacy. We may need to conduct expensive pharmaco-economic studies in order to demonstrate the medical necessity and cost-effectiveness of its products, in addition to the costs required to obtain the FDA approvals. A payer's decision to provide coverage for a pharmaceutical product does not imply that an adequate reimbursement rate will be approved.

In 2003, the federal government enacted legislation providing a partial prescription drug benefit for Medicare recipients, which became effective at the beginning of 2006. However, to obtain payments under this program, a company would be required to sell products to Medicare recipients through prescription drug plans operating pursuant to this legislation. As part of their participation in the Medicare prescription drug program, these plans negotiate discounted prices for prescription drugs. Federal, state and local governments in the U.S. continue to consider legislation to limit the growth of health care costs, including the cost of prescription drugs. Future legislation and regulations could limit payments for pharmaceuticals such as the drug product candidates that we are developing.

Different pricing and reimbursement schemes exist in other countries. In the European Community, governments influence the price of pharmaceutical products through their pricing and reimbursement rules and control of national health care systems that fund a large part of the cost of those products to consumers. Some jurisdictions operate positive and negative list systems under which products may only be marketed once a reimbursement price has been agreed upon. To obtain reimbursement or pricing approval, some of these countries may require the completion of clinical studies that compare the cost-effectiveness of a particular pharmaceutical product candidate to currently available therapies. Other member states allow companies to fix their own prices for medicines, but monitor and control company profits. The downward pressure on health care costs in general, particularly prescription drugs, has become very intense. As a result, increasingly high barriers are being erected to the entry of new products. In addition, in some countries, cross-border imports from low-priced markets exert a commercial pressure on pricing within a country.

## **International Regulation**

In addition to regulations in the U.S., there are a variety of foreign regulations governing clinical studies and commercial sales and distribution of our future product candidates. Whether or not FDA approval is obtained for a product, approval of a product must be obtained by the comparable regulatory authorities of foreign countries before clinical studies or marketing of the product can commence in those countries. The approval process varies from country to country, and the time may be longer or shorter than that required for FDA approval. The requirements governing the conduct of clinical studies, product licensing, pricing and reimbursement vary greatly from country to country. In addition, certain regulatory authorities in select countries may require us to repeat previously conducted preclinical and/or clinical studies under specific criteria for approval in their respective country which may delay and/or greatly increase the cost of approval in certain markets targeted for approval by us.

Under E.U. regulatory systems, marketing applications for pharmaceutical products must be submitted under a centralized procedure to the EMA. The centralized procedure provides for the grant of a single marketing authorization that is valid for all E.U. member states. The EMA also has designations for Orphan Drugs, which, if applicable, can provide for faster review, lower fees and more access to advice during drug development. While the marketing authorization in the European Union is centralized, the system for clinical studies (application, review and requirements) is handled by each individual country. Approval to run a clinical study in one country does not guarantee approval in any other country. The pharmaceutical industry in Canada is regulated by Health Canada. A New Drug Submission ("NDS") is the equivalent of a U.S. NDA and must be filed to obtain approval to market a pharmaceutical product in Canada. Marketing regulations and reimbursement are subject to national and provincial laws. In Japan, applications for approval to manufacture and market new drugs must be approved by the Ministry of Health, Labor and Welfare. Nonclinical and clinical studies must meet the requirements of Japanese laws. Results from clinical studies conducted outside of Japan must be supplemented with at least a bridging clinical study conducted in Japanese patients.

In addition to regulations in Europe, Canada, Japan and the U.S., there are a variety of foreign regulations governing clinical studies, commercial distribution and reimbursement of future product candidates which we may be subject to as we pursue regulatory approval and commercialization of Validive, MNPR-201, MNPR-101, or any future product candidates internationally.

### **Compliance with Environmental Laws**

Since we do not have our own laboratory facilities, we do not estimate any annual costs of compliance with environmental laws.

### **Employees**

Our operations are currently overseen by five individuals, of which three have a PhD, two have an MD, one has an MBA, one has an MSc in health economics and policy, and one has an inactive CPA. They have worked at industry leading companies such as BioMarin Pharmaceutical Inc., Raptor Pharmaceuticals, Abbott Laboratories, and Onyx Pharmaceuticals. As of March 1, 2018, we have five employees; four of them are full-time employees. For information regarding our executive officers, see the section entitled "Executive Officers and Board Members."

### **Available Information**

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act may be accessed through the SEC's website at [www.sec.gov](http://www.sec.gov) and on our website at [www.monopartx.com](http://www.monopartx.com) free of charge. Such filings are placed on our website as soon as reasonably practicable after they are filed with the SEC. Our Code of Business Conduct and Ethics and our Audit Committee Charter are also posted on the Investor Highlight page on our website.

## **Item 1A. Risk Factors**

### **RISK FACTORS**

An investment in our common stock involves a high degree of risk. A prospective investor should carefully consider the following information about these risks, together with other information appearing elsewhere in this Annual Report on Form 10-K, before deciding to invest in our common stock. The occurrence of any of the following risks could have a material adverse effect on our business, financial condition, results of operations and future prospects and prospective investors could lose all or part of their investment. The risk factors discussed below and elsewhere in this Annual Report on Form 10-K are not exhaustive; other significant risks may exist that are not identified in this Annual Report on Form 10-K, but that might still materially and adversely affect our business, prospects, financial condition, and results of operations were any of such risks to occur.

#### **Risks Related to Our Financial Condition and Capital Requirements**

*We have a limited operating history, expect to incur significant operating losses, and have a high risk of never being profitable.*

We commenced operations in December 2014 and have a limited operating history of almost three years. Therefore, there is limited historical financial or operational information upon which to evaluate our performance. Our prospects must be considered in light of the uncertainties, risks, expenses, and difficulties frequently encountered by companies in their early stages of operations. Most companies in our industry at our stage of development never become profitable, and are acquired or go out of business without successfully developing any product that generates revenue from commercial sales.

From inception in December 2014 through December 31, 2017, we have incurred losses of approximately \$18.4 million. We expect to continue to incur substantial operating losses over the next several years for the clinical development of our current and future licensed or purchased drug product candidates.

The amount of future losses and when, if ever, we will become profitable are uncertain. We do not have any products that have generated any revenues from commercial sales, and do not expect to generate revenues from the commercial sale of products in the near future, if ever. Our ability to generate revenue and achieve profitability will depend on, among other things, successful completion of the development of our product candidates; obtaining necessary regulatory approvals from the FDA and international regulatory agencies; establishing manufacturing, sales, and marketing arrangements with third parties; obtaining adequate reimbursement by third party payers; and raising sufficient funds to finance our activities. If we are unsuccessful at some or all of these undertakings, our business, financial condition, and results of operations are expected to be materially and adversely affected.



As a new public reporting company, we are subject to SEC reporting and other requirements, which will lead to increased operating costs in order to meet these requirements.

***If we continue to incur operating losses and fail to obtain the capital necessary to fund our operations, we will be unable to advance our development programs, complete our clinical trials, or bring products to market, or may be forced to cease operations entirely. In addition, any capital obtained by us may be obtained on terms that are unfavorable to us, our investors, or both.***

Developing a new drug and conducting clinical trials for one or more disease indications involves substantial costs. We have projected cash requirements for the near term based on a variety of assumptions, but some or all of such assumptions are likely to be incorrect and/or incomplete, possibly materially in an adverse direction. Our actual cash needs may deviate materially from those projections, changes in market conditions or other factors may increase our cash requirements, or we may not be successful even in raising the amount of cash we currently project will be required for the near term. See discussion of our material development agreements in "Material Agreements". We will need to raise additional capital in the future; the amount of additional capital needed will vary as a result of a number of factors, including without limitation the following:

- receiving less funding than we require;
- higher than expected costs to manufacture our active pharmaceutical ingredient and our drug product candidates;
- higher than expected costs for preclinical testing;
- an increase in the number, size, duration, or complexity of our clinical trials;
- slower than expected progress in developing Validive, MNPR-201, MNPR-101, or other drug product candidates, including without limitation, additional costs caused by program delays;
- higher than expected costs associated with attempting to obtain regulatory approvals, including without limitation additional costs caused by additional regulatory requirements or larger clinical trial requirements;
- higher than expected personnel or other costs, such as adding personnel or pursuing the licensing/acquisition of additional assets; and
- higher than expected costs to protect our intellectual property portfolio or otherwise pursue our intellectual property strategy.

If we attempt to raise additional financing, there can be no assurance that we will be able to secure such additional financing in sufficient quantities or at all. We may be unable to raise additional capital for reasons including without limitation our financial performance, investor confidence in us and the biopharmaceutical industry, credit availability from banks and other financial institutions, the status of current projects, and our prospects for obtaining any necessary regulatory approvals. Potential investors' capital investments may be shifted to other opportunities with perceived greater returns and/or lower risk thereby reducing capital available to us, if at all.

In addition, any additional financing might not be available and even if available, may not be available on terms favorable to us or our then-existing investors. We may seek to raise funds through public or private equity offerings, debt financings, corporate collaboration or licensing arrangements, mergers, acquisitions, sales of intellectual property, or other financing vehicles or arrangements. To the extent that we raise additional capital by issuing equity securities or other securities, our then-existing investors may experience significant dilution. If we raise funds through debt financings or bank loans, we may become subject to restrictive covenants, our assets may be pledged as collateral for the debt, and the interests of our then-existing investors would be subordinated to the debt holders or banks. In addition, our use of and ability to exploit assets pledged as collateral for debt or loans may be restricted or forfeited. To the extent that we raise additional funds through collaboration or licensing arrangements, we may be required to relinquish significant rights (including without limitation intellectual property rights) to our technologies or product candidates, or grant licenses on terms that are not favorable to us. If we are not able to raise needed funding under acceptable terms or at all, then we will have to reduce expenses, including the possible options of curtailing operations, abandoning opportunities, selling off assets, reducing costs, or ceasing operations entirely.

## Risks Related to Clinical Development and Regulatory Approval

*We do not have and may never have any approved products on the market. Our business is highly dependent upon receiving approvals from various U.S. and international governmental agencies and will be severely harmed if we are not granted approval to manufacture and sell our drug product candidates.*

In order for us to commercialize any treatment for a cancer indication or for any other clinical indication, we must obtain regulatory approvals of such treatment for that indication. Satisfying regulatory requirements is an expensive process that typically takes many years and involves compliance with requirements covering research and development, testing, manufacturing, quality control, labeling, and promotion of drugs for human use. To obtain necessary regulatory approvals, we must, among other requirements, complete clinical trials demonstrating that our products are safe and effective for a particular indication. There can be no assurance that our products are safe and effective, that our clinical trials will demonstrate the necessary safety and effectiveness of our drug product candidates, or that we will succeed in obtaining regulatory approval for any treatment we develop even if such safety and effectiveness are demonstrated.

Any delays or difficulties we encounter in our clinical trials may delay or preclude regulatory approval from the FDA or from international regulatory organizations. Any delay or preclusion of regulatory approval would be expected to delay or preclude the commercialization of our products. Examples of delays or difficulties that we may encounter in our clinical trials include without limitation the following:

- Clinical trials may not yield sufficiently conclusive results for regulatory agencies to approve the use of our products.
- Our products may fail to be more effective than current therapies, or to be effective at all.
- We may discover that our products have adverse side effects, which could cause our products to be delayed or precluded from receiving regulatory approval or otherwise expose us to significant commercial and legal risks.
- It may take longer than expected to determine whether or not a treatment is effective.
- Patients involved in our clinical trials may suffer severe adverse side effects even up to death, whether as a result of treatment with our products, the withholding of such treatment, or other reasons (whether within or outside of our control).
- We may fail to enroll a sufficient number of patients in our clinical trials.
- Patients enrolled in our clinical trials may not have the characteristics necessary to obtain regulatory approval for a particular indication.
- We may be unable to produce sufficient quantities of product to complete the clinical trials.
- Even if we are successful in our clinical trials, any required governmental approvals may still not be obtained or, if obtained, may not be maintained.
- If approval for commercialization is granted, it is possible the authorized use will be more limited than is necessary for commercial success, or that approval may be conditioned on completion of further clinical trials or other activities, which will cause a substantial increase in costs and which we might not succeed in performing or completing.
- If granted, approval may be withdrawn or limited if problems with our products emerge or are suggested by the data arising from their use or if there is a change in law or regulation.

Any success we may achieve at a given stage of our clinical trials does not guarantee that we will achieve success at any subsequent stage, including without limitation final FDA approval.

We may encounter delays or rejections in the regulatory approval process because of additional government regulation resulting from future legislation or administrative action, or from changes in the policies of the FDA or other regulatory bodies during the period of product development, clinical trials, or regulatory review. Failure to comply with applicable regulatory requirements may result in criminal prosecution, civil penalties, recall or seizure of products, total or partial suspension of production, or an injunction preventing certain activity, as well as other regulatory action against our product candidates or us. As a company, we have no experience in successfully obtaining regulatory approval for a drug and thus may be poorly equipped to gauge, and may prove unable to manage risks relating to obtaining such approval.

Outside the U.S., our ability to market a product is contingent upon receiving clearances from appropriate non-U.S. regulatory authorities. Non-U.S. regulatory approval typically includes all of the risks associated with FDA clearance discussed above as well as the additional uncertainties and potential prejudices faced by U.S. companies conducting business abroad. In certain cases, pricing restrictions and practices can make achieving even limited profitability very difficult.

***If we or our licensees, development collaborators, or suppliers are unable to manufacture our products in sufficient quantities or at defined quality specifications, or are unable to obtain regulatory approvals for the manufacturing facility, we may be unable to develop and/or meet demand for our products and lose time to market and potential revenues.***

Completion of our clinical trials and commercialization of our product candidates require access to, or development of, facilities to manufacture a sufficient supply of our product candidates. We currently contract with outside sources to manufacture MNPR-101. In order to be able to manufacture sufficient quantities of MNPR-101 to be able to proceed with human clinical trials, Cancer Research UK developed a new cell line under our CTOA. We received notification of termination of CRUK's work on MNPR-101 under the CTOA on March 21, 2018. There can be no assurance that this new cell line will be successful or that sufficient quantities of MNPR-101 will be able to be manufactured. Since Cancer Research UK has decided to terminate its involvement with MNPR-101, we will need to make other arrangements for the clinical testing, development and manufacture of our drug product candidate. There can be no assurance that such alternative arrangements can be made on terms favorable to us. We in the future may become unable, for various reasons, to rely on our sources for the manufacture of our product candidates, either for clinical trials or, at some future date, for commercial distribution. We may not be successful in identifying additional or replacement third-party manufacturers, or in negotiating acceptable terms with any we do identify. We may face competition for access to these manufacturers' facilities and may be subject to manufacturing delays if the manufacturers give other clients higher priority than they give to us. Even if we are able to identify an additional or replacement third-party manufacturer, the delays and costs associated with establishing and maintaining a relationship with such manufacturer may have a material adverse effect on us.

Before we can begin to commercially manufacture Validive, MNPR-201, MNPR-101, or any other product candidate, we must obtain regulatory approval of the manufacturing facility and process. Manufacturing of drugs for clinical and commercial purposes must comply with the FDA's current Good Manufacturing Practices requirements, commonly known as "cGMP", and applicable non-U.S. regulatory requirements. The cGMP requirements govern quality control and documentation policies and procedures. Complying with cGMP and non-U.S. regulatory requirements will require that we expend time, money, and effort in production, recordkeeping, and quality control to ensure that the product meets applicable specifications and other requirements. We, or our contracted manufacturing facility, must also pass a pre-approval inspection prior to FDA approval. Failure to pass a pre-approval inspection may significantly delay or prevent FDA approval of our products. If we fail to comply with these requirements, we would be subject to possible regulatory action and may be limited in the jurisdictions in which we are permitted to sell our products and will lose time to market and potential revenues.

***It is uncertain whether insurance will be adequate to address product liability claims, or that insurance against such claims will be affordable or available on acceptable terms in the future.***

Clinical research involves the testing of new drugs on human volunteers pursuant to a clinical trial protocol. Such testing involves a risk of liability for personal injury to or death of patients due to, among other causes, adverse side effects, improper administration of the new drug, or improper volunteer behavior. Claims may arise from patients, clinical trial volunteers, consumers, physicians, hospitals, companies, institutions, researchers, or others using, selling, or buying our products, as well as from governmental bodies. In addition, product liability and related risks are likely to increase over time, in particular upon the commercialization or marketing of any products by us or parties with which we enter into development, marketing, or distribution collaborations. Although we are contracting for general liability insurance in connection with our ongoing business, there can be no assurance that the amount and scope of such insurance coverage will be appropriate and sufficient in the event any claims arise, that we will be able to secure additional coverage should we attempt to do so, or that our insurers would not contest or refuse any attempt by us to collect on such insurance policies. Furthermore, there can be no assurance that suitable insurance will continue to be available on terms acceptable to us or at all, or that, if obtained, the insurance coverage will be appropriate and sufficient to cover any potential claims or liabilities.

### **Risks Related to Our Reliance on Third Parties**

***Corporate, non-profit, and academic collaborators may take actions (including lack of effective actions) to delay, prevent, or undermine the success of our products.***

Our operating and financial strategy for the development, clinical testing, manufacture, and commercialization of drug product candidates is heavily dependent on us entering into collaborations with corporations, non-profit organizations, academic institutions, licensors, licensees, and other parties. There can be no assurance that we will be successful in establishing such collaborations. Some of our existing collaborations are, and future collaborations may be terminable at the sole discretion of the collaborator. For example, our collaboration with Cancer Research UK on MNPR-101, we recently received notification of termination by CRUK of its involvement with MNPR-101 and we will need to seek alternate arrangements. Replacement collaborations might not be available on attractive terms, or at all. The activities of any collaborator will not be within our control and may not be in our power to influence. There can be no assurance that any collaborator will perform its obligations to our satisfaction or at all; that we will derive any revenue, profits, or benefit from such collaborations; or that any collaborator will not compete with us. If any collaboration is not pursued, we may require substantially greater capital to undertake development and commercialization of our proposed products, and may not be able to develop and commercialize such products effectively, if at all. In addition, a lack of development and commercialization collaborations may lead to significant delays in introducing proposed products into certain markets and/or reduced sales of proposed products in such markets. Furthermore, current or future collaborators may act deliberately or inadvertently in ways detrimental to our interests.

***The termination of third-party licenses could adversely affect our rights to important compounds.***

We rely on certain rights to MNPR-101 that we have secured through a non-exclusive license agreement with XOMA. XOMA, as licensor, has the ability to terminate the license if we breach our obligations under the license agreement and do not remedy any such breach in time after receiving written notice of such breach from XOMA. A termination of the license agreement might force us to cease developing and/or selling MNPR-101, if it gets to market. We have exercised our option to license Validive; as such, Onxeo has the ability to terminate the license if we breach our obligations under the option and license agreement. A termination of the option and license agreement might force us to cease developing and/or selling Validive.

***Data provided by collaborators and other parties upon which we rely have not been independently verified and could turn out to be false, misleading, or incomplete.***

We rely on third-party vendors, scientists, and collaborators to provide us with significant data and other information related to our projects, clinical trials, and business. We do not independently verify or audit all of such data (including possibly material portions thereof). As a result, such data may be inaccurate, misleading, or incomplete.

***In certain cases, we rely on a single supplier for a particular manufacturing material, and any interruption in or termination of service by such supplier could delay or disrupt the commercialization of our products.***

We rely on third-party suppliers for the materials used to manufacture our compounds. Some of these materials may only be available from one supplier. Any interruption in or termination of service by such single source suppliers could result in a delay or disruption in manufacturing until we locate an alternative source of supply. There can be no assurance that we would be successful in locating such alternative source of supply or in negotiating acceptable terms with such prospective supplier.

**Risks Related to Commercialization of Our Product Candidates**

***Our product development efforts are at an early stage. We have not yet undertaken any marketing efforts, and there can be no assurances that future anticipated market testing and analyses will validate our marketing strategy and therefore we may need to modify the products, or will not be successful in either developing or marketing those products.***

We have not completed the development or clinical trials of any product candidates and, accordingly, have not yet begun to market or generate revenue from the commercialization of any products. Commercializing these product candidates will require substantial additional research and development as well as costly clinical trials. There can be no assurance that we will successfully complete development of our product candidates or successfully market them. We may encounter problems and delays relating to research and development, regulatory approval, intellectual property rights of product candidates, or other factors. There can be no assurance that our development programs will be successful, that our products, if successfully developed, will prove to be safe and effective in or after clinical trials, that the necessary regulatory approvals for any product candidates will be obtained, or, even if obtained, will be as broad as sought or will be maintained for any period thereafter, that patents will issue on our patent applications, that any intellectual property protections we secure will be adequate, or that our collaboration arrangements will not diminish the value of our intellectual property through licensing or other arrangements. Furthermore, there can be no assurance that any product we might market will be received favorably by customers (whether physicians, patients, or both), adequately reimbursed by third party payers, or that competitive products will not perform better and/or be marketed more successfully. Additionally, there can be no assurances that any future market testing and analyses will validate our marketing strategies. We may need to seek to modify the product labels through additional studies in order to be able to market them successfully.

***If we are unable to establish relationships with licensees or collaborators to carry out sales, marketing, and distribution functions or to create effective marketing, sales, and distribution capabilities, we will be unable to market our products successfully.***

Our business strategy may include out-licensing product candidates to or collaborating with larger firms with experience in marketing and selling pharmaceutical products. There can be no assurance that we will successfully be able to establish marketing, sales, or distribution relationships with any third party, that such relationships, if established, will be successful, or that we will be successful in gaining market acceptance for any products we might develop. To the extent that we enter into any marketing, sales, or distribution arrangements with third parties, our product revenues per unit sold are expected to be lower than if we marketed, sold, and distributed our products directly, and any revenues we receive will depend upon the efforts of such third parties.

If we are unable to establish such third-party marketing and sales relationships, or choose not to do so, we would have to establish in-house marketing and sales capabilities. We have no experience in marketing or selling oncology pharmaceutical products, and currently have no marketing, sales, or distribution infrastructure and no experience developing or managing such infrastructure for an oncology product. To market any products directly, we would have to establish a marketing, sales, and distribution force that had technical expertise and could support a distribution capability. Competition in the biopharmaceutical industry for technically proficient marketing, sales, and distribution personnel is intense and attracting and retaining such personnel may significantly increase our costs. There can be no assurance that we will be able to establish internal marketing, sales, or distribution capabilities or that these capabilities will be sufficient to meet our needs.

***Commercial success of our product candidates will depend on the acceptance of these products by physicians and patients.***

Any product candidate that we may develop may not gain market acceptance among physicians and patients. Market acceptance of and demand for any product that we may develop will depend on many factors, including without limitation:

- prevalence and severity of adverse side effects;
- potential advantages over alternative treatments;
- cost effectiveness;
- convenience and ease of administration;
- sufficient third-party coverage or reimbursement;
- strength of marketing and distribution support; and
- our ability to provide acceptable evidence of safety and efficacy.

If any product candidate developed by us receives regulatory approval but does not achieve an adequate level of market acceptance by physicians and patients, we may generate little or no product revenue and may not become profitable.

***Our products may not be accepted for reimbursement or properly reimbursed by third-party payers.***

The successful commercialization of any products we might develop will depend substantially on whether the costs of our products and related treatments are reimbursed at acceptable levels by government authorities, private healthcare insurers, and other third-party payers, such as health maintenance organizations. Reimbursement rates may vary, depending upon the third-party payer, the type of insurance plan, and other similar or dissimilar factors. If our products are not subject to adequate reimbursement, physicians may not prescribe for our products in sufficient amounts to make our products profitable.

Comparative effectiveness research demonstrating benefits in a competitor's product could adversely affect the sales of our drug product candidates. If third-party payers do not consider our products to be cost-effective compared to other available therapies, they may not cover our products as a benefit under their plans or, if they do, the level of payment may not be sufficient to allow us to sell our products on a profitable basis.

Adequate third-party reimbursement may not be available to enable us to maintain price levels sufficient to realize an appropriate return on our investment in product development. In addition, in the U.S. there is a growing emphasis on comparative effectiveness research, both by private payers and by government agencies. To the extent other drugs or therapies are found to be more effective than our products, payers may elect to cover such therapies in lieu of our products and/or reimburse our products at a lower rate.

In addition, emphasis on managed care in the U.S. has increased and we expect this 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.

Any development along these lines could materially and adversely affect our prospects. We are unable to predict what legislative or regulatory changes relating to the healthcare industry, including without limitation any changes affecting governmental and/or private or third party coverage and reimbursement, may be enacted in the future, or what effect such legislative or regulatory changes would have on our business.

***If we obtain FDA approval for any of our product candidates, we will be subject to various federal and state fraud and abuse laws; these laws may impact, among other things, our proposed sales, marketing and education programs. Fraud and abuse laws are expected to increase in breadth and in detail, which will likely increase our operating costs and the complexity of our programs to insure compliance with such enhanced laws.***

If we obtain FDA approval for any of our product candidates and begin commercializing those products in the U.S., our operations may be directly, or indirectly through our customers, distributors, or other business partners, subject to various federal and state fraud and abuse laws, including, without limitation, anti-kickback statutes and false claims statutes which may increase our operating costs. These laws may impact, among other things, our proposed sales, marketing and education programs. In addition, we may be subject to data privacy and security regulation by both the federal government and the states in which we conduct business.

***If our operations are found to be in violation of any of the federal and state laws or any other governmental regulations that apply to us, we may be subject to criminal actions and significant civil monetary penalties, which would adversely affect our ability to operate our business and our results of operations.***

If our operations are found to be in violation of any of the federal and state laws described above or any other governmental regulations that apply to us, we may be subject to penalties, including criminal and significant civil monetary penalties, damages, fines, imprisonment, exclusion from participation in government healthcare programs, and the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our results of operations. To the extent that any of our product candidates are ultimately sold in a foreign country, we may be subject to similar foreign laws and regulations, which may include, for instance, applicable post-marketing requirements, including safety surveillance, anti-fraud and abuse laws, and implementation of corporate compliance programs and reporting of payments or transfers of value to healthcare professionals.

***Negotiated prices for our products covered by a Part D prescription drug plan will likely be lower than the prices we might otherwise obtain.***

Government payment for some of the costs of prescription drugs may increase demand for our products for which we receive marketing approval, however, any negotiated prices for our products covered by a Part D prescription drug plan will likely be lower than the prices we might otherwise obtain.

### **Risks Related to Our Intellectual Property**

***If we and our third-party licensors do not obtain and preserve protection for our respective intellectual property rights, our competitors may be able to take advantage of our (and our licensors') development efforts to develop competing drugs.***

Our commercial success will depend in part on obtaining patent protection for any products and other technologies we might develop, and successfully defending any patents we obtain against third-party challenges. We license all intellectual property related to Validive from Onxeo S.A., a French public company. See "Material Agreements". The assignment and transfer of the MNPR-201 (GPX-150) patent portfolio from TacticGem, LLC to us has been completed. We filed and have been granted in the U.S. and various countries around the world patents for antibodies that target uPAR. We have also been granted in the U.S. and various countries around the world patents to a specific sequence of amino acids on uPAR, to which our MNPR-101 antibody binds. We are currently prosecuting this patent in other countries around the world to further protect MNPR-101. The patent process is subject to numerous risks and uncertainties, and there can be no assurance that we will be successful in obtaining and defending patents. See "Intellectual Property Portfolio". These risks and uncertainties include without limitation the following:

- Patents that may be issued or licensed may be challenged, invalidated, or circumvented; or may not provide any competitive advantage for other reasons.
- Our competitors, many of which have substantially greater resources than us and have made significant investments in competing technologies, may seek, or may already have obtained, patents that will limit, interfere with, or eliminate our ability to make, use, and sell our potential products either in the U.S. or in international markets.
- As a matter of public policy regarding worldwide health concerns, there may be significant pressure on the U.S. government and other international governmental bodies to limit the scope of domestic and international patent protection for cancer treatments that prove successful.
- Countries other than the U.S. may have less restrictive patent laws than those upheld by the U.S. courts; therefore, non-U.S. competitors could exploit these laws to create, develop, and market competing products.

In addition, the USPTO and patent offices in other jurisdictions have often required that patent applications concerning pharmaceutical and/or biotechnology-related inventions be limited or narrowed substantially to cover only the specific innovations exemplified in the patent application, thereby limiting their scope of protection against competitive challenges. Thus, even if we or our licensors are able to obtain patents, the patents may be substantially narrower than anticipated.

If we permit our patents to lapse or expire, we will not be protected and will have less of a competitive advantage. The value of our products may be greatly reduced if this occurs. Our patents expire at different times and are subject to the laws of multiple countries. Some of our patents are currently near expiration and we may pursue patent term extensions for these where appropriate. See "Intellectual Property Portfolio".

In addition to patents, we also rely on trade secrets and proprietary know-how. While we take measures to protect this information by entering into confidentiality and invention agreements with our consultants and collaborators, we cannot provide any assurances that these agreements will be fully enforceable and will not be breached, that we will be able to protect ourselves from the harmful effects of disclosure if they are not fully enforceable or are breached, that any remedy for a breach will adequately compensate us, that these agreements will achieve their intended aims, or that our trade secrets will not otherwise become known or be independently discovered by competitors. If any of these events for which we cannot provide assurances occurs, or we otherwise lose protection for our trade secrets or proprietary know-how, the value of this information may be greatly reduced.

***Intellectual property disputes could require us to spend time and money to address such disputes and could limit our intellectual property rights.***

The biopharmaceutical industry has been characterized by extensive litigation regarding patents and other intellectual property rights, and companies have employed intellectual property litigation to gain a competitive advantage. We may become subject to infringement claims or litigation arising out of patents and pending applications of our competitors, or additional interference proceedings declared by the USPTO to determine the priority of inventions. The defense and prosecution of intellectual property suits, USPTO proceedings, and related legal and administrative proceedings are costly and time-consuming to pursue, and their outcome is uncertain. Litigation may be necessary to enforce our issued patents, to protect our trade secrets and know-how, or to determine the enforceability, scope, and validity of the proprietary rights of others. An adverse determination in litigation or interference proceedings to which we may become a party could subject us to significant liabilities, require us to obtain licenses from third parties, or restrict or prevent us from selling our products in certain markets. Even if a given patent or intellectual property dispute were settled through licensing or similar arrangements, our costs associated with such arrangements may be substantial and could include the payment by us of large fixed payments and ongoing royalties. Furthermore, the necessary licenses may not be available on satisfactory terms or at all. In addition, even where we have meritorious claims or defenses, the costs of litigation may prevent us from pursuing these claims or defenses and/or may require extensive financial and personnel resources to pursue these claims or defenses.

#### **Risks Related to Our Business Operations and Industry**

***We have a limited operating history as we are a new entity.***

As of March 1, 2018, we have engaged exclusively in acquiring pharmaceutical drug product candidates, licensing rights to drug product candidates and entering into collaboration agreements, and have not completed any clinical trials, received any governmental approvals, brought any product to market, manufactured or produced products in commercial quantities or sold any pharmaceutical products. We have limited experience in negotiating, establishing, and maintaining strategic relationships, conducting clinical trials, and managing the regulatory approval process, all of which will be necessary if we are to be successful. Our lack of experience in these critical areas makes it difficult for a prospective investor to evaluate our abilities, and increases the risk that we will fail to successfully execute our strategies.

Furthermore, if our business grows rapidly, our operational, managerial, legal, and financial resources will be strained. Our development will require continued improvement and expansion of our management team and our operational, managerial, legal, and financial systems and controls.

In the normal course of business, we have evaluated and expect to evaluate potential acquisitions and/or licenses of patents, compounds, and technologies that our management believes could complement or expand our business. We have limited history of conducting acquisitions, and negotiating and acquiring licenses. In the event that we identify an acquisition or license candidate we find attractive, there is no assurance that we will be successful in negotiating an agreement to acquire or license, or in financing or profitably exploiting, such patents, compounds, or technologies. Furthermore, such an acquisition or license could divert management time and resources away from other activities that would further our business development.

***If we lose key management leadership, and/or scientific personnel, and if we cannot recruit qualified employees, managers, directors, officers, or other significant personnel, we may experience delays and increases in compensation costs, and our business materially disrupted.***

Our future success is highly dependent on the continued service of principal members of our management, leadership, and scientific personnel, who are able to terminate their employment with us at any time, and may be able to compete with us. The loss of any of our key management, leadership, or scientific personnel including in particular, Chandler D. Robinson, our President and CEO, and Andrew P. Mazar, our Executive Vice President of Research and Development, and Chief Scientific Officer, could materially disrupt our business and materially delay or prevent the successful commercialization of our product candidates. We have employment agreements with Dr. Robinson and Dr. Mazar which have no term but are for at-will employment, meaning the executives have the ability to terminate their employment at any time.

Our future success will also depend on our continuing ability to identify, hire, and retain highly skilled personnel for all areas of the organization. Competition in the biopharmaceutical industry for scientifically and technically qualified personnel is intense, and we may be unsuccessful in identifying, hiring, and retaining qualified personnel. Our continued ability to identify, hire, and retain highly skilled personnel may cause our compensation costs to increase materially.

***We are an emerging growth company and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors.***

We are an emerging growth company. Under the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”), emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies. Therefore, we may not be subject to the same new or revised accounting standards as other public companies that are not “emerging growth companies.”

For as long as we continue to be an emerging growth company, we also intend to take advantage of certain other exemptions from various reporting requirements that are applicable to other public companies including, but not limited to, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, exemptions from the requirements of holding a nonbinding advisory stockholder vote on executive compensation and any golden parachute payments not previously approved, exemption from the requirement of auditor attestation in the assessment of our internal control over financial reporting and exemption from any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (auditor discussion and analysis). If we do take advantage of these exemptions, the information that we provide stockholders will be different than what is available with respect to other public companies. We cannot predict if investors will find our Common Stock less attractive because we will rely on these exemptions. If investors find our Common Stock less attractive as a result of our status as an emerging growth company, there may be less liquidity for our Common Stock and our stock price may be more volatile.

We will remain an emerging growth company until the earliest of (i) the end of the fiscal year in which the market value of our common stock that is held by non-affiliates exceeds \$700 million as of the end of the second fiscal quarter, (ii) the end of the fiscal year in which we have total annual gross revenues of \$1 billion or more during such fiscal year, (iii) the date on which we issue more than \$1 billion in non-convertible debt in a three-year period or (iv) the end of the fiscal year following the fifth anniversary of the date of the first sale of our Common Stock pursuant to an effective registration statement filed under the Act.

***Competition and technological change may make our product candidates obsolete or non-competitive.***

The biopharmaceutical industry is subject to rapid technological change. We have many potential competitors, including major drug and chemical companies, specialized biopharmaceutical firms, and universities and other research institutions. These companies, firms, and other institutions may develop products that are more effective than our product candidates or that would make our product candidates obsolete or non-competitive. Many of these companies, firms, and other institutions have greater financial resources than us and may be better able to withstand and respond to adverse market conditions within the biopharmaceutical industry, including without limitation the lengthy regulatory approval process for product candidates.

***If product liability lawsuits are brought against us, we may incur substantial costs to defend them and address any damages awarded, and demand for our products could be reduced as a result of such lawsuits.***

The testing and marketing of medical products is subject to an inherent risk of product liability claims. Since we currently are not sponsoring a clinical trial, we do not have product liability insurance coverage, but plan to obtain appropriate coverage when we enroll patients in a Validive or other clinical trial. Regardless of their merit or eventual outcome, product liability claims may result in:

- decreased demand for our products;
- injury to our reputation and significant, adverse media attention;
- withdrawal of clinical trial volunteers; and
- potentially significant litigation costs, including without limitation any damages awarded to the plaintiffs if we lose or settle claims.

***We use hazardous materials, including radioactive materials, in our business, and any claims relating to improper handling, storage, or disposal of these materials could materially harm our business.***

Our business involves the use of a broad range of hazardous chemicals and materials, including radioactive materials. Environmental laws impose stringent civil and criminal penalties for improper handling, disposal, and storage of these materials. In addition, in the event of an improper or unauthorized release of, or exposure of individuals to, hazardous materials, we could be subject to civil damages due to personal injury or property damage caused by the release or exposure. A failure to comply with environmental laws could result in fines and the revocation of environmental permits, which could prevent us from conducting our business.

***We have limited the liability of and indemnified our directors and officers.***

Although our directors and officers are accountable to us and must exercise good faith, good business judgement, and integrity in handling our affairs, our Second Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation"), provides that our directors will be indemnified to the fullest extent permitted under Delaware law. As a result, our stockholders may have fewer rights against our directors than they would have absent such provisions in our Certificate of Incorporation, and a stockholder's ability to seek and recover damages for a breach of fiduciary duties may be reduced or restricted. Delaware law allows indemnification if our Board Member (a) has acted in good faith, in a manner the Board Member reasonably believes to be in or not opposed to our best interests, and (b) with respect to any criminal action or proceeding, if the Board Member had no reasonable cause to believe the conduct was unlawful.



Pursuant to the Certificate of Incorporation, each director and (to the extent approved by our Board) each of our officers who is made a party to a legal proceeding because he or she is or was a Board Member or officer, is indemnified by us from and against any and all liability, except that we may not indemnify a Board Member or officer: (a) for any liability incurred in a proceeding in which such person is adjudged liable to Monopar or is subjected to injunctive relief in favor of Monopar; (b) for acts or omissions that involve intentional misconduct or a knowing violation of law, fraud or gross negligence; (c) for unlawful distributions; (d) for any transaction for which such Board Member or officer received a personal benefit or as otherwise prohibited by or as may be disallowed under Delaware law; or (e) with respect to any dispute or proceeding between us and such Board Member or officer unless such indemnification has been approved by a disinterested majority of Board Members or by a majority in interest of disinterested stockholders. We are required to pay or reimburse attorney's fees and expenses of a Board Member seeking indemnification as they are incurred, provided the director executes an agreement to repay the amount to be paid or reimbursed if there is a final determination by a court of competent jurisdiction that such person is not entitled to indemnification.

***Future legislation or executive or private sector actions may increase the difficulty and cost for us to commercialize our products and affect the prices obtained for such products.***

There have been several attempts made to repeal the Patient Protection and Affordable Care Act (the "PPACA"), and modification and partial or complete repeal of the Affordable Care Act in the future is possible. On December 22, 2017, the Tax Cuts and Jobs Act became law – one of its provisions repealed what is known as the individual mandate under PPACA which could have the effect of negating such law. Healthcare reform measures that may be adopted in the future may result in more rigorous coverage criteria and lower reimbursement, and in additional downward pressure on the price that may be charged for any of our product candidates, if approved.

The increasing cost of healthcare as a percentage of GDP and the increasing deferred liabilities behind most governmental health care programs (such as Medicare and Medicaid) continue to be an economic challenge which affects the overall economic health of the U.S. High cost products and therapies that are early in their life cycle, are attractive targets for parties that believe that the cost of healthcare must be better controlled and reduced. Pharmaceutical prices and healthcare reform has been debated and acted upon by legislators for many years. Future legislation or executive or private sector actions related to healthcare reform could materially and adversely affect our business by reducing our ability to generate revenue at prices sufficient to reward for the risks and costs of development, to raise capital, and to market our products.

Additionally, Executive Orders and policy statements issued by President Trump have increased the uncertainty regarding the timing for the FDA's interpretation and implementation of requirements under the Federal Food, Drug and Cosmetic Act ("FDCA"). Some of these executive actions may also negatively affect the FDA's exercise of regulatory oversight and ability to timely review industry submissions and applications in connection with the drug development and approval process. Notably, on April 12, 2017, the Director for the Office of Management and Budget ("OMB") implemented a long-term plan to reduce the size of the federal workforce. Although the FDA is funded in the near-term, in the future, an under-staffed FDA could result in increasing delays in the FDA's responsiveness or in its ability to review applications, issue regulations or guidance, or implement or enforce regulatory requirements in a timely fashion or at all. A January 30, 2017 Executive Order also included a budget neutrality provision that requires the total incremental cost of all new regulations in the 2017 fiscal year, including repealed regulations, to be no greater than zero, except in limited circumstances. It is difficult to predict how these requirements will be interpreted and implemented, and the extent to which they will impact the FDA's ability to continue engaging in its regulatory authorities under the FDCA. If executive or legislative actions impose restrictions on the FDA's ability to engage in oversight and implementation activities in the normal course, our business may be negatively impacted. On August 18, 2017, the FDA Reauthorization Act of 2017 was signed which, among other things, established user fees for human drug applications which are to be directed toward expediting the drug development process. On December 12, 2017, an amendment to the FDCA was passed to authorize additional emergency uses for medical products during a military emergency. Both of these actions restore increased funding for the FDA. The user fees for human drug applications can result in funding which is variable depending on the work load created by applications that is supported by the user fees. There is no assurance that federal or state health care reform will not adversely affect our future business and financial results, and we cannot predict how future federal or state legislative, judicial or administrative changes relating to healthcare reform and third party payers will affect the pharmaceutical industry in general and our business in particular.

***Future tax reform measures may negatively impact our financial position.***

Our business may be negatively impacted by tax reform measures. If tax reform measures are passed, there can be no assurance that we will continue to receive favorable tax treatment related to our patents. For example, on December 22, 2017, the Tax Cuts and Jobs Act of 2017 was signed into law that significantly revises the Internal Revenue Code of 1986, as amended. The newly enacted federal income tax law, among other things, contains significant changes to corporate taxation, including reduction of the corporate tax rate from a top marginal rate of 35% to a flat rate of 21%, limitation of the tax deduction for interest expense to 30% of adjusted earnings (except for certain small businesses), limitation of the deduction for net operating losses to 80% of current year taxable income and elimination of net operating loss carrybacks, treatment of proceeds from the sale of "self-created" patents as ordinary income, and modifying or repealing many business deductions and credits (including reducing the business tax credit for certain clinical testing expenses incurred in the testing of orphan drugs from 50% to 25%). Notwithstanding the reduction in the corporate income tax rate, the overall impact of the new federal tax law is uncertain and our business and financial condition could be adversely affected. In addition, it is uncertain if and to what extent various states will conform to the newly enacted federal tax law. The impact of this tax reform on holders of our common stock is also uncertain. We urge our stockholders to consult with their legal and tax advisors with respect to this legislation and the potential tax consequences of investing in or holding our common stock. It is difficult to predict what future tax reform measures, if any, could be implemented and the extent to which they will impact our accounting practices and our business.

***Our anticipated operating expenses over the next year are based upon our management's estimates of possible future events. Actual amounts could differ materially from those estimated by our management.***

Development of pharmaceuticals and cancer drugs is extremely risky and unpredictable. We have estimated operating expenses and capital expenditures over the next year based on certain assumptions. Any change in the assumptions could and will cause the actual results to vary substantially from the anticipated expenditures, and could result in material differences in actual versus forecasted expenses or expenditures. Furthermore, all of the factors are subject to the effect of unforeseeable future events. The estimates of capital expenditures and operating expenses represent forward-looking statements within the meaning of the federal securities laws. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties. Actual events or results may differ materially from those discussed in the forward-looking statements as a result of various factors, including the risk factors set forth under "Risk Factors" in this Form 10-K. In view of the foregoing, investors should not rely on these estimates in making a decision to invest in us.

#### **Risks Associated with Our Capital Stock**

***We may never provide liquidity to our investors.***

No public market exists with respect to any of our securities. There is no assurance that any public offering, merger, combination, sale, or other liquidity event relating to us will ever take place, or that any public offering, merger, combination, sale, or other event that might take place would provide liquidity for our investors or that we will be able to provide liquidity to our investors in any fashion. In the event that we are unable to affect a public offering, merger, combination, sale, or other liquidity event, our investors would likely be unable to sell their interests in us.

***Existing and new investors will experience dilution as a result of future sales or issuances of our common stock and future option exercises under our stock option plan.***

Our Board Members, employees, and certain of our consultants have been and will be issued equity and/or granted options that vest with the passage of time. Up to a total of 1,600,000 shares of our Common Stock may be issued as stock options or restricted stock under the Amended and Restated Monopar Therapeutics Inc. 2016 Stock Incentive Plan, and stock options for the purchase of up to 690,596 shares of our common stock have already been granted. See Item 11 - "Stock Option Plan." The issuance of such equity and/or the exercise of such options will dilute both our existing and our new investors. As of March 1, 2018, no stock options have been exercised.

Our existing and our new investors will likely also experience substantial dilution resulting from the issuance by us of equity securities in connection with certain transactions, including without limitation, future offering of shares, intellectual property licensing, acquisition, or commercialization arrangements.

***Holders of the shares of our Common Stock will have no control of our operations or of decisions on major transactions.***

Our business and affairs are managed by or under the direction of our Board. Our Stockholders are entitled to vote only on actions that require a Stockholder vote under federal or state law. Stockholder approval requires the consent and approval of holders of a majority or more of our outstanding stock. Shares of stock do not have cumulative voting rights and therefore, holders of a majority of the shares of our outstanding stock will be able to elect all Board Members. TacticGem, LLC owns 7,166,667 shares of common stock (77.1%). The limited liability company agreement of TacticGem, LLC provides that the manager will vote its shares of Monopar to elect to the Board of Directors those persons nominated by TacticPharma LLC plus one person nominated by Gem Pharmaceuticals, LLC. Additionally, other than in the elections of directors the limited liability company agreement requires TacticGem to pass through votes to its members in proportion to their membership percentages in TacticGem. As a result, Tactic Pharma, our initial investor, holds an approximately 46% beneficial interest in us and together with Gem's beneficial ownership of approximately 33%, the two entities control a majority of our stock and will be able to elect all Board Members and control our affairs. Some of our Board Members and executive officers own and control Tactic Pharma. Although no single person has a controlling interest in Tactic Pharma, acting together, they are able to control Tactic Pharma and a large voting block of Monopar and elect over a majority of our Board of Directors. See Item 12 - "Security Ownership of Certain Beneficial Owners and Management."

***Our ability to list on Nasdaq in the future will require raising significant additional capital and likely require a public stock transaction; failure to qualify to trade on Nasdaq will make it more difficult to raise capital.***

We will need to raise significant funds in the next 24 months to execute our clinical development plans and we believe that if our stock is trading on Nasdaq's Capital Market it will enable better access to capital. Nasdaq has listing requirements for inclusion of securities for trading on the Nasdaq Capital Market, including stockholders equity of \$4 million (market value standard) or \$5 million (equity standard), market value of publicly held shares of \$15 million, an operating history of 2 years under the equity standard or a market value of listed securities of \$50 million under the market value standard, 1 million publicly held shares, 300 shareholders, three market makers and a \$4 bid price or a closing price of \$3 (equity standard) or \$2 (market value standard). If we are unable to list on Nasdaq, it could make it harder for us to raise capital in both the immediate time frame and in the long-term. If we are unable to raise capital when needed in the future, we may have to cease or reduce operations.

**Item 2. Properties**

We lease approximately 1,202 square feet of space in the Village of Wilmette, Illinois for our corporate offices, under a lease which runs through the end of 2019. We lease approximately 160 square feet for our Seattle, Washington office. We believe that we will require additional office space within the next 12 months as we begin to hire additional personnel.

**Item 3. Legal**

We are not party to any material legal proceedings.

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

There is no established public trading market in our common stock. Our securities are not listed for trading on any national securities exchange nor are bid or asked quotations reported in any over-the-counter quotation service.

***Rule 144 Eligibility***

As of March 1, 2018, 1,335,079.3 shares of our common stock are eligible for sale under Rule 144.

We cannot estimate the number of shares of our common stock that our existing stockholders will elect to sell under Rule 144.

***Holdings***

As of March 1, 2018, there were 9,291,420.614 shares of our common stock outstanding held by 43 holders. In addition, there were nine holders of stock options to purchase up to 690,596 shares of our common stock.

***Dividends***

We have never paid cash dividends on any of our capital stock and we currently intend to retain our future earnings, if any, to fund the development and growth of our business. We do not intend to pay cash dividends to holders of our common stock in the foreseeable future.

***Securities Authorized for Issuance Under Equity Compensation Plans***

The following table provides information as of December 31, 2017, with respect to shares of our common stock that may be issued under existing equity compensation plans. There are no equity compensation plans that have not been approved by our security holders.

<b>Plan Category</b>	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights</b>	<b>Weighted Average Exercise Price of Outstanding Options, Warrants and Rights</b>	<b>Number of Securities Remaining Available For Future Issuance under Equity Compensation Plans</b>
Equity compensation plans approved by security holders (1)	658,592	\$ 0.94	941,408

(1) The Monopar Therapeutics Inc. 2016 Stock Incentive Plan.

### **Registration Rights**

We are subject to an agreement with TacticGem (pursuant to the Gem Transaction as discussed later in this document), which obligates us to file Form S-3 or other appropriate form of registration statement covering the resale of any of our Common Stock by TacticGem, Gem, or Tactic, upon direction by TacticGem at any time after we have been subject to the reporting requirements of the 1934 Act for at least twelve months (the “Initial Holding Period”). We are required to use our best efforts to have such registration statement declared effective as soon as practical after it is filed. In the event that such registration statement for resale is not approved by the SEC, and TacticGem submits a written request, we are required to prepare and file a registration statement on Form S-1 registering such Common Stock for resale and to use our best efforts to have such registration statement declared effective as soon as practical thereafter. After registration, pursuant to these rights, these shares will become freely tradable without restriction under the Securities Act other than pursuant to restrictions on affiliates under Rule 144.

### **Recent Sales of Unregistered Securities.**

Set forth below is information regarding shares of common stock issued and options granted by us in the year ended December 31, 2017, that were not registered under the Securities Act. Also included is the consideration, if any, received by us, for such shares and options and information relating to the Securities Act, or rule of the SEC, under which exemption from registration was claimed. No underwriters were involved in the foregoing issuances of securities. Below this description of recent sales of unregistered securities is a description of the exemptions from registration which were applicable to each sale or grant.

(a) On February 20, 2017, we granted stock options for 1,200 shares of our Common Stock to each of Dr. Christopher M. Starr, Dr. Chandler D. Robinson, and Dr. Andrew P. Mazar in exchange for services. Pursuant to the “Conversion” in March 2017, these stock options were each adjusted to be for 84,000 shares. On the same date, we granted a stock option for 336 shares of our Common Stock to Kim R. Tsuchimoto in exchange for services, which was adjusted to be for 23,520 shares pursuant to the Conversion. The exercise price of each of these options was \$0.001 per share and the options expire on February 19, 2027.

(b) During March 2017 through June 2017, 340,840.33 shares of Common Stock were sold to accredited investors at a price of \$6.00 per share.

(c) During August 2017 through September 2017, 448,834 shares of Common Stock were sold to accredited investors at a price of \$6.00 per share.

(d) On September 1, 2017, we granted options for 21,024 shares of Common Stock to Arthur Klausner, and on September 18, 2017, we granted options for 21,024 shares of Common Stock to each of Michael J. Brown and Raymond W. Anderson, in exchange for services as Directors. The exercise price of the options was \$6.00 per share and the options expire on August 31, 2027 and September 17, 2027, respectively.

(e) On August 25, 2017, 3,055,394.12 shares of our Common Stock were issued to TacticGem in exchange for the Gem Contributed Assets (including assets and \$5 million in cash) as part of the Gem Transaction.

(f) On November 1, 2017, we granted options for 40,000 shares of Common Stock to Kirsten Anderson in exchange for services. The exercise price of the options was \$6.00 per share and the options expire on October 31, 2027.

(g) On January 1, 2018, we granted options for 32,004 shares of Common Stock to Patrice Rioux in exchange for services. The exercise price of the option was \$6.00 per share and the options expire on December 31, 2027.

The offers, sales and issuances of the securities described in paragraphs (a), (d), (f), and (g) were deemed to be exempt from registration under the Securities Act in reliance on both Section 4(a)(2) of the Act and Rule 701 in that the transactions were under compensatory benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of such securities were our employees, officers, bona fide consultants and advisors and received the securities under our Plan. Appropriate legends were affixed to the securities issued in these transactions. Each of the recipients of securities in these transactions had adequate access, through employment, business or other relationships, to information about us and had knowledge and experience to make the decision to accept the stock options.

The offers, sales and issuances of the securities described in paragraph (b), (c), and (e) were deemed to be exempt from registration under the Securities Act in reliance on Rule 506(b) of Regulation D in that the issuance of securities to the accredited investors did not involve a public offering. The recipients of securities in each of these transactions acquired the securities for investment only and not with a view to or for sale in connection with any distribution thereof. Each of the recipients of securities in these transactions was an accredited investor under Rule 501 of Regulation D. Form D was filed related to the offer described in paragraph (b) on March 28, 2017; and Form D was filed related to the offer described in paragraph (c) on August 23, 2017.

## **Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and related notes appearing at the end of this Annual Report on Form 10-K. Some of the information contained in this discussion and analysis or set forth elsewhere in this Annual Report on Form 10-K, including information with respect to our plans and strategy for our business and related financing, includes forward-looking statements that involve risks and uncertainties. You should read the "Risk Factors" section of this Annual Report on Form 10-K, Item 1A, for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

### **Overview**

Our mission is to develop innovative drugs and drug combinations to improve clinical outcomes for cancer patients. We are building a drug development pipeline through the licensing or acquisition of oncology therapeutics at the late preclinical through advanced clinical development stage.

Validive is being developed for the treatment of radiation-induced SOM. SOM is a frequent major adverse side effect for patients with head and neck cancer who are treated by radiation treatment. SOM causes intense oral pain and limits a patient's ability to eat and drink, which causes additional treatment complications. Many affected patients require hospitalization and the SOM symptoms can force patients to stop cancer treatments early, which reduces the success of treatments. Validive is designed to deliver the active ingredient, clonidine, to the at-risk oropharyngeal mucosa. Clonidine reduces the production of cytokines, the molecules that cause ulcerations and pain in patients that develop SOM. Preclinical studies and a Phase 2 clinical trial have demonstrated that Validive has the potential for reducing the frequency of developing SOM in addition to improving its symptoms, as compared to a placebo. On September 8, 2017, we exercised our exclusive option to license in order to advance the development of Validive with the near-term goal of commencing a Phase 3 development program. If successful, this Phase 3 program may allow us to apply for marketing approval. See "Material Agreements" and "Strategy."

In August 2017, we acquired MNPR-201 (GPX-150; 5-imino-13-deoxydoxorubicin), a proprietary analog of doxorubicin that is selective for topoisomerase-II-alpha from TacticGem. MNPR-201 has been engineered specifically to retain the anticancer activity of doxorubicin while minimizing toxic effects on the heart.

MNPR-101 is a drug product candidate designed to reduce tumor growth by targeting a specific receptor, uPAR, which is present in a range of tumor types, including pancreatic and ovarian tumors. uPAR is part of the normal cell repair process in non-cancerous cells; however, in cancerous cells the tumor hijacks uPAR to help the tumor grow and spread. Preclinical models have shown that MNPR-101 is effective at reducing tumor growth, both used alone and in combination with existing therapies. In May 2015, we entered into a Clinical Trial and Option Agreement with Cancer Research UK with respect to our drug product candidate MNPR-101 (formerly huATN-658). Pursuant to this agreement Cancer Research UK conducted preclinical work, improved the manufacturing, and planned to conduct a Phase 1a/1b clinical trial in cancer patients. As part of a portfolio reprioritization review, on March 21, 2018 Cancer Research UK notified us it was closing its project related to MNPR-101 and would work to make arrangements to formally terminate the agreement. We are currently reviewing potential alternative collaboration opportunities for MNPR-101 and continue to maintain the program's intellectual property portfolio.

Over the next three years, we plan to execute a Phase 3 clinical trial for Validive, continue clinical development of MNPR-201, pursue collaboration opportunities for MNPR-101 for initial clinical development, raise additional capital to fund our drug development programs, acquire or in-license additional drug product candidates and promote public and biotech investor awareness of us.

Developing a new drug and conducting clinical trials for one or more disease indications involves substantial costs and resources. Our operating and financial strategy for the development, clinical testing, manufacture and commercialization of drug product candidates is heavily dependent on our entering into collaborations with corporations, non-profits, scientific institutions, licensors, licensees and other parties, which enables us to utilize their financial and other resources to assist in drug development. Additionally, we will need to raise significant funds in the next 12–24 months to execute our clinical development of Validive and potential approval and commercialization plans. We believe that we will have better access to capital as a public reporting company and if a trading market develops for our stock. This would increase corporate visibility, provide increased liquidity for our stockholders, and create a market value for our pipeline of oncology drug product candidates. Therefore, we became a public reporting company under the Securities Exchange Act of 1934 (the “34 Act”) through the filing of a Form 10 registration statement with the SEC. We are working with investment bankers and market makers, with the intention of listing on Nasdaq as soon as we are able to meet the shareholder number, capitalization and other requirements for such a listing, which will likely require a public offering of our stock or other public stock transaction. See “Risk Factors – Our ability to list on Nasdaq in the future will require raising significant additional capital and likely require a public stock transaction; failure to qualify to trade on Nasdaq will make it more difficult to raise capital.” There can be no assurance that we will be successful in including our stock for trading on Nasdaq or that a market will develop for our stock. See Item 1A - “Risk Factors – Risks Related to Our Financial Condition and Capital Requirements”, and “Risks Related to Our Business Operations and Industry.”

## **Revenues**

We are an emerging growth company, have no approved drugs and have not generated any revenues.

## **Conversion of Preferred Stock to Common Stock**

In March 2017, holders of a majority in interest of our Series A Preferred Stock and holders of a majority in interest of our Series Z Preferred Stock voted to adopt the Second Amended and Restated Certificate of Incorporation of the Company (the “Certificate of Incorporation”). When the Certificate of Incorporation took effect, each share of Series A Preferred Stock was automatically converted into 84 shares of common stock of the Company (a 1.2 for 1 conversion to Common Stock concurrent with a 70 for 1 stock split) and each share of Series Z Preferred Stock was automatically converted into 70 shares of common stock of the Company (a 1 for 1 conversion to common stock concurrent with a 70 for 1 stock split) and Series A Preferred Stock and Series Z Preferred Stock were eliminated (the “Conversion”). 100,000 shares of Series Z Preferred Stock were converted into 7,000,000 shares of common stock and 15,894 shares of Series A Preferred Stock were converted into 1,335,079.284 shares of common stock. All references in this “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” to common stock authorized, issued and outstanding and common stock options take into account the stock split that occurred as part of the Conversion.

## **Critical Accounting Policies and Use of Estimates**

While our significant accounting policies are described in more detail in Note 2 of our financial statements included elsewhere in this Annual Report on Form 10-K, we believe the following accounting policies to be critical to the judgments and estimates used in the preparation of our financial statements.

### *Use of Estimates*

The preparation of financial statements in conformity with GAAP requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and reported amounts of revenues and expenses in the financial statements and accompanying notes. Actual results could differ from those estimates.

### *Going Concern Assessment*

We adopted Accounting Standards Updates (“ASU”) 2014-15, Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern, which the Financial Accounting Standards Board (“FASB”) issued to provide guidance on determining when and how reporting companies must disclose going-concern uncertainties in their financial statements. The ASU requires management to perform interim and annual assessments of an entity’s ability to continue as a going concern within one year of the date of issuance of the entity’s financial statements (or within one year after the date on which the financial statements are available to be issued, when applicable). Further, a company must provide certain disclosures if there is “substantial doubt about the entity’s ability to continue as a going concern.” In February 2018, we analyzed our minimum cash requirements through March 2019 and have determined that, based upon our current available cash, we have no substantial doubt about our ability to continue as a going concern. See Item 1A - “Risk Factors” – our anticipated operating expenses over the next year are based upon our management’s estimates of possible future events. Actual operating expenses could differ materially from those projected by our management.

## Revenue

We are an emerging growth company, have no approved drugs and have not generated any revenues. See “Overview – Revenues”. To date, we have engaged in acquiring pharmaceutical drug product candidates, licensing rights to drug product candidates, entering into collaboration agreements for testing and clinical development of our drug product candidates and providing the infrastructure to support the clinical development of drug product candidates. We do not anticipate revenues from operations until we complete testing and development of one of our drug product candidates and obtain marketing approval or we sell or out-license one of our drug product candidates to another party. See “Liquidity and Capital Resources”.

## Research and Development Expenses

Research and development (“R&D”) costs are expensed as incurred. Major components of research and development expenses include salaries and benefits of R&D staff, fees paid to consultants and to the entities that conduct certain development activities on our behalf and materials and supplies.

We accrue and expense the costs for clinical trial activities performed by third parties based upon estimates of the percentage of work completed over the life of the individual study in accordance with agreements established with contract research organizations and clinical trial sites. We determine the estimates through discussions with internal clinical personnel and external service providers as to progress or stage of completion of trials or services and the agreed upon fee to be paid for such services. Costs of setting up clinical trial sites for participation in the trials are expensed immediately as research and development expenses. Clinical trial site costs related to patient enrollment are accrued as patients are entered into the trial. During the previous two fiscal years, we had no clinical trials in progress.

The successful development of our product pipeline is highly uncertain. We cannot reasonably estimate the nature, timing or costs of the efforts that will be necessary to complete the remainder of the development of any of our drug product candidates or the period, if any, in which material net cash inflows from our drug product candidates may commence. This is due to the numerous risks and uncertainties associated with developing drug product candidates, including:

- receiving less funding than we require;
- slower than expected progress in developing Validive, MNPR-201, MNPR-101 or other drug product candidates;
- higher than expected costs to produce our current and future drug product candidates;
- higher than expected costs for preclinical testing of our future and current acquired and/or in-licensed programs;
- future clinical trial costs, including an increase in the number, size, duration, or complexity of future clinical trials;
- future clinical trial results;
- higher than expected costs associated with attempting to obtain regulatory approvals, including without limitation additional costs caused by delays;
- higher than expected personnel or other costs, such as adding personnel or pursuing the acquisition or licensing of additional assets;
- higher than expected costs to protect our intellectual property portfolio or otherwise pursue our intellectual property strategy;
- the potential benefits of our product candidates over other therapies; and
- our ability to market, commercialize and achieve market acceptance for any of our product candidates that we are developing or may develop in the future.

There are other risks described in Item 1A - “Risk Factors”. A change in the outcome of any of these variables with respect to the development of a drug product candidate could mean a significant change in the costs and timing associated with the development of that drug product candidate. We expect that research and development expenses will increase in future periods as a result of increased personnel, increased consulting, future preclinical and clinical trial costs, including clinical drug product manufacturing and related costs.

## **In-process Research and Development**

In-process research and development (“IPR&D”) expense represents the costs to acquire technologies to be used in research and development that have not reached technological feasibility, have no alternative future uses, and are thus expensed as incurred. IPR&D expense also includes upfront license fees and milestones paid to collaborators, with no alternative use, which are expensed as goods are received or services rendered.

## **General and Administrative Expenses**

General and administrative expenses consist primarily of compensation and expenses for our executive personnel, stock-based compensation expense related to stock options issued to our executive team, legal and audit expenses, general and administrative consulting, board fees and expenses, patent legal and application fees, and facilities and related expenses. Future general and administrative expenses may also include: compensation and expenses related to the employment of finance, human resources and business development personnel, depreciation and amortization of general and administrative fixed assets, investor relations and annual meeting expense, and stock-based compensation expense related to general and administrative personnel. We expect that our general and administrative expenses will increase in future periods as a result of increased personnel, expanded infrastructure, increased consulting, legal, accounting and investor relations expenses associated with being a public company and costs incurred to seek and establish collaborations with respect to any of our drug product candidates.

## **Collaborative Arrangements**

We and our collaborative partners are active participants in a collaborative arrangement and all parties are exposed to significant risks and rewards depending on the development and commercial success of the activities. Contractual payments to the other parties in the collaboration agreement and costs incurred by us when we are deemed to be the principal participant for a given transaction are recognized on a gross basis in research and development expenses. Royalties and license payments are recorded as earned.

In May 2015, we entered into a Clinical Trial and Option Agreement with Cancer Research UK with respect to our drug product candidate MNPR-101 (formerly huATN-658). Pursuant to this agreement Cancer Research UK conducted preclinical work, improved the manufacturing, and planned to conduct a Phase 1a/1b clinical trial in cancer patients. Under this agreement, Cancer Research UK was to cover all costs through Phase 1a/1b clinical studies, including manufacturing. As part of a portfolio reprioritization review, on March 21, 2018 Cancer Research UK notified us it was closing its project related to MNPR-101 and would work to make arrangements to formally terminate the agreement. We are currently reviewing potential alternative collaboration opportunities for MNPR-101 and continue to maintain the program’s intellectual property portfolio.

In addition, we have a non-exclusive license with XOMA Ltd. for its humanization technology and know-how utilized in the development of MNPR-101. Under the terms of the license, we are required to pay developmental and sales milestones which could reach up to \$14.925 million if we achieve all milestones. The agreement does not require the payment of sales royalties. There can be no assurance that we will reach any milestones.

From inception in December 2014 through March 1, 2018, no milestones were met and no royalties were earned, therefore, we did not pay or accrue/expense any milestone or royalty payments under the CTOA and XOMA Ltd. license agreement.

## **License Option Agreement**

In June 2016, we executed an agreement with Onxeo S.A., a French public company, which gave us the option to license Validive (clonidine mucobuccal tablet), a mucoadhesive tablet of clonidine based on the Lauriad mucoadhesive technology to potentially treat severe oral mucositis in patients undergoing treatment for head and neck cancers. The pre-negotiated license terms included as part of the option agreement included clinical, regulatory, developmental and sales milestones that could reach up to \$108 million if we achieve all milestones, and escalating royalties on net sales from 5 - 10%. On September 8, 2017, we exercised the option to license Validive in order to commence the clinical development of the drug product candidate in exchange for a one-time option fee payment of \$1 million.

Under the agreement, we are required to pay royalties to Onxeo on a product-by-product and country-by-country basis until the later of (1) the date when a given product is no longer within the scope of a patent claim in the country of sale or manufacture, (2) the expiry of any extended exclusivity period in the relevant country (such as orphan drug exclusivity, pediatric exclusivity, new chemical entity exclusivity, or other exclusivity granted beyond the expiry of the relevant patent), or (3) a specific time period after the first commercial sale of the product in such country. In most countries, including the U.S., the patent term is generally 20 years from the earliest claimed filing date of a non-provisional patent application in the applicable country, not taking into consideration any potential patent term adjustment that may be filed in the future or any regulatory extensions that may be obtained. The royalty termination provision pursuant to (3) described above is shorter than 20 years and is the least likely cause of termination of royalty payments.



The Onxeo license agreement does not have a pre-determined term, but expires on a product-by-product and country-by-country basis; that is, the agreement expires with respect to a given product in a given country whenever our royalty payment obligations with respect to such product have expired. The agreement may also be terminated early for cause if either we or Onxeo materially breach the agreement, or if either we or Onxeo become insolvent. We may also choose to terminate the agreement, either in its entirety or as to a certain product and a certain country, by providing Onxeo with advance notice.

From the execution of the agreement through March 1, 2018, no milestones were met and no royalties were earned, therefore, we did not pay or accrue/expense any milestone or royalty payments under the Onxeo option agreement.

### **Income Taxes**

We use an asset and liability approach for accounting for deferred income taxes, which requires recognition of deferred income tax assets and liabilities for the expected future tax consequences of events that have been recognized in our financial statements, but have not been reflected in our taxable income. Estimates and judgments occur in the calculation of certain tax liabilities and in the determination of the recoverability of certain deferred income tax assets, which arise from temporary differences and carry forwards. Deferred income tax assets and liabilities are measured using the currently enacted tax rates that apply to taxable income in effect for the years in which those tax assets and liabilities are expected to be realized or settled.

We regularly assess the likelihood that our deferred income tax assets will be realized from recoverable income taxes or recovered from future taxable income. To the extent that we believe any amounts are more likely not to be realized, we record a valuation allowance to reduce the deferred income tax assets. In the event we determine that all or part of the net deferred tax assets are not realizable in the future, an adjustment to the valuation allowance would be charged to earnings in the period such determination is made. Similarly, if we subsequently realize deferred income tax assets that were previously determined to be unrealizable, the respective valuation allowance would be reversed, resulting in an adjustment to earnings in the period such determination is made.

Internal Revenue Code Section 382 provides that, after an ownership change, the amount of a loss corporation's net operating loss ("NOL") for any post-change year that may be offset by pre-change losses shall not exceed the section 382 limitation for that year. Because we will continue to raise equity in the coming years, section 382 may limit our usage of NOLs in the future.

Based on the available evidence, we believe that the Company was not likely to be able to utilize our minimal deferred tax assets in the future and, as a result, we recorded a full valuation allowance for the years ended December 31, 2017 and 2016. We intend to maintain the valuation allowance until sufficient evidence exists to support their reversal. We regularly review our tax positions and for a tax benefit to be recognized, the related tax position must be more likely than not to be sustained upon examination. Any amount recognized is generally the largest benefit that is more likely than not to be realized upon settlement. Our policy is to recognize interest and penalties related to income tax matters as an income tax expense. For the years ended December 31, 2017 and 2016, the Company did not have any interest or penalties associated with unrecognized tax benefits.

We are subject to U.S. federal, Illinois and California income taxes. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply. We are subject to U.S. federal, state and local tax examinations by tax authorities for the years ended December 31, 2017 and 2016. We plan on filing our tax returns for the year ending December 31, 2017 prior to the respective filing deadlines in all applicable jurisdictions.

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 was enacted by the U.S. President. The Tax Reform Bill is effective as of January 1, 2018. In accordance with ASC guidance, deferred tax assets/liabilities in our financial statements are to be reflected at the tax rate in which the deferred tax assets/liabilities are anticipated to be realized. As a result, we changed the tax rate for tax provision purposes at December 31, 2017 from 34% to 21%.

### **Stock-Based Compensation**

We account for stock-based compensation arrangements with employees, nonemployee directors and consultants using a fair value method, which requires the recognition of compensation expense for costs related to all stock-based payments, including stock options. The fair value method requires us to estimate the fair value of stock-based payment awards on the date of grant using an option pricing model.

Stock-based compensation costs for options granted to our employees and nonemployee directors are based on the fair value of the underlying option calculated using the Black-Scholes option-pricing model on the date of grant for stock options and recognized as expense on a straight-line basis over the requisite service period, which is the vesting period. Determining the appropriate fair value model and related assumptions requires judgment, including estimating stock price volatility, forfeiture rates and expected term. The expected volatility rates are estimated based on the actual volatility of comparable public companies over the expected term. We selected these companies based on comparable characteristics, including market capitalization, risk profiles, stage of development and with historical share price information sufficient to meet the expected life of the stock-based awards. The expected term for options granted during the years ended December 31, 2017 and 2016 is estimated using the simplified method. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. We have not paid dividends and do not anticipate paying a cash dividend in the future vesting period and, accordingly, use an expected dividend yield of zero. The risk-free interest rate is based on the rate of U.S. Treasury securities with maturities consistent with the estimated expected term of the awards. The measurement of consultant share-based compensation is subject to periodic adjustments as the underlying equity instruments vest and is recognized as an expense over the period over which services are rendered.

#### *Stock Option Plan*

In April 2016, our Board and the preferred stockholders representing a majority in interest of our outstanding stock approved the Amended and Restated Monopar Therapeutics Inc. 2016 Stock Incentive Plan (the "Plan"), allowing us to grant up to an aggregate 700,000 shares (as adjusted subsequent to the Conversion) of stock awards, stock options, stock appreciation rights and other stock-based awards to our employees, non-employee directors and consultants. In October 2017, our Board increased the stock option pool up to 1,600,000 shares. Through December 31, 2017, our Board granted to Board Members, our Chief Financial Officer, our Acting Chief Medical Officer, and our Senior Vice President of Clinical Development stock options to purchase up to an aggregate 555,520 shares of our common stock at an exercise price of \$0.001 par value and stock options to purchase up to an aggregate 103,072 shares of our common stock at an exercise price of \$6.00 based upon third party valuations of our common stock and based on the price per share at which common stock was sold in our most recent private offering.

Under the Plan, the per share exercise price for the shares to be issued upon exercise of an option is determined by our Plan administrator, except that the per share exercise price cannot be less than 100% of the fair market value per share on the grant date. In connection with our stock options issued in April 2016, December 2016, and February 2017, fair market value was established by our Plan Administrator using recently obtained third party valuation reports. In connection with our stock options issued in September 2017, November 2017, and January 2018, fair market value was established by our Plan Administrator based on the price per share at which common stock was sold in our most recent private offering. Options generally expire after ten years.

The fair market value of the 273,000 options granted in April 2016, the 7,000 options granted in December 2016 and the 275,520 options granted in February 2017 was nominal at the time of grant because of both the low number of options granted prior to Conversion in March 2017 and the low exercise price (equal to par value \$0.001). For employees that were previously consultants at the time of grant, the fair market value during the year ended December 31, 2017 totaled \$32,401 of which \$26,498 was recorded as research and development expenses and \$5,903 was recorded as general and administrative expenses. In September 2017, we granted three Board members options to purchase up to 21,024 shares of our common stock each. The options for these board members have a six-month vesting cliff and vest between 24 and 48 months, depending on the Board member's prior months of service. The fair market value of the aggregate 63,072 options granted to Board members totaled \$20,962 during the year ended December 31, 2017 and was recorded as general and administrative expenses. In November 2017, we granted options to purchase up to 40,000 shares of our common stock to an employee. The options for the employee have a six-month vesting cliff and vest over 48 months. The fair market value of the 40,000 options granted to an employee during the year ended December 31, 2017 totaled \$5,502 and was recorded as general and administrative expenses.

We recognize as an expense the fair value of options granted to persons who are neither employees nor directors. The fair value of expensed options was based on the Black-Scholes option-pricing model assuming the following factors: 6.1 to 5.3 year expected term, 57% volatility, 2.2% to 1.2% risk free interest rate and zero dividends. Stock-based compensation expense for non-employees for the year ended December 31, 2017 and 2016 was \$251,842 and \$0, respectively, of which \$199,769 and \$0, respectively, was recorded as research and development expenses and \$52,073 and \$0, respectively, as general and administrative expenses.

Stock option activity under the Plan from January 1, 2017 through December 31, 2017 is as follows:

	<b>Options Outstanding</b>		
	<b>Options Available</b>	<b>Number of Options</b>	<b>Weighted-Average Exercise Price</b>
Balances, January 1, 2017	420,000	280,000	\$ 0.001
Increase in option pool <sup>(1)</sup>	900,000	-	-
Granted <sup>(2)</sup>	(378,592)	378,592	1.63
Forfeited	-	-	-
Exercised	-	-	-
Balances, December 31, 2017	<u>941,408</u>	<u>658,592</u>	0.94

(1) The option pool was increased to 1,600,000 effective October 26, 2017.

(2) 336,544 options vest 6/48ths at the six-month anniversary of grant date and 1/48th per month thereafter, 21,024 options vest 6/24ths on the six-month anniversary of grant date and 1/24th per month thereafter, and 21,024 options vest 6/42nds on the six-month anniversary of grant date and 1/42nd per month thereafter.

A summary of options outstanding as of December 31, 2017 is shown below:

Exercise Prices	Number of Shares Subject to Options Outstanding	Weighted Average Remaining Contractual Term	Number of Shares Subject to Options Fully Vested and Exercisable	Weighted Average Remaining Contractual Term
\$ 0.001	555,520	8.7 years	337,400	8.4 years
\$ 6.00	103,072	9.6 years	-	N/A
	<u>658,592</u>		<u>337,400</u>	

No income tax benefits have been recognized in the statements of operations for stock-based compensation arrangements.

We recognize as an expense the fair value of options granted to persons who are neither our employees nor directors. The fair value of expensed options is based on the Black-Scholes option-pricing.

## Results of Operations

### *Comparison of the Years Ended December 31, 2017 and December 31, 2016*

The following table summarizes the results of our operations for the years ended December 31, 2017 and 2016:

(in thousands)	<b>Year Ended December 31,</b>		<b>Increase (Decrease)</b>
	<b>2017</b>	<b>2016</b>	
Revenue	\$ -	\$ -	\$ -
Research and development expenses	935	280	655
In-process research and development expenses	14,502	-	14,502
General and administrative expenses	1,166	913	253
Total operating expenses	<u>16,603</u>	<u>1,193</u>	<u>15,410</u>
Operating loss	(16,603)	(1,193)	(15,410)
Interest and other income	48	7	41
Net loss	<u>\$ (16,555)</u>	<u>\$ (1,186)</u>	<u>\$ (15,369)</u>

## **R&D Expenses**

R&D expenses for the year ended December 31, 2017 were approximately \$0.94 million, compared to approximately \$0.28 million for the year ended December 31, 2016, an increase of approximately \$0.66 million. This increase was primarily attributed to:

	<b>Year ended December 31, 2017 versus year ended December 31, 2016</b>
<b>Research and Development Expense (in thousands)</b>	
Increased consulting in clinical development for Validive	\$ 254
Stock-based compensation (non-cash) for consultants	200
Salaries and benefits for R&D staff hired in Q4 2017	152
Stock-based compensation (non-cash) for employees in Q4 2017	26
Other, net	23
Net increase in R&D expenses	<u>\$ 655</u>

## **In-process Research and Development ("IPR&D") Expenses**

IPR&D expenses for the year ended December 31, 2017 of \$14.5 million represents the \$1 million license fee for Validive and \$13.5 million representing the value of MNPR-201, including transaction costs, acquired from TacticGem LLC in August 2017. IPR&D represents the costs of acquiring or licensing technologies that have not reached technological feasibility and have no alternative future use.

## **General and Administrative ("G&A") Expenses**

G&A expenses for the year ended December 31, 2017 were approximately \$1.18 million, compared to approximately \$0.91 million for the year ended December 31, 2016, an increase of approximately \$0.27 million. This increase was primarily attributed to:

	<b>Year ended December 31, 2017 versus year ended December 31, 2016</b>
<b>General and Administration Exp. (in thousands)</b>	
Intellectual property legal costs for MNPR-201 (GPX-150) and international filings for MNPR-101	\$ 197
Increase in CEO's salary plus new hires in Q4 2017	95
Fees and expenses for new Board members	76
Stock-based compensation (non-cash) for consultant	52
Audit services related to quarterly reviews	46
Stock-based compensation (non-cash) for new Board members	21
Website revisions	17
Consulting in 2016 for potential transaction not repeated in 2017	(36)
Legal expenses in 2016 were recorded as G&A expenses, in 2017 were recorded as IPR&D expense and deferred offering costs (a current asset)	<u>(215)</u>
Net increase in G&A expenses	<u>\$ 253</u>

## **Interest Income**

Interest income for the year ended December 31, 2017 increased by approximately \$0.04 million versus the year ended December 31, 2016 due to higher bank balances resulting from funds raised in 2017. Interest income was related to interest earned on our cash equivalent investments in two business savings accounts and on our escrow account.

## Liquidity and Capital Resources

### Sources of Liquidity

We have incurred losses and cumulative negative cash flows from operations since our inception in December 2014 and, as of December 31, 2017 we had an accumulated deficit of approximately \$18.4 million. We anticipate that we will continue to incur losses for the foreseeable future. We expect that our research and development and general and administrative expenses will increase, and, as a result, we anticipate that we will need to raise additional capital to fund our operations, which we may seek to obtain through a combination of equity offerings, debt financings, strategic collaborations and grant funding. From our inception, through March 1, 2018, we have financed our operations primarily through private placements of our preferred stock and common stock, the \$4.8 million received (net of transaction costs) received in the Gem Transaction (as defined below), and our Cancer Research UK collaboration. As of March 1, 2018, we have received net proceeds of approximately \$4.70 million (net of issuance costs) from the sale of our preferred stock which have been converted into common stock and we sold 789,674.33 shares of our common stock for net proceeds of approximately \$4.71 million. We anticipate that the funds raised to-date will fund our minimal operations through March 2019.

We invest our cash equivalents in a money market account.

### Contribution to Capital

In August 2017, our largest stockholder, Tactic Pharma, LLC, surrendered 2,888,727.12 shares of common stock back to us as a contribution to the capital of the Company. This resulted in reducing Tactic Pharma's ownership in us from 79.5% to 69.9%.

### The Gem Transaction

On August 25, 2017, Tactic Pharma and Gem Pharmaceuticals formed a limited liability company, TacticGem, LLC, with Tactic Pharma contributing 4,111,272.88 shares of our common stock and Gem contributing assets and \$5 million in cash before transaction costs. TacticGem then contributed the Gem assets and cash to us in exchange for 3,055,394.12 shares of our common stock. This has resulted in TacticGem owning 77.1% of our outstanding common stock as of March 1, 2018. The contribution by TacticGem, made in conjunction with contributions from outside investors in a private offering, was intended to qualify for tax-free treatment.

It is anticipated that this transaction will increase the Company's annual cash burn by at least \$750,000 and will be significantly higher if the Company chooses to conduct clinical trials with the Gem drug candidate programs.

The Gem Transaction was recorded on our financial statements for the year ended December 31, 2017 as follows:

Cash to be recorded on our Balance Sheet	\$ 5,000,000
Assembled Workforce to be recorded as In-process Research and Development Expense on our Statement of Operations	9,886
MNPR-201 (GPX-150) recorded as In-process Research and Development Expense on our Statement of Operations	13,491,736
Total Gem Transaction	<u>\$ 18,501,622</u>

### Cash Flows

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

(in thousands)	Year ended December 31,		Increase (decrease) year ended December 31, 2017 over December 31, 2016
	2017	2016	
Cash used in operating activities	\$ (2,627)	\$ (1,195)	\$ (1,432)
Cash provided by financing activities	9,536	1,263	8,273
Net change in cash, cash equivalents and restricted cash	<u>\$ 6,909</u>	<u>\$ 68</u>	<u>\$ 6,841</u>

During the years ended December 31, 2017 and 2016, we had net cash inflows of \$6.91 million and \$0.07 million, respectively.

### **Cash Flow Used in Operating Activities**

The increase to cash used in operating activities during the year ended December 31, 2017 compared to the year ended December 31, 2016 of approximately \$1.43 million was primarily due to the \$1.0 million license fee for Validive paid in 2017 plus the increase in clinical development consulting for planning our Phase 3 clinical trial for Validive. Cash used in operating activities of approximately \$2.63 million for the year ended December 31, 2017 was primarily a result of our approximately \$16.55 million net loss offset by non-cash in-process research and development of \$13.50 million, non-cash stock-based compensation of \$0.31 million and changes in operating assets and liabilities of approximately \$0.12 million. Cash used in operating activities of approximately \$1.19 million for the year ended December 31, 2016 was primarily a result of our approximately \$1.19 million net loss.

### **Cash Flow Used in Investing Activities**

There was no cash provided by or used in investing activities for the years ended December 31, 2017 and 2016.

### **Cash Flow Provided by Financing Activities**

The increase of cash provided by financing activities during the year ended December 31, 2017 compared to the year ended December 31, 2016 of approximately \$8.27 million was due to the sale of common stock during the year ended December 31, 2017 at \$6.00 per share for aggregate net proceeds of \$4.70 million plus \$4.83 million of net proceeds from the Gem Transaction compared to \$1.26 million raised during the year ended December 31, 2016 from the sale of Series A Preferred Stock.

### **Future Funding Requirements**

We have not generated any revenue from product sales. We do not know when, or if, we will generate any revenue from product sales. We do not expect to generate any revenue from product sales unless and until we obtain regulatory approval of and commercialize any of our current or future drug product candidates or we out-license or sell a drug product candidate to another party. At the same time, we expect our expenses to increase in connection with our ongoing development activities, particularly as we continue the research, development, future preclinical and clinical trials of, and seek regulatory approval for, our current and future drug product candidates. If we are able to list on Nasdaq or another national stock exchange, we expect to incur additional costs associated with operating as a listed public company. In addition, if we obtain regulatory approval of any of our current and future drug product candidates, we will need substantial additional funding in connection with our future continuing operations.

As a company, we have not completed development of any therapeutic products. We expect to continue to incur significant expenses and increasing operating losses for the foreseeable future. We anticipate that our expenses will increase substantially as we:

- advance the clinical development and execute the regulatory strategy of Validive;
- continue the clinical development of MNPR-201;
- continue the preclinical and clinical development of MNPR-101;
- acquire and/or license additional pipeline drug product candidates and pursue the future preclinical and/or clinical development of such drug product candidates;
- seek regulatory approvals for any of our current and future drug product candidates that successfully complete registration trials;
- establish a sales, marketing and distribution infrastructure and increase or develop our manufacturing capabilities to commercialize any products for which we may obtain regulatory approval; and
- add operational, financial and management information systems and personnel, including personnel to support our drug product candidate development and planned commercialization efforts.

We anticipate that the funds raised to-date will fund our minimal operations through at least the next 12 months. We have based this estimate on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we currently expect. Because of the numerous risks and uncertainties associated with the development and commercialization of our drug product candidates, and the extent to which we enter into collaborations with third parties to participate in the development and commercialization of our drug product candidates, we are unable to estimate the amounts of increased capital outlays and operating expenditures associated with our current and anticipated drug product candidate development programs. Our future capital requirements will depend on many factors, including:

- the progress of regulatory interactions and clinical development of Validive;
- the progress of clinical development of MNPR-201;
- the progress of preclinical and clinical development of MNPR-101;
- the number and characteristics of other drug product candidates that we may pursue;
- the scope, progress, timing, cost and results of research, preclinical development and clinical trials;
- the costs, timing and outcome of seeking and obtaining FDA and international regulatory approvals;
- the costs associated with manufacturing and establishing sales, marketing and distribution capabilities;
- our ability to maintain, expand and defend the scope of our intellectual property portfolio, including the amount and timing of any payments we may be required to make in connection with the licensing, filing, defense and enforcement of any patents or other intellectual property rights;
- our need and ability to hire additional management, scientific and medical personnel;
- the effect of competing products that may limit market penetration of our drug product candidates;
- our need to implement additional internal systems and infrastructure; and
- the economic and other terms, timing and success of our existing collaboration and licensing arrangements and any collaboration, licensing or other arrangements into which we may enter in the future, including the timing of receipt of or payment to or from others of any milestone or royalty payments under these arrangements

See Item 1A - "Risk Factors". In the first quarter of 2018, expenditures are expected to increase in employee compensation as a result of hiring various employees and consultants to support the planning of our Phase 3 clinical trial of Validive, in preparation for public market listing via the Form 10 process, and in adjusting employee compensation to align with comparable public companies. There can be no assurance that any such events will occur. We intend to continue evaluating drug product candidates for the purpose of growing our pipeline. Identifying and securing high quality compounds usually takes time; however, our spending could be significantly accelerated in 2018 if additional product candidates are acquired and enter clinical development. In this event, we may be required to expand our management team, and pay much higher insurance rates, contract manufacturing costs, contract research organization fees or other clinical development costs that are not currently anticipated. We, under this scenario, would plan to pursue raising additional capital in the next 12 months. The anticipated operating cost increases from 2018 through 2019 are expected to be primarily driven by the funding of our planned Validive Phase 3 clinical program. Office space rent in 2018 and 2019 will also likely increase as a result of requiring additional space as we hire additional employees.

Until we can generate a sufficient amount of product revenue to finance our cash requirements, we expect to finance our future cash needs primarily through a combination of equity offerings, debt financings, strategic collaborations and grant funding. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect our stockholders' rights. See Item 1A - "Risk Factors - Existing and new investors will experience dilution as a result of our option plan and potential future stock sales." Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional funds through marketing and distribution arrangements or other collaborations, strategic alliances or licensing arrangements with other parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our pipeline product development or commercialization efforts or grant rights to others to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

## ***Contractual Obligations and Commitments***

### **Development and Collaboration Agreements**

#### **Onxeo SA**

In June 2016, we executed an agreement with Onxeo S.A., a French public company, which gave us the exclusive option to license (on a world-wide exclusive basis) Validive (clonidine mucobuccal tablet; clonidine MBT a mucoadhesive tablet of clonidine based on the Lauriad mucoadhesive technology) to pursue treating severe oral mucositis in patients undergoing chemoradiation treatment for head and neck cancers. The agreement includes clinical, regulatory, developmental and sales milestones that could reach up to \$108 million if we achieve all milestones, and escalating royalties on net sales from 5 - 10%. In September 2017, we exercised the option to license Validive from Onxeo for \$1 million, but as of March 1, 2018, we have not been required to pay Onxeo any other funds under the agreement.

Under the agreement, we are required to pay royalties to Onxeo on a product-by-product and country-by-country basis until the later of (1) the date when a given product is no longer within the scope of a patent claim in the country of sale or manufacture, (2) the expiry of any extended exclusivity period in the relevant country (such as orphan drug exclusivity, pediatric exclusivity, new chemical entity exclusivity, or other exclusivity granted beyond the expiry of the relevant patent), or (3) a specific time period after the first commercial sale of the product in such country. In most countries, including the U.S., the patent term is generally 20 years from the earliest claimed filing date of a non-provisional patent application in the applicable country, not taking into consideration any potential patent term adjustment that may be filed in the future or any regulatory extensions that may be obtained. The royalty termination provision pursuant to (3) described above is shorter than 20 years and is the least likely cause of termination of royalty payments.

The Onxeo license agreement does not have a pre-determined term, but expires on a product-by-product and country-by-country basis; that is, the agreement expires with respect to a given product in a given country whenever our royalty payment obligations with respect to such product have expired. The agreement may also be terminated early for cause if either we or Onxeo materially breach the agreement, or if either we or Onxeo become insolvent. We may also choose to terminate the agreement, either in its entirety or as to a certain product and a certain country, by providing Onxeo with advance notice.

Given the strength of the Phase 2 data, we paid the \$1 million fee to Onxeo and exercised the license option in order to advance the clinical development of Validive. We fully anticipate the need to raise significant funds to support the completion of clinical development of Validive.

#### **Cancer Research UK**

In July 2015, we entered into a Clinical Trial and Option Agreement (“CTOA”) with Cancer Research UK and Cancer Research Technology Limited, a wholly-owned subsidiary of Cancer Research UK. As part of the CTOA, we were obligated to deposit \$0.8 million in escrow to cover certain potential future claims, intellectual property infringement costs or termination costs incurred by Cancer Research UK. Pursuant to this agreement Cancer Research UK conducted preclinical work, improved the manufacturing, and planned to conduct a Phase 1a/1b clinical trial in cancer patients. Under this agreement, Cancer Research UK was to cover all costs through Phase 1a/1b clinical studies, including manufacturing. As part of a portfolio reprioritization review, on March 21, 2018 Cancer Research UK notified us it was closing its project related to MNPR-101 and would work to make arrangements to formally terminate the agreement. We are currently reviewing potential alternative collaboration opportunities for MNPR-101 and continue to maintain the program’s intellectual property portfolio.

#### **XOMA Ltd.**

The intellectual property rights contributed by Tactic Pharma, LLC to us included the non-exclusive license agreement with XOMA Ltd. for the humanization technology used in the development of MNPR-101. Pursuant to such license agreement, we are obligated to pay XOMA Ltd. clinical, regulatory and sales milestones which could reach up to \$14.925 million if we achieve all milestones for MNPR-101. The agreement does not require the payment of sales royalties. There can be no assurance that we will achieve any milestones. As of March 1, 2018, we had not reached any milestones and had not been required to pay XOMA Ltd. any funds under this license agreement.



## **Service Providers**

In the normal course of business, we contract with service providers to assist in the performance of research and development, financial strategy, audit, tax and legal support. We can elect to discontinue the work under these agreements at any time. We could also enter into collaborative research, contract research, manufacturing and supplier agreements in the future, which may require upfront payments and/or long-term commitments of cash.

## **Office Lease**

In May 2016, we executed a six-month office lease in Northbrook, Illinois for \$1,340 per month, which was extended to December 31, 2017. Effective January 1, 2018, we leased office space in the Village of Wilmette for \$2,379 per month for 24 months. This office space houses our current headquarters. On November 1, 2017, we executed a month-to-month office lease in Seattle, Washington for \$1,249 per month for the first three months, but which tiers up to \$2,495 on the last month.

## **Legal Contingencies**

We are currently not, and to date have never been, a party to any material legal proceedings.

## **Indemnification**

In the normal course of business, we enter into contracts and agreements that contain a variety of representations and warranties and provide for general indemnification. Our exposure under these agreements is unknown because it involves claims that may be made against us in the future, but that have not yet been made. To date, we have not paid any claims or been required to defend any action related to our indemnification obligations. However, we may record charges in the future as a result of these indemnification obligations.

In accordance with our Second Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws we have indemnification obligations to our officers and Board Members for certain events or occurrences, subject to certain limits, while they are serving at our request in such capacity. There have been no claims to date. See Item 1A - "Risk Factors - We have limited the liability of and indemnified our directors and officers."

## **Off-Balance Sheet Arrangements**

To date, we have not had any off-balance sheet arrangements, as defined under SEC rules.

## **Recent Accounting Pronouncements**

In August 2014, FASB issued ASU 2014-15, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern, which provides guidance on determining when and how reporting companies must disclose going-concern uncertainties in their financial statements. The ASU requires management to perform interim and annual assessments of an entity's ability to continue as a going concern within one year of the date of issuance of the entity's financial statements (or within one year after the date on which the financial statements are available to be issued, when applicable). Further, a company must provide certain disclosures if there is "substantial doubt about the entity's ability to continue as a going concern." This ASU is effective for annual periods ending after December 15, 2016 and interim periods within annual periods beginning after December 15, 2016. Early adoption is permitted. We have adopted this new accounting standard in our financial statements and footnote disclosures.

In November 2015, the FASB issued ASU 2015-17, Balance Sheet Classification of Deferred Taxes. This is part of FASB's simplification initiative. The amendments in this ASU require that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. This ASU is effective for us in the first quarter of 2017. Early adoption is permitted. We have adopted this ASU and determined that it does not have a material effect on our financial condition and results of operations for the year ended December 31, 2017.

In January 2016, the FASB issued ASU 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities. The purpose is to enhance the reporting model for financial instruments to provide users of financial statements with more decision-useful information. This ASU is effective for us in the first quarter of 2018. Early adoption is not permitted except for limited provisions. We do not expect the adoption of this amendment to have a material effect on our financial condition and results of operations.

In February 2016, the FASB issued ASU 2016-02, Leases, which for operating leases, requires a lessee to recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, in its balance sheet. The standard also requires a lessee to recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term, on a generally straight-line basis. ASU 2016-02 will be effective for us in the first quarter of 2019, and early adoption is permitted. We are currently assessing the impact that adopting this new accounting standard will have on our financial statements and footnote disclosures.

In March 2016, the FASB issued ASU 2016-09, Improvements to Employee Share-Based Payment Accounting, which simplifies several aspects of the accounting for employee share-based payment transactions for both public and nonpublic companies, including the accounting for income taxes, forfeitures, and statutory tax withholding requirements, as well as classification in the statement of cash flows. The ASU will be effective for us in the first quarter of 2017, and early adoption is permitted. We have adopted this ASU and determined that it does not have a material effect on our financial condition and results of operations for the year ended December 31, 2017.

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash. The amendments apply to all entities that have restricted cash or restricted cash equivalents and are required to present a statement of cash flows. The amendments address diversity in practice that exists in the classification and presentation of changes in restricted cash on the statement of cash flows. The amendments require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. As a result, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments do not provide a definition of restricted cash or restricted cash equivalents. The amendments are effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted. We have early adopted the amendments and have applied them using a retrospective transition method to each period presented. Therefore, we have included restricted cash in cash equivalents and restricted cash on our statements of cash flows for the years ended December 31, 2017 and 2016.

In January 2017, the FASB issued ASU No. 2017-01, Business Combinations (Topic 805): Clarifying the Definition of a Business (“ASU No. 2017-01”). The amendments in ASU No. 2017-01 clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The definition of a business affects many areas of accounting including acquisitions, disposals, goodwill and consolidation. For public companies, the amendments are effective for annual periods beginning after December 15, 2017, including interim periods within those periods. For all other companies and organizations, the amendments are effective for annual periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. We are currently assessing the impact that adopting this new accounting standard will have on our financial statements and footnote disclosures.

In May 2017, the FASB issued ASU No. 2017-09, Compensation-Stock Compensation (Topic 718): Scope of Modification Accounting. The amendment amends the scope of modification accounting for share-based payment arrangements, provides guidance on the types of changes to the terms or conditions of share-based payment awards to which an entity would be required to apply modification accounting under ASC 718. This ASU is effective for all entities for annual periods, and interim periods within those annual periods, beginning after December 15, 2017. Early adoption is permitted, including adoption in any interim period for: (a) public business entities for reporting periods for which financial statements have not yet been issued, and (b) all other entities for reporting periods for which financial statements have not yet been made available for issuance. We are currently assessing the impact that adopting this new accounting standard will have on our financial statements and footnote disclosures.

In July 2017, the FASB issued ASU No. 2017-11, Earnings Per Share (Topic 260) Distinguishing Liabilities from Equity (Topic 480) Derivatives and Hedging (Topic 815) (Part I) Accounting for Certain Financial Instruments with Down Round Features, (Part II) Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception. This ASU simplifies the accounting for certain financial instruments with down round features, a provision in an equity-linked financial instrument (or embedded feature) that provides a downward adjustment of the current exercise price based on the price of future equity offerings. Down round features are common in warrants, preferred shares, and convertible debt instruments issued by private companies and development-stage public companies. This new ASU requires companies to disregard the down round feature when assessing whether the instrument is indexed to its own stock, for purposes of determining liability or equity classification. The provisions of this new ASU related to down rounds are effective for public business entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted for all entities. We are currently assessing the impact that adopting this new accounting standard will have on our financial statements and footnote disclosures.

**Item 8. Financial Statements and Supplementary Data**

The information required to be filed in this item appears on pages F-1 to F-24 of this Annual Report on Form 10-K.

Documents filed as part of this Annual Report on Form 10-K:

	<b>Page</b>
Report of Independent Registered Public Accounting Firm	F-2
Balance Sheets as of December 31, 2017 and 2016	F-3
Statements of Operations for the Years Ended December 31, 2017 and 2016	F-4
Statements of Stockholders' Equity for the Years Ended December 31, 2017 and 2016	F-5
Statements of Cash Flows for the Years Ended December 31, 2017 and 2016	F-6
Notes to Financial Statements	F-7 to F-24

## PART II – FINANCIAL INFORMATION

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

None.

#### Item 9a: Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer have provided certifications filed as Exhibits 31.1 and 32.1, and 31.2, respectively. Such certifications should be read in conjunction with the information contained in this Item 9A for a more complete understanding of the matters covered by those certifications.

#### (a) Management’s Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a15(f) of the Securities Exchange Act of 1934 (the “Exchange Act”). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of the financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles. This process includes those policies and procedures (i) that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets. (ii) that receipts and expenditures are being made only in accordance with authorizations of our management and directors. (iii) that provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our financial statements. and (iv) that provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of the internal control over financial reporting to future periods are subject to risk that the internal control may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

This annual report does not include a report of management's assessment regarding internal controls over financial reporting or an attestation report of the Company's registered public accounting firm due to a transition period established by SEC rules for newly public companies.

#### (b) Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of December 31, 2017, pursuant to Rules 13a15(e) and 15d15(e) under the Exchange Act. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures, as of such date, were effective.

#### (c) Changes in Internal Control over Financial Reporting

We have concluded that the financial statements and other financial information included in this Annual Report on Form 10-K fairly present in all material respects our financial condition, results of operations and cash flows as of, and for, the periods presented.

There have been no changes in our internal control over financial reporting during the fourth quarter and the year ended December 31, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

### PART III

#### Item 10. Directors and Executive Officers and Corporate Governance.

The Members of our Board of Directors, each of whom serves until the next annual meeting of stockholders, and the executive officers of the Company, each of whom serves at the discretion of the Board of Directors are as follows:

Name	Age	Positions	Director Since
Christopher M. Starr, Ph.D.	65	Executive Chairman, Director, Member of the Audit Committee, the Compensation Committee, and the Corporate Governance & Nominating Committee	December 2014
Chandler D. Robinson, MD MBA MSc	34	Chief Executive Officer, Director	December 2014
Andrew P. Mazar, Ph.D.	56	Executive Vice President of Research and Development, Chief Scientific Officer, Director	December 2014
Kim R. Tsuchimoto	55	Chief Financial Officer	-
Patrice Rioux, MD Ph.D.	66	Acting Chief Medical Officer	-
Michael J. Brown, MSc	60	Director, Member of the Audit Committee, the Compensation Committee, and the Corporate Governance & Nominating Committee	December 2014
Raymond “Bill” Anderson, MBA	76	Director, Chair of the Audit Committee, Member of the Compensation Committee and the Corporate Governance & Nominating Committee	April 2017
Arthur Klausner, MBA	57	Director, Member of the Audit Committee, the Compensation Committee, and the Corporate Governance & Nominating Committee	August 2017
Kirsten Anderson	50	Senior Vice President, Clinical Development	-

Backgrounds of our executive officers and board members are discussed below.

#### Executive Officers and Board Members

##### *Christopher M. Starr, PhD - Executive Chairman*

Dr. Starr is a co-founder and has been our Executive Chairman and a Board Member of ours and our predecessor Monopar Therapeutics, LLC since its inception in December 2014. Dr. Starr’s primary responsibility as our Executive Chairman is to work with our Chief Executive Officer and the rest of our Board to set our strategic direction and provide guidance to, and oversight of our Chief Executive Officer. Our Chairman also sets the agenda for Board meetings and presides over them. Dr. Starr was the co-Founder and served as the initial chief executive officer (“CEO”) at Raptor Pharmaceuticals (“Raptor”), a public company (Nasdaq: RPTP), since its inception in 2006 through December 2014 and continued to serve Raptor as a member of its board of directors until Raptor was sold to Horizon Pharma plc in October 2016. The principal business of Raptor is the development and commercialization of treatments for rare diseases. Dr. Starr’s primary responsibilities as CEO included the day to day leadership and performance of Raptor which had one approved drug marketed in the U.S. and Europe. Dr. Starr co-founded BioMarin in 1997, a public company (Nasdaq: BMRN) where he last served as Senior Vice President and Chief Scientific Officer overseeing the approval of three drugs until starting Raptor in 2006. As Senior Vice President at BioMarin, Dr. Starr was responsible for managing a Scientific Operations team of 181 research, process development, manufacturing and quality personnel through the successful development of commercial manufacturing processes for its biologic enzyme replacement therapy and small molecule products, and supervised the cGMP design, construction and licensing of BioMarin’s proprietary biological manufacturing facility. From 1991 to 1997, Dr. Starr supervised research and commercial programs at BioMarin’s predecessor company, Glyko, Inc., where he served as Vice President of Research and Development. Prior to his tenure at Glyko, Inc., Dr. Starr was a National Research Council Associate at the National Institutes of Health. Dr. Starr earned a B.S. from Syracuse University and a Ph.D. in Biochemistry and Molecular Biology from the State University of New York Health Science Center, in Syracuse, New York.

***Chandler D. Robinson, MD MBA MSc - Chief Executive Officer***

Dr. Robinson is a co-founder and has been our CEO and a Board Member of ours and our predecessor Monopar Therapeutics, LLC since its inception in December 2014. Dr. Robinson's primary responsibilities as CEO are for our day to day leadership and performance. Since 2010, Dr. Robinson has been, and continues to be, a manager of Tactic Pharma LLC ("Tactic"), which he co-founded and led as CEO until it became a holding company in April 2014. Tactic acquired and developed preclinical and clinical stage compounds. In 2010, Tactic acquired a drug on which Dr. Robinson conducted research at Northwestern University. Tactic licensed the drug to a company in Europe and manufactured it for sale on a Named Patient basis throughout Europe. In April 2014, Tactic sold its remaining rights to the compound to three large European investment firms and this compound is currently in a Phase 3 clinical trial for Wilson disease. Among his previous experiences, Dr. Robinson in 2008 worked at Onyx Pharmaceuticals in their Nexavar marketing division, from 2008 to 2009 as a co-manager of a healthcare clinic in San Jose CA, from 2004 to present as Founder and President of an undergraduate research focused non-profit now in its 14th year, and from 2006 to 2007 as part of a quantitative internal hedge-fund style team at Bear Stearns investment bank. He was previously on the board of Wilson Therapeutics (Nasdaq: WTX) and is currently on the board of Northwestern University's Chemistry of Life Processes Institute. Dr. Robinson graduated summa cum laude from Northwestern University, earned a master's degree in International Health Policy and Health Economics from the London School of Economics on a Fulbright Scholarship, an MBA from Cambridge University on a Gates Scholarship through Bill Gates' Trust, and an MD from Stanford University.

***Andrew P. Mazar, PhD – Executive Vice President of Research and Development, and Chief Scientific Officer***

Dr. Mazar is a co-founder and has been our Chief Scientific Officer and a Board Member of ours and our predecessor Monopar Therapeutics, LLC, since inception in December 2014. Dr. Mazar became our Executive Vice President of Research and Development effective as of November 1, 2017. Dr. Mazar's primary responsibilities for us are the day to day leadership and performance of our research and development activities. Dr. Mazar has spent 28 years working on drug discovery and development at the interface of academia and industry and has founded or co-founded 8 start-up companies to commercialize new drug discoveries, including Tactic Pharma LLC ("Tactic"), which acquired and developed preclinical and clinical stage compounds. He is also internationally recognized for his basic research work on the role of the urokinase plasminogen activator (uPA) system in tumor progression as well as mechanisms of cancer invasion and metastasis. Prior to joining Tactic in 2010 and the Chemistry of Life Processes Institute at Northwestern University in 2009, Dr. Mazar was the Chief Scientific Officer at Attenuon, LLC in San Diego from 2000 to 2009 and led discovery and development efforts resulting in three drugs entering oncology clinical trials. Dr. Mazar has now overseen 18 IND-enabling efforts, many of these focused on drugs discovered in academia.

Dr. Mazar is the previous Chair of the NCI Nanotechnology Alliance Animal Model working group (2011-2015) and has been a member of the NHLBI Scientific Review Board (SRB) for the SMARTT program since 2011. Dr. Mazar served as Associate Editor for Recent Patent Reviews on Anti - Cancer Drug Discovery (2010-2013) and is currently a member of the editorial board of Clinical Cancer Research. He most recently served as a charter member of the NIH Developmental Therapeutics Study Section (2012-2016), and has also served on study sections for the NCI, NIDDK, NHLBI, NIH Special Emphasis Panels, VA Oncology Merit Review, AHA and the Phillip Morris External Research Program. He is also the co-author of 110 peer reviewed publications and 18 reviews and book chapters, most recently contributing chapters on Cancer Invasion and Metastasis to the Oxford Textbook of Clinical Oncology and The Oxford Textbook of Cancer Biology. Dr. Mazar has founded or advised several start-up companies over the past 5 years including Tactic Pharma LLC, Valence Therapeutics, Wilson Therapeutics, Panther Biotechnology, Lung Therapeutics Inc., Actuate Therapeutics, AvidTox and Tempus.

***Kim R. Tsuchimoto –Chief Financial Officer***

Ms. Tsuchimoto was our Acting Chief Financial Officer since June 2015, and became employed as our Chief Financial Officer effective November 1, 2017. Ms. Tsuchimoto spent over nine years at Raptor, as its Chief Financial Officer from Raptor's inception in May 2006 until September 2012, as Raptor's Vice President of International Finance, Tax & Treasury from September 2012 to February 2015, and lastly served as Raptor's Vice President, Financial Planning & Analysis and Internal Controls from February to May 2015. Prior to Raptor, Ms. Tsuchimoto spent eight years at BioMarin and its predecessor, Glyko, Inc., where she held the positions of Vice President-Treasurer, Vice President-Controller and Controller. Ms. Tsuchimoto received a B.S. in Business Administration from San Francisco State University. She holds an inactive California Certified Public Accountant license.

***Patrice Rioux, MD Ph.D. – Acting Chief Medical Officer***

Dr. Rioux has been our Acting Chief Medical Officer since December 2016. Dr. Rioux's primary responsibilities include clinical development and regulatory (FDA & EMA) planning, coordination of clinical operations and statistical strategy, support of investor relationship. Dr. Rioux has been deeply involved in development of drugs for rare diseases for the last 20 years. His background includes development of drugs and biologic products for various indications across neurodegenerative diseases, immunology, pain management, oncology and metabolic diseases. Dr. Rioux has been performing development, medical/regulatory, and clinical consulting services through his consulting company, pRx Consulting, LLC from June 2004 to the present. From 2009 to October 2014, Dr. Rioux was the Chief Medical Officer at Raptor where he was responsible for securing regulatory approval of PROCYSBI, a delayed-release cysteamine for the treatment of a lysosomal storage disease, nephropathic cystinosis, in both the U.S. and Europe. From 2005 to 2008 he served as the Chief Medical Officer at Edison Pharmaceuticals, and as from 2000 to 2003, he served as Vice President Clinical at Repligen, where he gained significant orphan disease experience in mitochondrial diseases as well as in autism, and auto-immune diseases. After several years as a clinical researcher at INSERM (France), he started his career in the pharmaceutical industry at Biogen in October 1995, working on multiple sclerosis, before joining Variagenics, Inc. in 1998, one of the first pharmacogenomic companies. Dr. Rioux received his Medical Education at Faculté de Médecine Pitié-Salpêtrière, his Ph.D. in Mathematical Statistics at Faculté des Sciences, and his Degree of Pharmacology (pharmacokinetics and clinical pharmacology) at Faculté de Médecine Pitié-Salpêtrière.

***Kirsten Anderson - Senior Vice President, Clinical Development***

Ms. Anderson has more than 25 years of experience in the biotech and pharmaceutical industry, with expertise in oncology drug development, most recently as an independent clinical development consultant for us from February 2017 through October 2017. She became our Senior Vice President of Clinical Development effective November 1, 2017. From 2008 to 2016, she was at OncoGenex Pharmaceuticals, where she served as Vice President of Clinical Operations (March 2015 to November 2016). Since 2008, she has also held the following positions with OncoGenex: Director, Clinical Research (2008 to December 2010) and Senior Director, Clinical Research (January 2012 to February 2015). Prior to joining OncoGenex, Ms Anderson held clinical trial management positions at Sonus Pharmaceuticals, Xcyte Therapies, and Immunex, including the oversight of global clinical operations, drug safety and data management. She has a laboratory research background and began her career at the University of Pennsylvania. Ms. Anderson earned a degree in Biology from the University of Vermont and is completing her Masters in Biotech Enterprise (expected 2018) from Johns Hopkins University.

***Michael J. Brown, MSc – Board Member***

Mr. Brown has been a Board Member of ours and our predecessor, Monopar Therapeutics, LLC since its inception in December 2014. Mr. Brown is also the Administrator of the Monopar 2016 Stock Incentive Plan. Mr. Brown is the Co-Founder, and since 1994 has served as Chairman, and since 1996 as CEO, of Euronet Worldwide Inc. ("Euronet"), a public company (Nasdaq: EFFT) which offers payment and transaction processing and distribution solutions to financial institutions, retailers, service providers and individual consumer. Mr. Brown has been President of Euronet since December 2014 and also served as President of Euronet from December 2006 to June 2007. Mr. Brown has been a member of the Euronet board of directors since December 1996 and also served on the boards of Euronet's predecessor companies. He has a Master of Science in molecular and cellular biology.

***Raymond W. Anderson, MBA MS – Board Member***

Mr. Anderson has been a Board Member of Monopar since April 2017. He has been chair of the audit committee since October 2017. Mr. Anderson has more than 35 years of biopharmaceutical/medical technology sector experience, primarily focused in financial management. Mr. Anderson worked at Dow Pharmaceutical Sciences, Inc. from July 2003 until June 2010. He most recently served as Dow's Managing Director from January 2009 to June 2010, and previously served as Dow's Chief Financial Officer and Vice President, Finance and Administration. Prior to joining Dow in 2003, Mr. Anderson was Chief Financial Officer for Transurgical, Inc., a private medical technology company. Prior to that, Mr. Anderson served as Chief Operating Officer and Chief Financial Officer at BioMarin Pharmaceutical Inc. from June 1998 to January 2002. Prior to June 1998, Mr. Anderson held similar executive-level positions with other biopharmaceutical companies, including Syntex Laboratories, Chiron Corporation, Glycomed Incorporated and Fusion Medical Technologies. Mr. Anderson served as a board member and chair of the audit committee at Raptor Pharmaceutical Inc. from its founding in 2006 to its acquisition in 2016. Mr. Anderson also served as an officer in the U.S. Army Corps of Engineers, as a strategic planner and operational profit and loss manager at General Electric and as a finance manager at Memorex. Mr. Anderson holds an M.B.A. from Harvard University, an M.S. in Administration from George Washington University and a B.S. in Engineering from the U.S. Military Academy.

### ***Arthur Klausner, MBA – Board Member***

Mr. Klausner has been a consultant to the biopharmaceutical industry since 2009. He served as Chief Executive Officer of Gem Pharmaceuticals, LLC (“Gem”) from September 2012 until Gem’s drug development assets were acquired by us in 2017. Gem’s lead, Phase 2 drug product candidate was GPX-150 (renamed MNPR-201) (5-imino-13-deoxydoxorubicin), a proprietary analog of doxorubicin engineered specifically to retain the anticancer activity of doxorubicin while minimizing toxic effects on the heart. In addition to his role at Gem, Mr. Klausner served as CEO of Jade Therapeutics Inc. (“Jade”) from September 2012 until December 2015. Jade’s focus was on the development of proprietary, cross-linked hyaluronic acid formulations for ophthalmic applications until its March 2016 acquisition by EyeGate Pharmaceuticals, Inc. (Nasdaq: EYEG). Previously, Mr. Klausner spent a total of 18 years at the life science venture capital firms Domain Associates and Pappas Ventures, where he was involved in the investment in and subsequent nurturing of a variety of biotechnology, specialty pharmaceutical, and medical device companies. During that time, he was a member of the board of directors at Santarus (acquired by Salix Pharmaceuticals), X-Ceptor Therapeutics (acquired by Exelixis), Orexigen Therapeutics, Inc. (Nasdaq: OREX), and Syndax Pharmaceuticals (Nasdaq: SNDX), and a board observer at Peninsula Pharmaceuticals (acquired by Johnson & Johnson) and Cerexa (acquired by Forest Laboratories). Mr. Klausner currently serves on the board of directors of Cennerv Pharma (S) Pte. Ltd. (Singapore), and on advisory boards for Neurotez, Inc., and the New York University Innovation Venture Fund. He received his M.B.A. from the Stanford University Graduate School of Business and his undergraduate degree in Biology from Princeton University.

### **Agreement Regarding Election of Directors**

The limited liability company agreement of TacticGem provides that the Manager of TacticGem is required to vote TacticGem’s shares of our common stock to elect Tactic Pharma’s nominees to our Board plus one person designated by Gem. The Gem board nomination right terminates at such time as we achieve a listing on a national stock exchange (e.g. Nasdaq, the NYSE or similar national stock exchange). Gem’s initial designee for election to our Board was Arthur Klausner.

### **Board Composition and Election of Directors**

#### **Independence of the Board of Directors**

We believe it is important to have independent directors on our Board who can make decisions without being influenced by personal interests. Additionally, because one of our goals is to qualify for listing with NADSDAQ we are following the Nasdaq Stock Market (“Nasdaq”) listing standards, which requires that a majority of the members of our Board of Directors must qualify as “independent,” as affirmatively determined by our Board. Our Board consults with our counsel to ensure that our Board’s determinations are consistent with relevant securities and other laws and regulations regarding the definition of “independent,” including those set forth in pertinent listing standards of Nasdaq, as in effect from time to time.

Consistent with these considerations, after review of all relevant identified transactions or relationships between each director, or any of his family members, and us, our senior management and our independent registered public accounting firm, our Board has affirmatively determined that the following directors are independent directors within the meaning of the applicable Nasdaq listing standards: Dr. Starr, Mr. Brown, Mr. Anderson and Mr. Klausner. In making this determination, our Board found that none of the directors had a material or other disqualifying relationship with us. Dr. Robinson, our President and Chief Executive Officer, is not an independent director by virtue of his employment relationship with us, and similarly Dr. Mazar by virtue of his employment relationship with us is not an independent director.

There are no family relationships among any of our directors or executive officers.

#### **Board Leadership Structure**

We have structured our Board in a way that we believe effectively serves our objectives of corporate governance and management oversight. We separate the roles of Chief Executive Officer and Chairman of the Board in recognition of the differences between the two roles. We believe that the Chief Executive Officer should be responsible for Monopar’s day to day leadership and performance, while our Executive Chairman of the Board should work with our Chief Executive Officer and the rest of our Board to set our strategic direction and provide guidance to, and oversight of our Chief Executive Officer. Our Executive Chairman also sets the agenda for Board meetings and presides over them.



## **Audit Committee**

Our Board has formed an audit committee. Mr. Anderson has been appointed as chair of the audit committee. Mr. Anderson is a financial expert as defined by Nasdaq and is an independent board member as contemplated by Rule 10A-3 under the Exchange Act. In addition, Dr. Starr, Mr. Klausner and Mr. Brown have been appointed as independent members of the audit committee.

The functions of our Audit Committee include, among other duties and responsibilities:

- to assist the Board of Directors in its oversight responsibilities for the integrity of the Company's financial statements;
- to assure the quality of the accounting and financial reporting processes of the Company;
- to assure the effectiveness of the Company's internal controls over financial reporting;
- to assist with the Company's compliance with legal and regulatory requirements;
- to review and discuss with management and the independent registered public accounting firm the Company's annual and quarterly SEC reports including the audit of the annual financial statements and the reviews of the quarterly financial statements and related disclosures;
- to be directly responsible for the appointment, compensation, retention, and oversight of the work of the independent registered public accounting firm and any other independent registered public accounting firm performing other audit, review, or attest services for the Company;
- to review and discuss with the Company's management the risk assessment and risk management policies of the Company;
- to oversee systems and procedures for the receipt, retention and resolution of complaints received by the Company regarding accounting, internal financial controls or auditing matters and for the confidential and anonymous submission by Company employees of concerns regarding potential fraud or questionable financial, accounting, internal financial controls or auditing matters;
- to periodically review and update the Company's Code of Business Conduct and Ethics and review programs established to monitor compliance with and to improve employees' knowledge of the Code;
- to review and approve or disapprove any transaction required to be disclosed according to SEC regulations between the Company and any related party and to oversee the Company's policies and procedures for judgments as to related party transactions; and
- to prepare the Audit Committee's report required by SEC rules, when such requirement becomes applicable to the Company.

## **Code of Conduct and Business Ethics**

We have adopted a Code of Conduct and Business Ethics that is applicable to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. It also applies to all of our employees and our non-employee directors. Our Code of Conduct and Business Ethics is available on our website, will be provided to any person without charge upon request, and is filed as an exhibit to this Annual Report on Form 10-K.

### **Corporate Governance and Nominating Committee**

The Board has formed a Corporate Governance and Nominating Committee and has appointed Dr. Starr, Mr. Brown, Mr. Anderson and Mr. Klausner as members of the committee.

It is anticipated that the functions of our corporate governance and nominating committee will include, among other things:

- identifying individuals qualified to become board members;
- recommending to our board the persons to be nominated for election as directors and to each of the board's committees;
- reviewing and making recommendations to the board with respect to management succession planning;
- developing and recommending to the board corporate governance guidelines; and
- overseeing an annual evaluation of the board.

### **Compensation Committee**

Our Board has also formed a Compensation Committee consisting of Mr. Brown Dr. Starr, Mr. Anderson and Mr. Klausner as independent members. It is anticipated that the compensation committee will engage independent third-party compensation experts as needed.

The functions of our Compensation Committee is anticipated to include, among other things:

- annually reviewing and approving corporate goals and objectives relevant to our chief executive officer's compensation;
- determining our chief executive officer's compensation;
- reviewing and approving, or making recommendations to our board with respect to, the compensation of our other executive officers;
- overseeing an evaluation of our senior executives;
- overseeing and administering our equity incentive plans;
- reviewing and making recommendations to our board with respect to director compensation; and
- preparing the annual compensation committee report to the extent required by SEC rules, when such requirement becomes applicable to us.

## Item 11. Executive Compensation.

### Summary Compensation Table

The following table sets forth for the fiscal years ended December 31, 2017 and 2016, the compensation of the Company's Chief Executive Officer and the Company's two highest compensated executive officers whose compensation exceeded \$100,000 during our last fiscal year.

<i>Name and Positions</i>	<i>Fiscal Year</i>	<i>Salary (\$)</i>	<i>Bonus (\$)</i>	<i>Option Awards (\$)</i>	<i>All Other Compensation (\$)</i>	<i>Total (\$)</i>
Chandler D. Robinson, M.D., Chief Executive Officer and Director	2017	318,750	-	23 <sup>(1)</sup>	70,000 <sup>(2)</sup>	388,773
	2016	300,000	-	41 <sup>(1)</sup>	75,000 <sup>(2)</sup>	375,041
Andrew P. Mazar, Ph.D., Chief Scientific Officer and Director	2017	87,500	-	220,466 <sup>(1)</sup>	238,750 <sup>(3)</sup>	546,716
	2016	-	-	41 <sup>(1)</sup>	197,500 <sup>(3)</sup>	197,541
Kirsten Anderson, Senior Vice President, Clinical Development <sup>(4)</sup>	2017	43,333	25,000	5,502	78,550	152,385
	2016	-	-	-	-	-

(1) In 2016, each of Dr. Robinson and Dr. Mazar was granted options to purchase up to 84,000 shares of our common stock as discussed below in the section **Outstanding Equity Awards at Fiscal Year End**. Based upon the Black-Scholes valuation model for stock option compensation expense, the value of Dr. Robinson's stock options was \$41 and the value of Dr. Mazar's stock options was \$41 for the year ended December 31, 2016. The options vested 50% on the grant date (April 4, 2016), 25% on the six-month anniversary of the grant date (October 4, 2016) and 25% on the one year anniversary of the grant date (April 3, 2017).

In 2017, each of Dr. Robinson and Dr. Mazar was granted options to purchase up to 84,000 shares of our common stock as discussed below in the section **Outstanding Equity Awards at Fiscal Year End**. Based upon the Black-Scholes valuation model for stock option compensation expense, the value of Dr. Robinson's stock options outstanding as of December 31, 2017 was \$23 and the value of Dr. Mazar's stock options outstanding as of December 31, 2017 was \$220,466 for the year ended December 31, 2017. The options granted in 2017 vested 6/48ths on the six month anniversary of grant date (August 20, 2017) and 1/48th per month thereafter.

(2) Consisting of an employer funded 401(k) in the amount of \$54,000 and \$53,000 for 2017 and 2016, respectively, plus \$16,000 and \$22,000 in lieu of benefits for 2017 and 2016, respectively.

(3) Until November 1, 2017, Dr. Mazar was a consultant acting as chief scientific officer for \$225,000 and \$197,500 in consulting fees in 2017 and 2016, respectively, with no additional compensation for board member services. As of November 1, 2017, Dr. Mazar became employed as our Executive Vice President of Research and Development, and Chief Scientific Officer at an annual base salary of \$350,000 and an amount in lieu of benefits of \$55,000. A pro rata amount of in lieu of benefits of \$13,750 is included in All Other Compensation.

(4) Until November 1, 2017, Ms. Anderson was a consultant during 2017 providing clinical development strategy for \$78,550 in consulting fees. As of November 1, 2017, Ms. Anderson became employed as our Senior Vice President, Clinical Development at an annual base salary of \$260,000 and a sign-on bonus of \$25,000. On November 1, 2017, Ms. Anderson was granted options to purchase up to 40,000 shares of our common stock as discussed below in the section **Outstanding Equity Awards at Fiscal Year End**. Based upon the Black-Scholes valuation model for stock option compensation expense, the value of Ms. Anderson's stock options outstanding as of December 31, 2017 was \$5,502. The options vest 6/48ths on the six month anniversary of grant date (May 1, 2018) and 1/48th per month thereafter.

## Employment Agreements

In December 2016, we entered into an employment agreement with Dr. Robinson for his role as our chief executive officer. Although we have been paying Dr. Robinson as our employee since January 1, 2016, we did not enter into a formal employment agreement until December 2016. Dr. Robinson's employment agreement is for an indefinite term (for at-will employment). The agreement was amended and restated on November 1, 2017.

Under his employment agreement, Dr. Robinson currently receives a \$375,000 per year base salary, which may be adjusted from time to time in accordance with normal business practice and in our sole discretion. In addition, Dr. Robinson will be eligible for an annual performance bonus, of up to 50% of his base salary, based on achieving goals as determined by our Board and our Compensation Committee. Until we obtain retirement and healthcare benefits for our eligible employees and Dr. Robinson elects to opt in to such benefits, Dr. Robinson is entitled to an additional salary of at least \$4,583.33 per month (or such greater amount as determined by our Board) in lieu of such benefits.

On November 1, 2017, we entered into an employment agreement with Dr. Mazar for his role as our Executive Vice President of Research and Development and Chief Scientific Officer. Dr. Mazar's employment agreement is for an indefinite term (for at-will employment). Under his employment agreement, Dr. Mazar receives a \$350,000 per year base salary, which may be adjusted from time to time in accordance with normal business practice and in our sole discretion. In addition, Dr. Mazar will be eligible for an annual performance bonus, of up to 40% of his base salary, based on achieving goals as determined by our Board and our Compensation Committee. Until we obtain retirement and healthcare benefits for our eligible employees and Dr. Mazar elects to opt in to such benefits, Dr. Mazar is entitled to an additional salary of at least \$4,583.33 per month (or such greater amount as determined by our Board) in lieu of such benefits.

On November 1, 2017, we entered into an employment agreement with Ms. Tsuchimoto for her role as our Chief Financial Officer. Ms. Tsuchimoto's employment agreement is for an indefinite term (for at-will employment). The agreement was amended on March 1, 2018. Under her employment agreement, Ms. Tsuchimoto receives a \$137,500 per year base salary to reflect 50% time, which may be adjusted from time to time in accordance with normal business practice and in our sole discretion. Ms. Tsuchimoto is entitled to an additional salary of up to \$1,800 per month in lieu of medical, dental and vision benefits until such time the Company has such benefit plans in place. In addition, Ms. Tsuchimoto will be eligible for an annual performance bonus determined by our Board and our Compensation Committee.

On November 1, 2017, we entered into an employment agreement with Ms. Anderson for her role as our Senior Vice President of Clinical Development. Ms. Anderson's employment agreement is for an indefinite term (for at-will employment). Under her employment agreement, Ms. Anderson receives a \$260,000 per year base salary, which may be adjusted from time to time in accordance with normal business practice and in our sole discretion. Ms. Anderson's employment agreement included a \$25,000 sign-on bonus. In addition, beginning in 2018, Ms. Anderson will be eligible for an annual performance bonus determined by our Board and our Compensation Committee.

## Outstanding Equity Awards at Fiscal Year End

The following table sets forth outstanding stock option awards held by named executive officers as of December 31, 2017. There were no outstanding stock awards as of December 31, 2017.

Name	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Option exercise price (\$)	Option expiration date
Chandler D. Robinson, M.D.	17,500 <sup>(1)</sup>	66,500 <sup>(1)</sup>	\$0.001	02/19/2027
	84,000 <sup>(2)</sup>	-	\$0.001	04/03/2026
Andrew P. Mazar, Ph.D	17,500 <sup>(1)</sup>	66,500 <sup>(1)</sup>	\$0.001	02/19/2027
	84,000 <sup>(2)</sup>	-	\$0.001	04/03/2026
Kirsten Anderson	- <sup>(3)</sup>	40,000 <sup>(3)</sup>	\$6.00	10/31/2027

- (1) Both Dr. Robinson and Dr. Mazar were granted stock option awards on February 20, 2017 which vested 6/48ths on the six month anniversary of grant date (August 20, 2017) and 1/48th per month thereafter.
- (2) Both Dr. Robinson and Dr. Mazar were granted stock option awards on April 4, 2016 which vested 50% on the grant date (April 4, 2016), 25% on the six-month anniversary of the grant date (October 4, 2016) and 25% on the one year anniversary of the grant date (April 3, 2017).
- (3) Ms. Anderson was granted a stock option award on November 1, 2017 which vests 6/48ths on the six month anniversary of grant date (May 1, 2018) and 1/48th per month thereafter.

#### ***Potential Payments upon Termination or Change in Control***

Each of Dr. Mazar's and Dr. Robinson's employment agreements provides that upon execution and effectiveness of a release of claims, Dr. Mazar and Dr. Robinson will be entitled to severance payments if we terminate their employment without cause, as defined in the employment agreement, or if Dr. Mazar or Dr. Robinson terminates his employment with us for good reason, as defined in the employment agreement. If employment terminates under these circumstances, in each case absent a change in control, as defined in the employment agreements, we will be obligated for a period of twelve months, (1) to pay base salary, (2) to provide that any equity awards will continue vesting, (3) to pay the monthly premiums for COBRA coverage equal to the amount paid for similarly situated employees and (4) to the extent allowed by applicable law and the applicable plan documents, continue to provide all of our employee benefit plans and arrangements that the employee was receiving at the time of termination. In addition, equity awards held by the terminated employee, that vest solely on the passage of time, will be accelerated by 12 months. If employment terminates under these circumstances, within 12 months following a change in control, in addition to the severance described above, we will be obligated to accelerate in full the vesting of all of the employee's outstanding equity awards. In the case of a change in control, instead of the 12 months of base salary described above, we will be obligated to provide an amount equal to one-and-a-half times the sum of the base salary and target bonus for the fiscal year in which termination occurred. If either of Dr. Mazar's or Dr. Robinson's employment is terminated because of death or permanent disability, we will be obligated to provide the severance described above, but for a period of three months instead of twelve months.

Ms. Anderson's employment agreement provides that upon execution and effectiveness of a release of claims, Ms. Anderson will be entitled to severance payments if we terminate her employment without cause, as defined in the employment agreement, or if Ms. Anderson terminates her employment with us for good reason, as defined in the employment agreement. If employment terminates under these circumstances, absent a change in control, as defined in the employment agreement, we will be obligated for a period of three months to pay base salary, and for a period of six months (1) to provide that any vested and unexercised equity awards continue to be exercisable and (2) to pay the monthly premiums for COBRA coverage. If employment terminates within six months following a change in control, we will be obligated to pay six months base salary and monthly premiums for COBRA coverage for six months and accelerate in full the vesting of all of the employee's outstanding equity awards which would be exercisable for two years from termination. If Ms. Anderson's employment is terminated because of death or permanent disability, we will be obligated to provide base salary for two months and monthly premiums for COBRA coverage for two months.

#### ***Stock Option Plan***

In April 2016, our Board and stockholders holding more than a majority of our outstanding convertible preferred stock approved the Monopar Therapeutics Inc. 2016 Stock Incentive Plan (as subsequently amended, the "Plan"), allowing us to grant up to an aggregate 700,000 shares of stock awards, stock options, stock appreciation rights and other stock-based awards to employees, non-employee directors and consultants. Concurrently, our Board granted to non-employee board members and our acting chief financial officer stock options to purchase up to an aggregate 273,000 shares of our common stock at an exercise price of \$0.001 per share (the par value) based upon a third party valuation of our common stock. Such stock options vest 50% on grant date, 25% on the six month anniversary of the grant date and 25% on the one year anniversary of the grant date. In December 2016, our Board granted to our acting chief medical officer options to purchase up to 7,000 shares of our common stock. Such options vest monthly over six months from the grant date. In February 2017, our Board granted to board members and our acting chief financial officer stock options to purchase up to an aggregate 275,520 shares of our common stock at an exercise price of \$0.001 per share (the par value) based upon a third party valuation of our common stock. Such options vest 6/48ths upon the six month anniversary of the grant date and 1/48th per month thereafter. In September 2017 and November 2017, stock options to purchase up to an aggregate 103,072 shares of our common stock were granted at an exercise price of \$6.00, based on the price per share at which common stock was sold in our most recent private offering. 61,024 of such options vest 6/48ths upon the six month anniversary of the grant date and 1/48th per month thereafter, 21,024 of such options vest 6/42nd upon the six month anniversary of the grant date and 1/42nd per month thereafter and 21,024 of such options vest 6/24ths upon the six month anniversary of the grant date and 1/24th per month thereafter. On January 1, 2018, our Board granted to our acting chief medical officer options to purchase up to 32,004 shares of our common stock at an exercise price of \$6 per share based upon the price per share at which common stock was sold in our most recent private offering, and such options vest 12,000 on the date of grant and 1,667 options on the 1<sup>st</sup> of each month thereafter. All outstanding stock options have a ten year term. 690,596 stock options were outstanding as of March 1, 2018.

Under the Plan, the per share exercise price for the shares to be issued upon exercise of an option is to be determined by the Plan administrator, except that the per share exercise price may be no less than 100% of the fair market value per share on the grant date. Fair market value is established by our Board, using third party valuation reports and recent financings. Stock options generally expire after ten years.

The Plan provides that the Plan administrator will be our Board, a committee designated by our Board, or an individual designee. On February 28, 2018, our independent Directors approved the appointment of a committee (the "Plan Administrator Committee") consisting of three independent, non-employee Directors (Dr. Starr, Mr. Brown, and Mr. Anderson) to serve as the Administrator of our 2016 Stock Incentive Plan. The Plan Administrator Committee will require a quorum of at least two of the three Directors on all decisions. The Administrator has exclusive authority, consistent with laws and the terms of the Plan, to designate recipients of options to be granted thereunder and to determine the number and type of options and the number of shares subject thereto. Prior to February 28, 2018, Mr. Brown was the Board-representative Administrator of our 2016 Stock Incentive Plan. In March 2017, at the time of the Conversion, which resulted in a 70 for 1 split of our common stock, the Administrator effected the 70 for 1 stock split for the Plan which increased the stock option pool from 10,000 to 700,000 and changed the stock options granted in 2016 and in February 2017 by a 70 for 1 factor. No other features were changed on the outstanding stock options granted.

The Plan was subsequently amended and restated in October 2017, which was approved by stockholders holding more than a majority of our outstanding common stock, as the Amended and Restated Monopar Therapeutics Inc. 2016 Stock Incentive Plan, in order to increase the maximum aggregate grants under the Plan from 700,000 to 1,600,000 shares of stock awards, stock options, stock appreciation rights and other stock-based awards.

#### **Director Compensation for Fiscal Year Ended December 31, 2017**

The following table sets forth the compensation of our non-employee Board of Directors during the year ended December 31, 2017.

<i>Name</i>	<i>Fees earned or paid in cash (\$)</i>	<i>Option Awards (\$)</i>	<i>All Other Compensation (\$)</i>	<i>Total (\$)</i>
Christopher M. Starr, Ph.D.	100,897	23(1)	-	100,920
Michael J. Brown	20,000	9,652(2)	-	29,652
Raymond "Bill" Anderson	37,500	5,672(3)	-	43,172
Arthur Klausner	14,022	5,615(4)	-	19,637

(1) Based upon the Black-Scholes valuation model for stock option compensation expense, the value of Dr. Starr's stock options outstanding as of December 31, 2017 was \$23 for the year ended December 31, 2017. Dr. Starr was granted a stock option award on February 20, 2017 which vested 6/48ths on the six month anniversary of grant date (August 20, 2017) and 1/48th per month thereafter. In 2016, Dr. Starr was granted a stock option award on April 4, 2016 which vested 50% on the grant date (April 4, 2016), 25% on the six-month anniversary of the grant date (October 4, 2016) and 25% on the one year anniversary of the grant date (April 3, 2017).

(2) Based upon the Black-Scholes valuation model for stock option compensation expense, the value of Mr. Brown's stock options outstanding as of December 31, 2017 was \$9,652 for the year ended December 31, 2017. Mr. Brown was granted a stock option award on September 18, 2017 which vests 6/24ths on the six month anniversary of grant date (March 18, 2018) and 1/24th per month thereafter.

(3) Based upon the Black-Scholes valuation model for stock option compensation expense, the value of Mr. Anderson's stock options outstanding as of December 31, 2017 was \$5,672 for the year ended December 31, 2017. Mr. Anderson was granted a stock option award on September 18, 2017 which vests 6/42nds on the six month anniversary of grant date (March 18, 2018) and 1/42nd per month thereafter.

(4) Based upon the Black-Scholes valuation model for stock option compensation expense, the value of Mr. Klausner's stock options outstanding as of December 31, 2017 was \$5,615 for the year ended December 31, 2017. Mr. Klausner was granted a stock option award on September 1, 2017 which vests 6/48ths on the six month anniversary of grant date (March 1, 2018) and 1/48th per month thereafter.

### *Options Exercised and Stock Vested*

None of our executive officers or non-employee directors exercised any options during the years ended December 31, 2017 and 2016.

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

#### *Securities Authorized for Issuance Under Equity Compensation Plans*

The following table provides information as of December 31, 2017, with respect to shares of our common stock that may be issued under existing equity compensation plans. There are no equity compensation plans that have not been approved by our security holders.

<b>Plan Category</b>	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights</b>	<b>Weighted Average Exercise Price of Outstanding Options, Warrants and Rights</b>	<b>Number of Securities Remaining Available For Future Issuance under Equity Compensation Plans</b>
Equity compensation plans approved by security holders (1)	658,592	\$ 0.94	941,408

(1) The Monopar Therapeutics Inc. 2016 Stock Incentive Plan.

The following table and the related notes present information on the beneficial ownership of shares of our common stock, our only outstanding class of stock, as of March 1, 2018 (subsequent to the Conversion) by:

- each of our directors;
- each of our named executive officers;
- all of our current directors and executive officers as a group; and
- each person known by us to beneficially own more than five percent of our common stock

Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to the securities. Shares of our common stock that may be acquired by an individual or group within 60 days of March 1, 2018, pursuant to the exercise of options or warrants, are deemed to be outstanding for the purpose of computing the percentage ownership of such individual or group, but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person shown in the table.

Except as indicated in footnotes to this table, we believe that the stockholders named in this table have sole voting and investment power with respect to all shares of common stock shown to be beneficially owned by them, based on information provided to us by such stockholders.

Name and Address of Beneficial Owner	Shares of Common Stock Beneficially Owned (A)	Percent of Class Held (A)
*Unless otherwise noted, addresses are: 1000 Skokie Blvd., Suite 350, Wilmette, IL 60091		
TacticGem, LLC	7,166,667(B)	77.1%
Tactic Pharma LLC	4,277,939.88(B)	46.0%
Gem Pharmaceutical LLC 941 Lake Forest Cir. Birmingham, AL 35244	3,055,394.12(B)	32.9%
Chandler D. Robinson, Chief Executive Officer and Director	122,502.8	1.3%
Christopher M. Starr, Executive Chairman	157,900	1.7%
Andrew P. Mazar, Executive Vice President of Research and Development, Chief Scientific Officer and Director	122,502.8	1.3%
Michael J. Brown, Director	216,132	2.3%
Raymond "Bill" Anderson, Director	4,504	*
Arthur Klausner, Director	8,066	*
Kim R. Tsuchimoto, Chief Financial Officer	27,860	*
Patrice P. Rioux, Acting Chief Medical Officer	24,001	*
Named executive officers and directors as a group(C)	7,850,135.6	81.1%

(A) Beneficial ownership is based upon 9,291,420.614 shares of our Common Stock outstanding; and includes common stock options that vest within 60 days after March 1, 2018 as follows – Chandler D. Robinson, Christopher M. Starr and Andrew P. Mazar options to purchase up to 108,500 shares of common stock, Kim R. Tsuchimoto options to purchase up to 27,860 shares of common stock and Patrice P. Rioux options to purchase up to 24,001 shares. These vested option shares are deemed to be outstanding and beneficially owned by the person holding the applicable options for the purpose of computing the percentage ownership of that person, but they are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

(B) Tactic Pharma LLC ("Tactic Pharma") shares voting and investment power over 4,111,272.88 shares of our common stock owned by TacticGem, and Gem Pharmaceutical LLC ("Gem") shares voting and investment power over 3,055,394.12 shares of our common stock owned by TacticGem, because pursuant to the TacticGem limited liability company agreement all votes of our common stock (other than votes for the election of directors) are passed through to Tactic Pharma and Gem in proportion to their percentage interests in TacticGem, and after an initial holding period, which ends after we have been subject to the reporting requirements of the Exchange Act and have filed all required reports for a period of at least 12 months, either member of TacticGem can cause up to its proportionate shares of our common stock to be distributed to it. Tactic Pharma holds 166,667 shares of stock in its own name. Mr. Brown, Dr. Mazar and Dr. Robinson are managers of Tactic Pharma; because of this, they control voting and dispositive power over 4,111,272.88 shares of our common stock owned by TacticGem, and over our Common Stock owned by Tactic Pharma. Gem is controlled by Pharma Investments, LLC, which is in turn controlled by Diane M. Hendricks.



(C) Shares held by TacticGem are only included in the total beneficial ownership of our named executive officers and directors because the limited liability agreement of TacticGem provides that the Manager of TacticGem will vote our common stock held by TacticGem to elect Tactic Pharma's nominees plus one person designated by Gem (until we achieve listing on a national stock exchange) to our Board, and acting together the directors are able to control Tactic Pharma, LLC, and how it selects its nominees for our Board of Directors.

\* Less than 1%

### **Item 13. Certain Relationships and Related Transactions, and Director Independence.**

Since January 2015, we (including as Monopar Therapeutics, LLC) have engaged in the following transactions with our directors, executive officers, holders of more than 5% of our voting securities, and affiliates or immediate family members of our directors, executive officers and holders of more than 5% of our voting securities, and our co-founders. We believe that all of these transactions were on terms as favorable as could have been obtained from unrelated third parties.

During the years ended December 31, 2017 and 2016, we paid or accrued legal fees to Baker & Hostetler, LLP, a large national law firm in which our Chief Executive Officer's family member is a law partner, approximately \$300,140 and \$54,000, respectively. The family member billed a *de minimis* amount of time on our legal engagement with Baker & Hostetler, LLP.

#### ***Contributions by Tactic Pharma, LLC***

We were initially formed as a Delaware limited liability company in December 2014, with the name Monopar Therapeutics, LLC, at which time Tactic Pharma contributed technology and related assets to us, in exchange for 1,000,000 shares of Series Z Preferred Units, which were exchanged for 100,000 shares of Series Z Preferred Stock at the time of our conversion to a corporation. The issued Series Z Preferred Stock was recorded at par value \$0.001 per share on our balance sheet reflecting the historical capitalized cost basis, due to the fact that MNPR-101's development costs were previously expensed (not capitalized) by Tactic Pharma. In March 2017, the 100,000 shares of Series Z Preferred Stock were converted into 7,000,000 shares of our common stock, \$.0001 par value in connection with the Conversion. See "**Conversion of Preferred Stock to Common Stock**".

In August 2017, Tactic Pharma surrendered 2,888,727.12 shares of our common stock back to us as a contribution to the capital of the Company. This reduced its ownership percentage of our common stock from 79.5% to 69.9%.

We reimbursed Tactic Pharma, a *de minimis* amount in monthly storage fees during the years ended December 31, 2017 and 2016. In March 2017, Tactic Pharma wired \$1 million to us in advance of the sale of our common stock at \$6 per share under a private placement memorandum. In April, we issued to Tactic Pharma 166,667 shares in exchange for the \$1 million at \$6 per share once we began selling stock to unaffiliated parties under the private placement memorandum. In August 2017, Tactic Pharma surrendered 2,888,727.12 shares of our common stock back to us as a contribution to the capital of the Company. This resulted in reducing Tactic Pharma's ownership in us from 79.5% to 69.9%. Following the surrender of the common stock, Tactic Pharma contributed 4,111,272.88 shares of its holdings in our common stock to TacticGem pursuant to the Gem Transaction discussed in detail in Note 6 of our audited financial statements below. As of December 31, 2017, Tactic Pharma beneficially owned 46% of our common stock, and TacticGem owned 77% of our common stock.

#### ***Gem Transaction***

On June 27, 2017, we signed a term sheet with Gem Pharmaceuticals, LLC ("Gem") pursuant to which Gem was to transfer assets related to certain of its drug product candidate programs to us in exchange for 32% of our outstanding common stock on a fully-diluted basis. The Gem transaction was structured through a limited liability company, TacticGem, which Gem formed with Tactic Pharma, LLC ("Tactic Pharma"), our largest shareholder at that time. Gem contributed certain of Gem's drug product candidates' intellectual property and agreements associated primarily with Gem's GPX-150 (renamed MNPR-201) drug product candidate program, along with \$5,000,000 in cash (the "Gem Contributed Assets") to TacticGem for a 42.633% interest, and Tactic Pharma contributed 4,111,272.88 shares of our common stock to TacticGem for a 57.367% interest. Then, TacticGem contributed the Gem Contributed Assets to us in exchange for 3,055,394.12 newly issued shares of our common stock (31.4% on a fully-diluted basis) (the two contributions collectively, the "Gem Transaction"). The contribution by TacticGem, made in conjunction with contributions from outside investors in a private offering, was intended to qualify for tax-free treatment. The Gem Transaction closed on August 25, 2017. Following the Gem Transaction, TacticGem owns 7,166,667 shares of our stock. Pursuant to the TacticGem limited liability company agreement, all votes of our common stock by TacticGem (aside from the election of our Board of Directors) is required to be passed through to Tactic Pharma and Gem based on their percentage interest (currently pursuant to this voting agreement, Tactic has voting and investment power over 4,111,272.88 shares of our common stock and Gem has voting and investment power over 3,055,394.12 shares of our common stock). Neither Gem nor TacticGem was a related person prior to the Gem Transaction. The TacticGem limited liability company agreement provides that its manager will vote all shares of our common stock held by it to elect Tactic Pharma's nominees to our Board of Directors plus one person nominated by Gem, initially Arthur Klausner.

Pursuant to the Conversion and the Gem Transaction and sales of our common stock in September 2017, Tactic Pharma now holds voting and investment power over 4,277,939.88 shares of our Common Stock, which is 46.0% of our outstanding common stock. In the ordinary course of business, we have reimbursed and continue to reimburse Tactic Pharma for expenses Tactic Pharma has paid on our behalf, which historically included legal patent fees and storage rental fees. Certain of our Board Members and executive officers own and control Tactic Pharma. Although no single person has a controlling interest in Tactic Pharma, acting together they are able to control Tactic Pharma and a large voting block of our common stock.

#### ***Stock Purchases by Directors and Executive Officers***

The following table sets forth the number of shares of our common stock owned by our co-founders; each co-founder purchased such shares at \$3.57 per share (taking into account the Conversion) in 2016.

<b>Name</b>	<b>Related Person Status</b>	<b># Shares of Common Stock</b>	<b>Transaction Value (and Related Person's Interest) (\$)</b>
Christopher M. Starr, Ph.D.	Executive Chairman	29,400	105,000
Chandler D. Robinson, M.D.	Director, Chief Executive Officer	14,002.3	50,010
Andrew P. Mazar, Ph.D.	Director, Chief Scientific Officer	14,002.3	50,010

Also, in 2016, Michael Brown (Director), purchased 210,000 shares of our common stock (taking into account the Conversion), at \$3.57 per share, for a total transaction value of \$750,000.

In 2017, Board members purchased shares of our common stock at \$6 per share, as follows: Dr. Starr purchased 20,000 shares for a transaction value of \$120,000; Mr. Anderson purchased 1,000 shares for a transaction value of \$6,000; and Mr. Klausner purchased 5,000 shares for a transaction value of \$30,000.

#### **Promoters and Certain Control Persons**

We have not had any promoters since our formation in December 2014.

#### **Parent Companies**

Prior to the Gem Transaction, Tactic Pharma was our parent company, having a controlling interest in us. After the Gem Transaction, TacticGem became our parent company, currently having a 77.1% controlling interest in us. See “**Contributions by Tactic Pharma, LLC**” and “**Gem Transaction**”.

#### **Director Independence**

We have decided to follow the Nasdaq Stock Market, or Nasdaq, listing standards, which require that a majority of the members of our Board of Directors, or our Board, must qualify as “independent,” as affirmatively determined by our Board. Our Board consults with our counsel to ensure that our Board’s determinations are consistent with relevant securities and other laws and regulations regarding the definition of “independent,” including those set forth in pertinent listing standards of Nasdaq, as in effect from time to time.

Consistent with these considerations, after review of all relevant identified transactions or relationships between each director, or any of his family members, and us, our senior management and our independent registered public accounting firm, our Board has affirmatively determined that the following four directors are independent directors within the meaning of the applicable Nasdaq listing standards: Dr. Starr, Mr. Brown, Mr. Anderson and Mr. Klausner. In making this determination, our Board found that none of the directors had a material or other disqualifying relationship with us. Dr. Robinson, our President and Chief Executive Officer is not an independent director by virtue of his employment relationship with us, and similarly, Dr. Mazar by virtue of his employment relationship with us is not an independent director.

There are no family relationships among any of our directors or executive officers.

#### ***Relationships Considered in Determining Director Independence***

In addition to the stock transactions described above, in considering director independence, we considered the following transactions:

During the years ended December 31, 2017 and 2016, we were advised by four members of our Board of Directors, who were Managers of our predecessor LLC prior to our conversion to a C Corporation. The four former Managers are also our current common stockholders (owning approximately an aggregate 3% of our common stock outstanding as of December 31, 2017). Three of the former Managers are also Managing Members of Tactic Pharma, LLC, which was, prior to the Gem Transaction, our largest and controlling stockholder (owning a 46% beneficial interest in us at December 31, 2017 and in partnership with Gem through TacticGem owning 77.1%). We paid the Managing Members of Tactic Pharma, LLC the following during the years ended December 31, 2017 and 2016: Chandler D. Robinson, our Co-Founder, Chief Executive Officer, common stockholder, Managing Member of Tactic Pharma, LLC and former Manager of our predecessor LLC, \$346,545 and \$322,000, respectively; and Andrew P. Mazar, our Co-Founder, Chief Scientific Officer, common stockholder, Managing Member of Tactic Pharma, LLC and former Manager of our predecessor LLC, \$300,731 and \$197,500, respectively. We also paid Christopher M. Starr, our Co-Founder, Executive Chairman of the Board of Directors, common stockholder and former Manager of our predecessor LLC, \$100,897 and \$96,339 during the years ended December 31, 2017 and 2016, respectively.

In the normal course of business, our Chief Executive Officer, Board Members and consultants incur expenses on behalf of us and are reimbursed within 30 days of submission of relevant expense reports.

#### Item 14. Principal Accounting Fees and Services

The following is a summary of the fees billed and services provided by our independent registered public accounting firm, BPM LLP during the years ended December 31, 2017 and 2016, respectively.

Description of Services Provided by BPM LLP	For the year ended December 31, 2017	For the year ended December 31, 2016
<b>Audit Fees</b>	\$ 83,815	\$ 32,036
<b>Audit-Related Fees:</b> These services relate to assurance and services reasonably related to the performance of the audit or review of financial statements not included above.	28,325	0
<b>Tax Compliance Fees:</b> These services relate to the preparation of federal, state and foreign tax returns and other filings.	3,150	4,910
<b>Tax Consulting and Advisory Services:</b> These services primarily relate to the area of tax strategy and minimizing Federal, state, local and foreign taxes.	1,250	
<b>All Other Fees</b>	0	35,680

**PART IV**

**Item 15. Exhibits, Financial Statement Schedule**

**(a)**

**INDEX TO FINANCIAL STATEMENTS**

	<b>Page</b>
Report of Independent Registered Public Accounting Firm	F-2
Balance Sheets as of December 31, 2017 and 2016	F-3
Statements of Operations for the Years Ended December 31, 2017 and 2016	F-4
Statements of Stockholders' Equity for the Years Ended December 31, 2017 and 2016	F-5
Statements of Cash Flows for the Years Ended December 31, 2017 and 2016	F-6
Notes to Financial Statements	F-7 to F-24

**(b) Exhibits**

The following exhibits are filed as part of this Annual Report on Form 10-K.

<b>Exhibit</b>	<b>Document</b>
<a href="#">3.1</a>	<a href="#">Second Amended and Restated Certificate of Incorporation</a>
<a href="#">3.2</a>	<a href="#">Amended and Restated Bylaws</a>
<a href="#">10.1*</a>	<a href="#">Clinical Trial and Option Agreement with Cancer Research UK</a>
<a href="#">10.2*</a>	<a href="#">License Agreement with XOMA Ltd.</a>
<a href="#">10.3*</a>	<a href="#">Option and License Agreement with Onxeo S.A.</a>
<a href="#">10.4*</a>	<a href="#">Contribution Agreement (351) – Containing Registration Rights Agreement with TacticGem</a>
<a href="#">10.5</a>	<a href="#">Amended and Restated 2016 Stock Incentive Plan</a>
<a href="#">10.6</a>	<a href="#">Employment Agreement of Chandler D. Robinson – terminated October 31, 2017</a>
<a href="#">10.7</a>	<a href="#">Employment Agreement of Chandler D. Robinson – effective November 1, 2017</a>
<a href="#">10.8</a>	<a href="#">Consulting Agreement of Kim Tsuchimoto – terminated October 31, 2017</a>
<a href="#">10.9</a>	<a href="#">Employment Agreement of Kim Tsuchimoto – effective November 1, 2017</a>
<a href="#">10.10</a>	<a href="#">Consulting Agreement of Andrew P. Mazar – terminated October 31, 2017</a>
<a href="#">10.11</a>	<a href="#">Employment Agreement of Andrew P. Mazar – effective November 1, 2017</a>
<a href="#">10.12</a>	<a href="#">Consulting Agreement of pRx Consulting (Patrice Rioux) – terminated December 31, 2017</a>
<a href="#">10.13</a>	<a href="#">Employment Agreement of Kirsten Anderson</a>
<a href="#">10.14</a>	<a href="#">Consulting Agreement of pRx Consulting (Patrice Rioux) - effective January 1, 2018</a>
<a href="#">10.15</a>	<a href="#">Amendment One to Employment Agreement of Kim Tsuchimoto – effective March 1, 2018</a>
<a href="#">10.16</a>	<a href="#">Cancer Research UK Letter Dated March 21, 2018</a>
<a href="#">11</a>	<a href="#">Statement Regarding Computation of Per Share Earnings</a>
<a href="#">14</a>	<a href="#">Code of Conduct and Business Ethics</a>
<a href="#">24.1</a>	<a href="#">Power of Attorney (included in the signature page hereto)</a>
<a href="#">31.1</a>	<a href="#">Certification of Chandler Robinson, Chief Executive Officer</a>
<a href="#">31.2</a>	<a href="#">Certification of Kim Tsuchimoto, Chief Financial Officer</a>
<a href="#">32.1</a>	<a href="#">Certification of Chandler Robinson, Chief Executive Officer and Kim Tsuchimoto, Chief Financial Officer</a>
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

Confidential Information has been omitted and filed separately with the Securities and Exchange Commission on exhibits marked with (\*). Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

## 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.

### Company MONOPAR THERAPEUTICS INC.

Dated: March 26, 2018

By: /s/ Kim Tsuchimoto

\_\_\_\_\_  
Kim Tsuchimoto  
Chief Financial Officer (Principal Financial  
Officer)

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Chandler Robinson and Kim Tsuchimoto, his attorneyinfect, with the power of substitution, for him in any and all capacities, to sign any amendments to this Annual Report on Form 10K and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneysinfect, or his substitute or substitutes, may do or cause to be done by virtue hereof.

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:

<u>Signatures</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Chandler Robinson</u> Chandler Robinson	Chief Executive Officer and Director (Principal Executive Officer)	March 26, 2018
<u>/s/ Kim Tsuchimoto</u> Kim Tsuchimoto	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	March 26, 2018
<u>/s/ Andrew Mazar</u> Andrew Mazar	Chief Scientific Officer and Director	March 26, 2018
<u>/s/ Christopher Starr</u> Christopher Starr	Executive Chairman of the Board and Director	March 26, 2018
<u>/s/ Raymond W. Anderson</u> Raymond W. Anderson	Director	March 26, 2018
<u>/s/ Michael Brown</u> Michael Brown	Director	March 26, 2018
<u>/s/ Arthur Klausner</u> Arthur Klausner	Director	March 26, 2018

## INDEX TO FINANCIAL STATEMENTS

	<b>Page</b>
Report of Independent Registered Public Accounting Firm	F-2
Balance Sheets as of December 31, 2017 and 2016	F-3
Statements of Operations for the Years Ended December 31, 2017 and 2016	F-4
Statements of Stockholders' Equity for the Years Ended December 31, 2017 and 2016	F-5
Statements of Cash Flows for the Years Ended December 31, 2017 and 2016	F-6
Notes to Financial Statements	F-7 to F-24

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of  
Monopar Therapeutics Inc.

### Opinion on the Financial Statements

We have audited the accompanying balance sheets of Monopar Therapeutics Inc. (the "Company") as of December 31, 2017 and 2016, the related statements of operations, stockholders' equity and cash flows, for each of the two years in the period ended December 31, 2017, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

### 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/ BPM LLP

We have served as the Company's auditor since 2015.

San Francisco, California

March 26, 2018



**Monopar Therapeutics Inc.**  
**Balance Sheet**

	December 31	
	2017	2016
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 8,981,894	\$ 2,072,611
Prepaid expenses and other current assets	149,342	22,562
Total current assets	9,131,236	2,095,173
Restricted cash	800,031	800,393
Total assets	\$ 9,931,267	\$ 2,895,566
<b>Liabilities and Equity</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 311,867	\$ 64,510
Total current liabilities	311,867	64,510
Long term liabilities		
Total liabilities	311,867	64,510
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Preferred stock, par value of \$0.001 per share, zero shares authorized at December 31, 2017, and 200,000 shares authorized at December 31, 2016; 115,894 shares issued and outstanding, aggregate liquidation preference of \$34,768,140 at December 31, 2016	—	116
Common stock, par value of \$0.001 per share, 40,000,000 authorized, 9,291,421 shares issued and outstanding at December 31, 2017; zero shares issued and outstanding at December 31, 2016	9,291	—
Additional paid-in capital	28,037,889	4,703,848
Accumulated deficit	(18,427,780)	(1,872,908)
Total stockholders' equity	9,619,400	2,831,056
Total liabilities and stockholders' equity	\$ 9,931,267	\$ 2,895,566

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

**Monopar Therapeutics Inc.**  
**Statements of Operations**

	December 31,	
	2017	2016
Revenues	\$ —	\$ —
	—	—
Operating expenses:		
Research and development	935,319	280,355
In-process research and development	14,501,622	—
General and administrative	1,166,186	912,474
Total operating expenses	16,603,127	1,192,829
Loss from operations	(16,603,127)	(1,192,829)
Other income:		
Interest and other income	48,255	7,232
Net loss	\$(16,554,872)	\$ (1,185,597)
Net loss per share:		
Basic and diluted	\$ (1.89)	N/A
Weighted average shares outstanding:		
Basic and diluted	8,782,037	N/A

**Monopar Therapeutics Inc.**  
**Statement of Stockholders' Equity**

	<b>Series A and Z Preferred Stock</b>		<b>Common Stock</b>		<b>Additional Paid- in Capital</b>	<b>Accumulated Deficit</b>	<b>Total Equity</b>
	<b>Shares</b>	<b>Amount</b>	<b>Shares</b>	<b>Amount</b>			
Balance at January 1, 2016	111,644	112	0	—	3,441,352	(687,311)	2,754,153
Issuance of Series A Preferred Stock at \$300 per share for cash, net of \$12,500 issuance costs	4,250	4	—	—	1,262,496	—	1,262,500
Net loss	—	—	—	—	—	(1,185,597)	(1,185,597)
Balance at December 31, 2016	115,894	116	0	—	4,703,848	(1,872,908)	2,831,056
Conversion of preferred stock to common stock	(115,894)	(116)	8,335,080	8,335	(8,219)	—	—
Issuance of common stock at \$6 per share for cash, net of \$32,400 issuance costs	—	—	789,674	790	4,704,856	—	4,705,646
Tactic Pharma shares surrendered	—	—	(2,888,727)	(2,889)	2,889	—	—
Shares issued in Gem transaction, net of issuance costs of \$169,257	—	—	3,055,394	3,055	18,329,310	—	18,332,365
Non-cash stock compensation	—	—	—	—	305,205	—	305,205
Net loss	—	—	—	—	—	(16,554,872)	(16,554,872)
Balance at December 31, 2017	—	\$ —	9,291,421	\$ 9,291	\$ 28,037,889	\$(18,427,780)	\$ 9,619,400

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

**Monopar Therapeutics Inc.**  
**Statement of Cash Flows**

	<b>December 31,</b>	
	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities:</b>		
Net loss	\$(16,554,872)	\$ (1,185,597)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock compensation expense (non-cash)	305,205	—
In process research and development (non-cash)	13,501,622	—
<b>Changes in operating assets and liabilities, net</b>		
Prepaid expenses and other current assets	(126,780)	298
Accounts payable and accrued expenses	247,357	(9,333)
Net cash used in operating activities	(2,627,468)	(1,194,632)
<b>Cash flows from financing activities:</b>		
Proceeds from sale of Series A Preferred Stock, net of \$12,500 of issuance costs	—	1,262,500
Cash received from Gem, net of \$169,257 of transaction costs	4,830,743	—
Proceeds from the sale of common stock, net of \$32,400 of issuance costs	4,705,646	—
Net cash provided by financing activities	9,536,389	1,262,500
Net increase in cash, cash equivalents and restricted cash	6,908,921	67,868
<b>Cash, cash equivalents and restricted cash at beginning of period</b>	2,873,004	2,805,136
<b>Cash, cash equivalents and restricted cash at end of period</b>	<b>\$ 9,781,925</b>	<b>\$ 2,873,004</b>
<b>Supplemental disclosure of non-cash items for cash flow information:</b>		
Value of shares issued in Gem transaction	18,332,365	-

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

**MONOPAR THERAPEUTICS INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

**Note 1 - Nature of Business and Liquidity**

*Nature of Business*

Monopar Therapeutics Inc. (the "Company") is an emerging biopharmaceutical company focused on developing innovative drug candidates to improve clinical outcomes in cancer patients. Monopar currently has three compounds in development: Validive® (clonidine mucobuccal tablet; clonidine MBT), a Phase 3-ready, first-in-class mucoadhesive local anti-inflammatory tablet for the prevention and treatment of radiation induced severe oral mucositis ("SOM") in oropharyngeal cancer patients; MNPR-201 (GPX-150; 5-imino-13-deoxydoxorubicin), a proprietary topoisomerase-II-alpha targeted analog of doxorubicin engineered specifically to retain the anticancer activity while minimizing toxic effects on the heart; and MNPR-101 (formerly huATN-658), a near-to-the-clinic humanized monoclonal antibody, which targets the urokinase plasminogen activator receptor ("uPAR"), for the treatment of advanced solid cancers.

The Company was originally formed in the State of Delaware on December 5, 2014 as a limited liability company ("LLC") and on December 16, 2015 converted to a C Corporation in a tax-free exchange. In March 2017, the Company's Series A Preferred Stock and Series Z Preferred Stock converted into common stock at a conversion rate of 1.2 for 1 and 1 for 1, respectively, along with a concurrent common stock split of 70 for 1 which eliminated all shares of Series A Preferred Stock and Series Z Preferred Stock. All references to common stock authorized, issued and outstanding and common stock options take into account the 70 for 1 stock split.

*Liquidity*

The Company has incurred an accumulated loss of approximately \$18.4 million as of December 31, 2017. To date, the Company has primarily funded its operations with the net proceeds from private placements of convertible preferred stock and common stock and from the cash provided in the Gem transaction discussed in detail in Note 6 below. Management believes that currently available resources will provide sufficient funds to enable the Company to meet its minimum obligations through March 2019. The Company's ability to fund its future operations, including the clinical development of Validive, is dependent primarily upon its ability to execute on its business strategy and obtain additional funding or execute collaboration research transactions. There can be no certainty that future financing or collaborative research transactions will occur.

**Note 2 - Significant Accounting Policies**

*Basis of Presentation*

These financial statements include the books of Monopar Therapeutics Inc., its French branch and its wholly-owned French subsidiary, Monopar Therapeutics, SARL and have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") and include all disclosures required by GAAP for financial reporting. The principal accounting policies applied in the preparation of these financial statements are set out below and have been consistently applied in all periods presented. The Company has been primarily involved in performing research activities, developing product technologies, and raising capital to support and expand these activities.

*Comprehensive Loss*

Comprehensive loss represents net loss plus any gains or losses not reported in the statements of operations, such as foreign currency translations gains and losses that are typically reflected on a company's statements of stockholders' equity. There were no differences between net loss for the years ended December 31, 2017 and 2016, and comprehensive loss for those periods.

**MONOPAR THERAPEUTICS INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

***Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and reported amounts of revenues and expenses in the financial statements and accompanying notes. Actual results could differ from those estimates.

***Going Concern Assessment***

The Company adopted Accounting Standards Updates (“ASU”) 2014-15, *Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern*, which the Financial Accounting Standards Board (“FASB”) issued to provide guidance on determining when and how reporting companies must disclose going-concern uncertainties in their financial statements. The ASU requires management to perform interim and annual assessments of an entity’s ability to continue as a going concern within one year of the date of issuance of the entity’s financial statements (or within one year after the date on which the financial statements are available to be issued, when applicable). Further, a company must provide certain disclosures if there is “substantial doubt about the entity’s ability to continue as a going concern.” In February 2018, the Company analyzed its minimum cash requirements through March 2019 and has determined that, based upon the Company’s current available cash, the Company has no substantial doubt about its ability to continue as a going concern.

***Cash Equivalents***

The Company considers all highly liquid investments purchased with an original maturity of 90 days or less to be cash equivalents. Cash equivalents as of December 31, 2017 and December 31, 2016 consist entirely of money market accounts.

***Restricted Cash***

On July 9, 2015, the Company entered into a Clinical Trial and Option Agreement (“CTOA”) with Cancer Research UK. Pursuant to the CTOA, the Company deposited \$0.8 million into an escrow account to cover certain future indemnities, claims or potential termination costs incurred by Cancer Research UK. Restricted cash was \$0.8 million as of December 31, 2017 and December 31, 2016.

***Prepaid Expenses***

Prepayments are expenditures for goods or services before the goods are used or the services are received and are charged to operations as the benefits are realized. Prepaid expenses include insurance premiums and software costs that are expensed monthly over the life of the contract and prepaid legal patent fees that will be expensed as incurred.

***Concentration of Credit Risk***

Financial instruments that potentially subject the Company to concentration of credit risk consist of cash and cash equivalents and restricted cash. The Company maintains cash and cash equivalents at one financial institution and restricted cash at another financial institution. As of December 31, 2017, and December 31, 2016, cash and cash equivalents and restricted cash balances at these two financial institutions were in excess of the \$250,000 Federal Deposit Insurance Corporation (“FDIC”) insurable limit.

***Fair Value of Financial Instruments***

For financial instruments consisting of cash and cash equivalents, prepaid expenses, deferred offering costs, accounts payable and accrued expenses, the carrying amounts are reasonable estimates of fair value due to their relatively short maturities.

**MONOPAR THERAPEUTICS INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

The Company adopted Accounting Standard Codification (“ASC”) 820, *Fair Value Measurements and Disclosures*, as amended, addressing the measurement of the fair value of financial assets and financial liabilities. Under this standard, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date.

In determining fair values of all reported assets and liabilities that represent financial instruments, the Company uses the carrying market values of such amounts. The standard establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources. Unobservable inputs reflect a reporting entity’s pricing an asset or liability developed based on the best information available in the circumstances. The fair value hierarchy consists of the following three levels:

*Level 1* - instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

*Level 2* - instrument valuations are obtained from readily-available pricing sources for comparable instruments.

*Level 3* - instrument valuations are obtained without observable market values and require a high-level of judgment to determine the fair value.

Determining which category an asset or liability falls within the hierarchy requires significant judgment. The Company evaluates its hierarchy disclosures each reporting period. There were no transfers between Level 1, 2 or 3 of the fair value hierarchy during the years ended December 31, 2017 and 2016. The following table presents the assets and liabilities recorded that are reported at fair value on our balance sheets on a recurring basis.

***Assets and Liabilities Measured at Fair Value on a Recurring Basis***

<u>December 31, 2017</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Assets			
Cash equivalents(1)	\$ 8,872,982	\$ -	\$ 8,872,982
Restricted cash(2)	31	800,000	800,031
<b>Total</b>	<b><u>\$ 8,873,013</u></b>	<b><u>\$ 800,000</u></b>	<b><u>\$ 9,673,013</u></b>

(1) Cash equivalents represent the fair value of the Company’s investments in two money market accounts at December 31, 2017.

(2) Restricted cash represents the fair value of the Company’s investments in an \$800,000 certificate of deposit and \$31 in a money market account at December 31, 2017.

<u>December 31, 2016</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Assets			
Cash equivalents(1)	\$ 2,009,018	\$ -	\$ 2,009,018
Restricted cash(2)	393	800,000	800,393
<b>Total</b>	<b><u>\$ 2,009,411</u></b>	<b><u>\$ 800,000</u></b>	<b><u>\$ 2,809,411</u></b>

(1) Cash equivalents represent the fair value of the Company’s investments in a money market account at December 31, 2016.

(2) Restricted cash represents the fair value of the Company’s investments in an \$800,000 certificate of deposit and \$393 in a money market account at December 31, 2016.

***Net Loss per Share***

Net loss per share for the year ended December 31, 2017 is calculated by dividing net loss by the weighted-average shares of common stock outstanding during the period. Diluted net loss per share for the year ended December 31, 2017 is calculated by dividing net loss by the weighted-average shares of common stock outstanding and potential

**MONOPAR THERAPEUTICS INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

shares of common stock during the period. As of December 31, 2017, potentially dilutive securities included 658,592 options to purchase common stock.

During the year ended December 31, 2016 there were no shares of common stock outstanding.

***Research and Development Expenses***

Research and development (“R&D”) costs are expensed as incurred. Major components of research and development expenses include salaries and benefits paid to the Company’s R&D staff, fees paid to consultants and to the entities that conduct certain development activities on the Company’s behalf and materials and supplies.

The Company accrues and expenses the costs for clinical trial activities performed by third parties based upon estimates of the percentage of work completed over the life of the individual study in accordance with agreements established with contract research organizations and clinical trial sites. The Company determines the estimates through discussions with internal clinical personnel and external service providers as to progress or stage of completion of trials or services and the agreed upon fee to be paid for such services. Costs of setting up clinical trial sites for participation in the trials are expensed immediately as research and development expenses. Clinical trial site costs related to patient enrollment are accrued as patients are entered into the trial. During the year ended December 31, 2017 and 2016, the Company had no clinical trials in progress.

***In-process Research and Development***

In-process research and development expense represents the costs to acquire technologies to be used in research and development that have not reached technological feasibility, have no alternative future uses and thus are expensed as incurred. IPR&D expense also includes upfront license fees and milestones paid to collaborators, with no alternative use, which are expensed as goods are received or services rendered.

***Collaborative Arrangements***

The Company and its collaborative partner are active participants in a collaborative arrangement and all parties are exposed to significant risks and rewards depending on the technical and commercial success of the activities. Contractual payments to the other party in the collaboration agreement and costs incurred by the Company when the Company is deemed to be the principal participant for a given transaction are recognized on a gross basis in research and development expenses. Royalties and license payments are recorded as earned.

During the years ended December 31, 2017 and 2016, no milestones were met and no royalties were earned, therefore, the Company did not pay or accrue/expense any milestone or royalty payments.

***Licensing Agreements***

The Company has various agreements to license technology utilized in the development of its programs. The licenses contain success milestone obligations and royalties on future sales. During the year ended December 31, 2017 and 2016, no milestones were met and no royalties were earned, therefore, the Company did not pay or accrue/expense any milestone or royalty payments under any of its license agreements.

***Patent Costs***

The Company expenses costs relating to issued patents and patent applications, including costs relating to legal, renewal and application fees, as a component of general and administrative expenses in its statements of operations.



**MONOPAR THERAPEUTICS INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

***Income Taxes***

From December 2014 to December 16, 2015, the Company was an LLC taxed as a partnership under the Internal Revenue Code, during which period the members separately accounted for their pro-rata share of income, deductions, losses, and credits of the Company. On December 16, 2015, the Company converted from an LLC to a C Corporation. Beginning on December 16, 2015, the Company uses an asset and liability approach for accounting for deferred income taxes, which requires recognition of deferred income tax assets and liabilities for the expected future tax consequences of events that have been recognized in its financial statements, but have not been reflected in its taxable income. Estimates and judgments occur in the calculation of certain tax liabilities and in the determination of the recoverability of certain deferred income tax assets, which arise from temporary differences and carry forwards. Deferred income tax assets and liabilities are measured using the currently enacted tax rates that apply to taxable income in effect for the years in which those tax assets and liabilities are expected to be realized or settled.

The Company regularly assesses the likelihood that its deferred income tax assets will be realized from recoverable income taxes or recovered from future taxable income. To the extent that the Company believes any amounts are more likely not to be realized, the Company records a valuation allowance to reduce the deferred income tax assets. In the event the Company determines that all or part of the net deferred tax assets are not realizable in the future, an adjustment to the valuation allowance would be charged to earnings in the period such determination is made. Similarly, if the Company subsequently realizes deferred income tax assets that were previously determined to be unrealizable, the respective valuation allowance would be reversed, resulting in an adjustment to earnings in the period such determination is made.

Internal Revenue Code Section 382 provides that, after an ownership change, the amount of a loss corporation's net operating loss ("NOL") for any post-change year that may be offset by pre-change losses shall not exceed the section 382 limitation for that year. Because the Company will continue to raise equity in the coming years, section 382 may limit the Company's usage of NOLs in the future.

Based on the available evidence, the Company believed it was not likely to utilize its minimal deferred tax assets in the future and as a result, the Company recorded a full valuation allowance as of December 31, 2017 and 2016. The Company intends to maintain the valuation allowance until sufficient evidence exists to support their reversal. The Company regularly reviews its tax positions and for a tax benefit to be recognized, the related tax position must be more likely than not to be sustained upon examination. Any amount recognized is generally the largest benefit that is more likely than not to be realized upon settlement. The Company's policy is to recognize interest and penalties related to income tax matters as an income tax expense. For the years ended December 31, 2017 and 2016, the Company did not have any interest or penalties associated with unrecognized tax benefits.

The Company is subject to U.S. Federal, Illinois and California income taxes. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply. The Company was incorporated on December 16, 2015 and is subject to U.S. Federal, state and local tax examinations by tax authorities for the years ended December 31, 2017 and 2016 and for the short tax period December 16, 2015 to December 31, 2015. The Company does not anticipate significant changes to its current uncertain tax positions through December 31, 2017. The Company plans on filing its tax returns for the year ending December 31, 2017 prior to the filing deadlines in all jurisdictions.

**MONOPAR THERAPEUTICS INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

***Stock-Based Compensation***

The Company accounts for stock-based compensation arrangements with employees, nonemployee directors and consultants using a fair value method, which requires the recognition of compensation expense for costs related to all stock-based payments, including stock options. The fair value method requires the Company to estimate the fair value of stock-based payment awards on the date of grant using an option pricing model.

Stock-based compensation costs for options granted to employees and nonemployee directors are based on the fair value of the underlying option calculated using the Black-Scholes option-pricing model on the date of grant for stock options and recognized as expense on a straight-line basis over the requisite service period, which is the vesting period. Determining the appropriate fair value model and related assumptions requires judgment, including estimating stock price volatility, forfeiture rates and expected term. The expected volatility rates are estimated based on the actual volatility of comparable public companies over the expected term. The Company selected these companies based on comparable characteristics, including enterprise value, risk profiles, stage of development and with historical share price information sufficient to meet the expected life of the stock-based awards. The expected term for options granted to date is estimated using the simplified method. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The Company has not paid dividends and does not anticipate paying a cash dividend in the future vesting period and, accordingly, uses an expected dividend yield of zero. The risk-free interest rate is based on the rate of U.S. Treasury securities with maturities consistent with the estimated expected term of the awards. The measurement of consultant share-based compensation is subject to periodic adjustments as the underlying equity instruments vest and is recognized as an expense over the period over which services are rendered.

***Recent Accounting Pronouncements***

In August 2014, FASB issued ASU 2014-15, *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, which provides guidance on determining when and how reporting companies must disclose going-concern uncertainties in their financial statements. The ASU requires management to perform interim and annual assessments of an entity's ability to continue as a going concern within one year of the date of issuance of the entity's financial statements (or within one year after the date on which the financial statements are available to be issued, when applicable). Further, a company must provide certain disclosures if there is "substantial doubt about the entity's ability to continue as a going concern." This ASU became effective for annual periods ending after December 15, 2016 and interim periods within annual periods beginning after December 15, 2016. The Company has adopted this new accounting standard in its financial statements and footnote disclosures.

In November 2015, the FASB issued ASU 2015-17, *Balance Sheet Classification of Deferred Taxes*. This is part of FASB's simplification initiative. The amendments in this ASU require that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. This ASU became effective for the Company in the first quarter of 2017. The Company has adopted this ASU and determined that it does not have a material effect on its financial condition and results of operations for the year ended December 31, 2017.

In January 2016, the FASB issued ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*. The purpose is to enhance the reporting model for financial instruments to provide users of financial statements with more decision-useful information. This ASU is effective for the Company in the first quarter of 2018. Early adoption is not permitted except for limited provisions. The Company does not expect the adoption of this amendment to have a material effect on its financial condition and results of operations.

**MONOPAR THERAPEUTICS INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

In February 2016, the FASB issued ASU 2016-02, *Leases*, which for operating leases, requires a lessee to recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, in its balance sheet. The standard also requires a lessee to recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term, generally on a straight-line basis. ASU 2016-02 will be effective for the Company in the first quarter of 2019, and early adoption is permitted. The Company is currently assessing the impact that adopting this new accounting standard will have on its financial statements and footnote disclosures.

In March 2016, the FASB issued ASU 2016-09, *Improvements to Employee Share-Based Payment Accounting*, which simplifies several aspects of the accounting for employee share-based payment transactions for both public and nonpublic companies, including the accounting for income taxes, forfeitures, and statutory tax withholding requirements, as well as classification in the statement of cash flows. The ASU became effective for the Company in the first quarter of 2017. The Company has adopted this ASU and determined that it does not have a material effect on its financial condition and results of operations for the year ended December 31, 2017.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. The amendments apply to all entities that have restricted cash or restricted cash equivalents and are required to present a statement of cash flows. The amendments address diversity in practice that exists in the classification and presentation of changes in restricted cash on the statement of cash flows. The amendments require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. As a result, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments do not provide a definition of restricted cash or restricted cash equivalents. The amendments are effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted. The Company has early adopted the amendments and has applied them using a retrospective transition method to each period presented. Therefore, the Company has included restricted cash in cash equivalents and restricted cash on its statements of cash flows for the years ended December 31, 2017 and 2016.

In January 2017, the FASB issued ASU No. 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business* (“ASU No. 2017-01”). The amendments in ASU No. 2017-01 clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The definition of a business affects many areas of accounting including acquisitions, disposals, goodwill and consolidation. For public companies, the amendments are effective for annual periods beginning after December 15, 2017, including interim periods within those periods. For all other companies and organizations, the amendments are effective for annual periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. The Company is currently assessing the impact that adopting this new accounting standard will have on its financial statements and footnote disclosures.

In May 2017, the FASB issued ASU No. 2017-09, *Compensation-Stock Compensation (Topic 718): Scope of Modification Accounting*. The amendment amends the scope of modification accounting for share-based payment arrangements, provides guidance on the types of changes to the terms or conditions of share-based payment awards to which an entity would be required to apply modification accounting under ASC 718. This ASU is effective for all entities for annual periods, and interim periods within those annual periods, beginning after December 15, 2017. Early adoption is permitted, including adoption in any interim period for: (a) public business entities for reporting periods for which financial statements have not yet been issued, and (b) all other entities for reporting periods for which financial statements have not yet been made available for issuance. The Company is currently assessing the impact that adopting this new accounting standard will have on its financial statements and footnote disclosures.

**MONOPAR THERAPEUTICS INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

In July 2017, the FASB issued ASU No. 2017-11, *Earnings Per Share (Topic 260) Distinguishing Liabilities from Equity (Topic 480) Derivatives and Hedging (Topic 815) (Part I) Accounting for Certain Financial Instruments with Down Round Features, (Part II) Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception*. This ASU simplifies the accounting for certain financial instruments with down round features, a provision in an equity-linked financial instrument (or embedded feature) that provides a downward adjustment of the current exercise price based on the price of future equity offerings. Down round features are common in warrants, convertible preferred shares, and convertible debt instruments issued by private companies and development-stage public companies. This new ASU requires companies to disregard the down round feature when assessing whether the instrument is indexed to its own stock, for purposes of determining liability or equity classification. The provisions of this new ASU related to down rounds are effective for public business entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted for all entities. The Company is currently assessing the impact that adopting this new accounting standard will have on its financial statements and footnote disclosures.

**Note 3 - Capital Stock**

On December 16, 2015, the Company converted from an LLC to a C Corporation at which time the Company effected a 1 for 10 reverse stock split. All references to preferred stock authorized, issued and outstanding and common stock authorized take into account the 1 for 10 reverse stock split. In March 2017, the Company's Series A Preferred Stock and Series Z Preferred Stock converted to common stock at a conversion rate of 1.2 for 1 and 1 for 1, respectively, along with a simultaneous common stock split of 70 for 1 and the elimination all shares of Series A Preferred Stock and Series Z Preferred Stock (collectively, the "Conversion"). 100,000 shares of Series Z Preferred Stock were converted into 7,000,000 shares of common stock and 15,894 shares of Series A Preferred Stock were converted into 1,335,079 shares of common stock. All references to common stock authorized, issued and outstanding and common stock options take into account the 70 for 1 stock split.

Holders of the common stock are entitled to receive such dividends as may be declared by the Board of Directors out of funds legally available therefor. Upon dissolution and liquidation of the Company, holders of the common stock are entitled to a ratable share of the net assets of the Company remaining after payments to creditors of the Company. The holders of shares of common stock are entitled to one vote per share for the election of directors and on all other matters submitted to a vote of stockholders.

The Company's amended and restated certificate of incorporation authorizes the Company to issue 40,000,000 shares of common stock with a par value of \$0.001 per share.

***Contribution to Capital***

In August 2017, the Company's largest stockholder, Tactic Pharma, LLC ("Tactic Pharma"), surrendered 2,888,727.12 shares of common stock back to the Company as a contribution to the capital of the Company. This resulted in reducing Tactic Pharma's ownership in Monopar from 79.5% to 69.9%.

***Sales of Common Stock***

Pursuant to an active private placement memorandum, during the period from July 1, 2017 through September 30, 2017, Monopar sold 448,834 shares of common stock at \$6 per share for proceeds of approximately \$2.7 million. This financing closed on September 30, 2017.

**MONOPAR THERAPEUTICS INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

***Issuance of Common Stock in the Gem Transaction***

Pursuant to the Gem Transaction, discussed in detail in Note 6 below, the Company issued 3,055,394.12 shares of its common stock in exchange for cash and intellectual property related to GPX-150 (renamed MNPR-201).

As of December 31, 2017, the Company had 9,291,420.614 shares of common stock issued and outstanding. The Company no longer has any shares of preferred stock authorized or outstanding.

In April 2016, the Company adopted the 2016 Stock Incentive Plan and the Company's Board of Directors reserved 700,000 shares of common stock for issuances under the plan (as adjusted subsequent to the Conversion). In October 2017, the Company's Board of Directors increased the stock option pool to 1,600,000 shares of common stock.

**Note 4 - Stock Option Plan**

In April 2016, the Company's Board of Directors and the convertible preferred stockholders representing a majority of the Company's outstanding stock approved, the Monopar Therapeutics Inc. 2016 Stock Incentive Plan (the "Plan") allowing the Company to grant up to an aggregate 700,000 shares of stock awards, stock options, stock appreciation rights and other stock-based awards to employees, directors and consultants. Concurrently, the Board of Directors granted to certain Board members and the Company's acting chief financial officer stock options to purchase up to an aggregate 273,000 shares of the Company's common stock at an exercise price of \$0.001 par value based upon a third-party valuation of the Company's common stock.

In December 2016, the Board of Directors granted stock options to purchase up to 7,000 shares of the Company's common stock at an exercise price of \$0.001 par value to the Company's acting chief medical officer.

In February 2017, the Board of Directors granted to certain Board members and the Company's acting chief financial officer stock options to purchase up to an aggregate 275,520 shares of the Company's common stock at an exercise price of \$0.001 par value based upon a third-party valuation of the Company's common stock. In September 2017, the Board of Directors represented by the designated Plan Administrator, granted options to purchase up to 21,024 shares of common stock to each of the three new Board members at an exercise price of \$6 per share based on the price per share at which common stock was sold in the Company's most recent private offering.

Under the Plan, the per share exercise price for the shares to be issued upon exercise of an option shall be determined by the Plan administrator, except that the per share exercise price shall be no less than 100% of the fair market value per share on the grant date. Fair market value is established by the Company's Board of Directors, using third party valuation reports and recent financings. Options generally expire after ten years.

**MONOPAR THERAPEUTICS INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

Stock option activity under the Plan was as follows:

	Options Outstanding		
	Options Available	Number of Options	Weighted-Average Exercise Price
<b>Balances at January 1, 2016</b>	—	—	\$ —
Initial option pool	700,000		
Granted (1)	(280,000)	280,000	0.001
Forfeited	—	—	—
Exercised	—	—	—
<b>Balances at December 31, 2016</b>	<b>420,000</b>	<b>280,000</b>	<b>0.001</b>
Option pool increase (2)	900,000	—	—
Granted (3)	(378,592)	378,592	1.63
Forfeited	—	—	—
Exercised	—	—	—
<b>Balances at December 31, 2017</b>	<b>941,408</b>	<b>658,592</b>	<b>0.94</b>

- (1) 273,000 options vested 50% upon grant date, 25% upon the 6-month anniversary of grant date and 25% upon the 1-year anniversary of grant date; 7,000 options vested monthly over 6 months.
- (2) In October 2017, the Company's Board of Directors increased the option pool to 1,600,000 shares.
- (3) 336,544 options vest 6/48ths at the six-month anniversary of grant date and 1/48th per month thereafter 21,024 options vest 6/24ths on the six-month anniversary of grant date and 1/24th per month thereafter; and 21,024 options vest 6/42nds on the six-month anniversary of grant date and 1/42nd per month thereafter.

A summary of options outstanding as of December 31, 2017 is shown below:

Exercise Prices	Number of Shares Outstanding	Weighted Average Remaining Contractual Term	Number of Shares Fully Vested and Exercisable	Weighted Average Remaining Contractual Term
\$ 0.001	555,520	8.7 years	337,400	8.4 years
\$ 6.00	103,072	9.6 years	—	N/A
	<b>658,592</b>		<b>337,400</b>	

During the years ended December 31, 2017 and 2016, the Company recognized \$26,864 and \$0 of employee and non-employee director stock-based compensation expense as general and administrative expenses, respectively, and \$26,499 and \$0 as research and development expenses, respectively. The compensation expense is allocated on a departmental basis, based on the classification of the option holder. No income tax benefits have been recognized in the statements of operations for stock-based compensation arrangements.

**MONOPAR THERAPEUTICS INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

The Company recognizes as an expense the fair value of options granted to persons who are neither employees nor directors. The fair value of expensed options was based on the Black-Scholes option-pricing model assuming the following factors: 6.1 to 5.3 years expected term, 57% volatility, 2.2% to 1.2% risk free interest rate and zero dividends. The expected term for options granted to date is estimated using the simplified method. Stock-based compensation expense for non-employees for the years ended December 31, 2017 and 2016 was \$251,842 and \$0, respectively, of which \$199,769 and \$0, respectively was recorded as research and development expenses and \$52,073 and \$0, respectively, as general and administrative expenses. For the years ended December 31, 2017 and 2016: the weighted average grant date fair value was \$0.88 and \$0.00 per share, respectively; and the fair value of shares vested were approximately \$0.3 million and nominal, respectively. At December 31, 2017, the aggregate intrinsic value was approximately \$3.3 million of which approximately \$2.0 million was vested and approximately \$1.3 million is expected to vest and the weighted average exercise price in aggregate was \$0.94 which includes \$0.001 for fully vested stock options and \$1.93 for stock options expected to vest. At December 31, 2017 unamortized unvested balance of stock base compensation was \$925,126, to be amortized over 3.3 years.

**Note 5 - Development and Collaboration Agreements**

***Onxeo SA***

The pre-negotiated Onxeo license agreement for Validive included as part of the option agreement includes clinical, regulatory, developmental and sales milestones that could reach up to \$108 million if the Company achieves all milestones, and escalating royalties on net sales from 5 - 10%. On September 8, 2017, the Company exercised the option, and therefore was required to pay Onxeo the \$1 million fee under the option and license agreement.

Under the agreement, the Company is required to pay royalties to Onxeo on a product-by-product and country-by-country basis until the later of (1) the date when a given product is no longer within the scope of a patent claim in the country of sale or manufacture, (2) the expiry of any extended exclusivity period in the relevant country (such as orphan drug exclusivity, pediatric exclusivity, new chemical entity exclusivity, or other exclusivity granted beyond the expiry of the relevant patent), or (3) a specific time period after the first commercial sale of the product in such country. In most countries, including the U.S., the patent term is generally 20 years from the earliest claimed filing date of a non-provisional patent application in the applicable country, not taking into consideration any potential patent term adjustment that may be filed in the future or any regulatory extensions that may be obtained. The royalty termination provision pursuant to (3) described above is shorter than 20 years and is the least likely cause of termination of royalty payments.

The Onxeo license agreement does not have a pre-determined term, but expires on a product-by-product and country-by-country basis; that is, the agreement expires with respect to a given product in a given country whenever the Company's royalty payment obligations with respect to such product have expired. The agreement may also be terminated early for cause if either the Company or Onxeo materially breach the agreement, or if either the Company or Onxeo become insolvent. The Company may also choose to terminate the agreement, either in its entirety or as to a certain product and a certain country, by providing Onxeo with advance notice.

The Company plans to internally develop Validive with the near-term goal of commencing a Phase 3 clinical trial, which, if successful, may allow the Company to apply for marketing approval within the next few years. The Company will need to raise significant funds to support the further development of Validive.

**Cancer Research UK**

In May 2015, the Company entered into a CTOA with Cancer Research UK and Cancer Research Technology Limited, a wholly-owned subsidiary of Cancer Research UK. As part of the CTOA, the Company was obligated to submit \$0.8 million in escrow to cover certain potential future claims, intellectual property infringement costs or termination costs incurred by Cancer Research UK. Pursuant to this agreement Cancer Research UK conducted preclinical work, improved the manufacturing, and planned to conduct a Phase 1a/1b clinical trial in cancer patients. As part of a portfolio reprioritization review, on March 21, 2018 Cancer Research UK notified the Company that it was terminating the CTOA and would work to transfer to the Company the data generated under the CTOA. The Company is currently reviewing potential alternative collaboration opportunities for MNPR-101 and continues to maintain the program's intellectual property portfolio.

**MONOPAR THERAPEUTICS INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

***XOMA Ltd.***

The intellectual property rights contributed by Tactic Pharma to the Company included the non-exclusive license agreement with XOMA Ltd. for the humanization technology used in the development of MNPR-101. Pursuant to such license agreement, the Company is obligated to pay XOMA Ltd. clinical, regulatory and sales milestones for MNPR-101 that could reach up to \$14.925 million if the Company achieves all milestones. The agreement does not require the payment of sales royalties. There can be no assurance that the Company will reach any milestones. As of December 31, 2017, the Company has not reached any milestones and has not been required to pay XOMA Ltd. any funds under this license agreement.

**Note 6 - The Gem Transaction**

On August 25, 2017, the Company executed definitive agreements with Gem Pharmaceuticals, LLC (“Gem”), pursuant to which Gem formed a limited liability company, TacticGem LLC (“TacticGem”) with Tactic Pharma, the Company’s largest shareholder at that time. Gem contributed certain of Gem’s drug candidates’ intellectual property and agreements associated primarily with Gem’s GPX-150 (renamed MNPR-201) drug candidate program, along with \$5,000,000 in cash (the “Gem Contributed Assets”) to TacticGem for a 42.633% interest, and Tactic Pharma contributed 4,111,272.88 shares of common stock of Monopar to TacticGem for a 57.367% interest. Then, TacticGem contributed the Gem Contributed Assets to the Company in exchange for 3,055,394.12 newly issued shares of common stock of the Company (31.4% on a fully-diluted basis) (the two contributions collectively, the “Gem Transaction”). The Gem Transaction closed on August 25, 2017. Following the Gem Transaction, TacticGem owns 7,166,667 (77.1%) shares of Monopar’s common stock as of December 31, 2017.

The transaction was recorded as an asset acquisition on August 25, 2017 as follows:

Cash recorded on the Company’s Balance Sheet	\$ 5,000,000
Assembled Workforce recorded as In-process Research and Development Expense on the Company’s Statement of Operations	9,886
MNPR-201 (GPX-150) recorded as In-process Research and Development Expense on the Company’s Statement of Operations	13,491,736
Total Gem Transaction	<u>\$18,501,622</u>

Within 90 days of the effective date of the transaction, the Company was required to use its best efforts to file a Form 10 to register its common stock under the Securities Exchange Act of 1934. The Company filed its Form 10 on November 9, 2017. Additionally, Arthur Klausner, current CEO of Gem, has been added to the Company’s Board of Directors and will remain on the Board of Directors at least until the Company achieves a listing on a major stock exchange (such as Nasdaq or NYSE). Richard Olson and Gerald Walsh, CSO and President of Gem, respectively, have been retained with one-year consulting agreements to aid in an efficient transfer of Gem’s GPX-150 (renamed MNPR-201) and associated programs.

It is anticipated that this transaction will increase the Company’s annual cash burn by at least \$750,000, and will be significantly higher if the Company chooses to conduct clinical trials with the Gem drug candidate programs.



**MONOPAR THERAPEUTICS INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

**Note 7 - Related Party Transactions**

During the years ended December 31, 2017 and 2016, the Company was advised by four members of its Board of Directors, who were Managers of the LLC prior to the Company's conversion to a C Corporation. The four former Managers are also current common stockholders (owning approximately an aggregate 3% of the common stock outstanding as of December 31, 2017). Three of the former Managers are also Managing Members of Tactic Pharma the Company's largest and controlling stockholder (beneficially owning 46% of the Company at December 31, 2017 and in partnership with Gem through TacticGem owning 77%). Monopar paid Managing Members of Tactic Pharma the following during the years ended December 31, 2017 and 2016: Chandler D. Robinson, the Company's Co-Founder, Chief Executive Officer, common stockholder, Managing Member of Tactic Pharma and former Manager of the predecessor LLC \$346,545 and \$322,000, respectively; and Andrew P. Mazar, the Company's Co-Founder, Chief Scientific Officer, common stockholder, Managing Member of Tactic Pharma and former Manager of the predecessor LLC, \$300,731 and \$197,500, respectively. The Company also paid Christopher M. Starr, the Company's Co-Founder, Executive Chairman of the Board of Directors, common stockholder and former Manager of the predecessor LLC \$100,897 and \$96,339 during the years ended December 31, 2017 and 2016, respectively.

In the normal course of business, the Company's Chief Executive Officer, Board Members and consultants incur expenses on behalf of the Company and are reimbursed within 30 days of submission of relevant expense reports.

The Company reimbursed Tactic Pharma, a *de minimis* amount in monthly storage fees during the years ended December 31, 2017 and 2016. In March 2017, Tactic Pharma wired \$1 million to the Company in advance of the sale of the Company's common stock at \$6 per share under a private placement memorandum. In April, the Company issued to Tactic Pharma 166,667 shares in exchange for the \$1 million at \$6 per share once the Company began selling stock to unaffiliated parties under the private placement memorandum. In August 2017, Tactic Pharma surrendered 2,888,727 shares of common stock back to the Company as a contribution to the capital of the Company. This resulted in reducing Tactic Pharma's ownership in Monopar from 79.5% to 69.9%. Following the surrender of the common stock, Tactic Pharma contributed 4,111,272.88 shares of its holdings in Monopar's common stock to TacticGem pursuant to the Gem Transaction discussed in detail in Note 6 above. As of December 31, 2017, Tactic Pharma beneficially owned 46% of Monopar's common stock, and TacticGem owned 77% of Monopar's common stock.

During the years ended December 31, 2017 and 2016, the Company paid or accrued legal fees to a large national law firm, in which a family member of the Company's Chief Executive Officer is a law partner, approximately \$300,140 and \$54,000, respectively. The family member personally billed a *de minimis* amount of time on the Company's legal engagement with the law firm in these periods.

**Note 8 – Income Taxes**

ASC 740 requires that the tax benefit of net operating losses, temporary differences, and credit carryforwards be recorded as an asset to the extent that management assesses that realization is "more likely than not." Realization of the future tax benefits is dependent on the Company's ability to generate sufficient taxable income within the carryforward period. The Company has reviewed the positive and negative evidence relating to the realizability of the deferred tax assets and has concluded that the deferred tax assets are not more likely than not to be realized with the exception of \$4,358 of U.S. Federal R&D tax credits. These tax credits will be utilized to reduce payroll taxes in 2018. Accordingly, the valuation allowance has not been released related to these assets with the exception of \$4,000 in U.S. Federal R&D tax credits. The valuation allowance increased by approximately \$470,000 and \$460,000 during the years ended December 31, 2017 and 2016, respectively.

**MONOPAR THERAPEUTICS INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

The provision for income taxes for December 31, 2017 and 2016 consists of the following:

	As of December 31,	
	2017	2016
Current:		
Federal	\$ -	\$ -
State	800	800
Total current	800	800
Deferred:		
Federal	980,176	463,520
State	25,169	71,734
Total deferred	1,005,345	535,254
Full valuation allowance	(1,000,987)	(535,254)
Total provision <sup>(1)</sup>	\$ (3,558)	\$ 800

(1) Total provision consists of U.S. Federal R&D credits, net of California minimum tax.

The difference between the effective tax rate and the U.S. federal tax rate is as follows:

	%
Federal income tax	34.00%
State income taxes, less federal benefit	0.07%
Tax credits	0.09%
Permanent differences	-27.38%
Tax basis intangibles	-4.90%
Change in valuation allowance	-1.88%
Other (Release of VA)	0.03%
Effective tax rate benefit (expense)	0.03%

**MONOPAR THERAPEUTICS INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

Deferred tax assets and liabilities consist of the following:

	<u>As of December 31,</u>	
	<u>2017</u>	<u>2016</u>
<b>Deferred tax assets:</b>		
Net operating loss carryforwards	\$ 186,019	\$ 111,245
Tax credit carryforwards	30,143	4,470
Stock compensation	58,536	—
Intangible asset basis differences	730,647	419,539
Gross deferred tax assets	1,005,345	535,254
Valuation allowance	(1,000,987)	(535,254)
Total deferred tax assets, net of valuation allowance	<u>4,358</u>	<u>0</u>
<b>Deferred tax liabilities:</b>		
Net deferred tax liability	—	—
Net deferred taxes	<u>\$ 4,358</u>	<u>\$ 0</u>

As of December 31, 2017, Company had federal net operating loss carryforwards of approximately \$820,000 which will begin to expire in 2035 for federal tax purposes. At December 31, 2017, the Company had state net operating loss carryforwards of approximately \$260,000 which will begin to expire in 2027. The net operating loss related deferred tax assets do not include excess tax benefits from employee stock option exercises.

As of December 31, 2017, Company had R&D credit carryforwards of approximately \$19,000 and \$14,000 available to reduce future taxable income, if any, for both federal and state income tax purposes, respectively. In addition, Company had \$4,358 available to reduce future payroll taxes, if any, for Federal tax purposes. The federal R&D credit carryforwards expire beginning 2035 and Illinois R&D credit carryforwards expire beginning 2020.

The Tax Reform Act of 1986 limits the use of net operating carryforwards in certain situations where changes occur in the stock ownership of a company. In the event the Company has had a change in ownership, utilization of the carryforwards could be limited. The Company has not performed such a study.

On January 1, 2015, the Company adopted the provisions of FASB Accounting Standards Codification (ASC 740-10), " *Accounting for Uncertainty in Income Taxes*." ASC 740-10 prescribes a comprehensive model for the recognition, measurement, presentation and disclosure in financial statements of any uncertain tax positions that have been taken or expected to be taken on a tax return. The cumulative effect of adopting ASC 740-10 resulted in no adjustment to retained earnings as of December 31, 2017. It is Company's policy to include penalties and interest expense related to income taxes as a component of other expense and interest expense, respectively, as necessary.

No liability related to uncertain tax positions is recorded on the financial statements related to uncertain tax positions. There are no unrecognized tax benefits as of December 31, 2017. The Company does not expect that uncertain tax benefits will materially change in the next 12 months.

**MONOPAR THERAPEUTICS INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

Company files U.S. federal, California and Illinois State tax returns. Company is subject to California State minimum franchise taxes. All tax returns will remain open for examination by the federal and state taxing authorities for three and four years, respectively, from the date of utilization of any net operating loss carryforwards or R&D credits.

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 was enacted by the U.S. President. The Tax Cuts and Jobs Act of 2017 is effective as of January 1, 2018. In accordance with ASC guidance, deferred tax assets/liabilities in the Company's financial statements are to be reflected at the tax rate in which the deferred tax assets/liabilities are anticipated to be realized. As a result, the Company changed the tax rate for tax provision purposes at December 31, 2017 from 34% to 21%. This resulted in a reduction of the value of the Company's deferred tax asset balances in the amount of approximately \$176,000.

**Note 9 – Commitments and Contingencies**

**Development and Collaboration Agreements**

The intellectual property rights contributed by Tactic Pharma, LLC to the Company included the non-exclusive license agreement with XOMA Ltd. for the humanization technology used in the development of MNPR-101. Pursuant to such license agreement, the Company is obligated to pay XOMA Ltd. clinical, regulatory and sales milestones for MNPR-101 and zero royalties. As of December 31, 2017, the Company has not reached any milestones and has not been required to pay XOMA Ltd. any funds under this license agreement.

**Leases**

The Company leases office space at 500 Mercer St., Seattle, WA. The lease commenced on November 1, 2017 and is extendable on a month-to-month basis. Commencing January 1, 2018, the Company entered into a lease for its executive headquarters at 1000 Skokie Blvd., Suite 350, Wilmette, IL. The lease term is January 1, 2018 through December 31, 2019. The future lease commitments as presented below include amounts for these two leases.

2018	\$ 30,234
2019	30,234
2020	-
Total future lease payments	<u>\$ 60,468</u>

**Legal Contingencies**

The Company is subject to claims and assessments from time to time in the ordinary course of business. The Company's management does not believe that any such matters, individually or in the aggregate, will have a material adverse effect on the Company's business, financial condition, results of operations or cash flows.

**MONOPAR THERAPEUTICS INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

**Indemnification**

In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties and provide for general indemnification. The Company's exposure under these agreements is unknown because it involves claims that may be made against the Company in the future, but that have not yet been made. To date, the Company has not paid any claims or been required to defend any action related to its indemnification obligations. However, the Company may record charges in the future as a result of these indemnification obligations.

In accordance with its amended and restated certificate of incorporation and bylaws, the Company has indemnification obligations to its officers and directors for certain events or occurrences, subject to certain limits, while they are serving at the Company's request in such capacity. There have been no claims to date.

**Note 10 - Subsequent Events**

**Cancer Research UK Termination of CTOA**

On March 21, 2018 Cancer Research UK notified the Company that it was terminating the CTOA and would work to transfer to the Company the data and know-how generated under the CTOA. The Company is currently reviewing potential alternative collaboration opportunities for MNPR-101 and continues to maintain the program's intellectual property portfolio.

The Company has evaluated all events occurring from December 31, 2017 through March 26, 2018, the date which these financial statements were available to be issued, and did not identify any additional material disclosable subsequent events.

**Schedule II: Valuation and Qualifying Accounts**  
**Valuation Allowance for Deferred Tax Assets**

<b>(In thousands)</b>	<b>Year Ended December 31,</b>	
	<b>2017</b>	<b>2016</b>
Balance at beginning of year	\$ 535,254	\$ 75,251
Additions to charged to expenses/other accounts	465,733	460,003
<b>Balance at end of year</b>	<b>\$ 1,000,987</b>	<b>\$ 535,254</b>

**SECOND AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF MONOPAR  
THERAPEUTICS INC.**

This Second Amended and Restated Certificate of Incorporation (the "**Certificate**") amends and restates the Certificate of Incorporation of Monopar Therapeutics Inc., originally filed with the Delaware Secretary of State on December 16, 2015, which was amended and restated on March 15, 2016, under the provisions of and subject to the requirements of the General Corporation Law of the State of Delaware (the "**DGCL**"). This Certificate has been duly adopted in accordance with Section 245 of the DGCL, and by written consent of a majority of stockholders under Section 228 of the DGCL.

FIRST: The name of the corporation is Monopar Therapeutics Inc. (the "**Corporation**").

SECOND: The address of the registered office of the Corporation in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, in New Castle County. The name of the registered agent of the Corporation at such address is The Corporation Trust Company.

THIRD: The nature of the business or purposes to be conducted or promoted by the Corporation is to engage in any lawful act or activity for which corporations may be organized under the DGCL.

FOURTH: The total number of shares of stock which the Corporation is authorized to issue is 40,000,000; all of which shall be common stock having \$0.001 par value per share ("**Common Stock**"). The Common Stock, and any other stock issued by the board of directors of the Corporation (the "**Board**") (together, the "**Stock**") of the Corporation shall be governed by the Bylaws of the Corporation and this Certificate. Upon the effectiveness of this Certificate, (a) each share of Series A Preferred Stock, \$0.001 par value per share of the Corporation authorized and outstanding immediately prior to the effectiveness of this Certificate shall be automatically converted into 84 shares of Common Stock, \$0.001 par value per share, and (b) each share of Series Z Preferred Stock, \$0.001 par value per share, of the Corporation authorized and outstanding immediately prior to the effectiveness of this Certificate shall be automatically converted into 70 shares of Common Stock, \$0.001 par value per share.

Section 1. General. The terms of each of the shares of Stock of the Corporation shall be equal to and identical in all respects with every other share of Stock, irrespective of class.

Section 2. Additional Stockholders. Additional persons may be admitted to the Corporation as Stockholders, and shares (of any existing or new classes) may be created for issuance to such persons, on such terms and conditions as the Board may determine.

Section 3. Conversion. The certificates representing shares of Series A Preferred Stock or Series Z Preferred Stock, as applicable, shall continue to represent the holders' ownership in the Corporation until returned to the Corporation for replacement, at which time the Corporation shall issue and deliver to such holder of Series A Preferred Stock or Series Z Preferred Stock, or

---

to his or its nominees, a certificate or certificates for the number of shares of Common Stock to which the holder is entitled.

FIFTH: To the extent permitted by law, the Corporation may purchase or otherwise acquire shares of stock of any class issued by it for such consideration and upon such terms and conditions as may be authorized by the Board from time to time.

SIXTH: In furtherance of and not in limitation of powers conferred by statute, this Article is inserted for the management of the business and for the conduct of the affairs of the Corporation.

1. General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board pursuant to the provisions of this Certificate of Incorporation and the Bylaws of the Corporation, as amended, restated and/or modified from time to time.

2. Election of Directors. Election of directors need not be by written ballot. Voting rights with respect to election or removal of members of the Board are set forth in the Bylaws of the Corporation.

3. Authority to Amend Bylaws. In furtherance and not in limitation of the rights, powers, privileges and discretionary authority granted or conferred by the General Corporation Law of the State of Delaware or other statutes or laws of the State of Delaware, but subject to the express provisions of this Certificate, the Board is expressly authorized to adopt, make, alter, amend or repeal the Bylaws of the Corporation, without any action on the part of the stockholders (except to the extent specifically set forth in such Bylaws), but the Stockholders may adopt or make additional Bylaws and may alter, amend or repeal any Bylaw whether adopted by the Stockholders or otherwise.

The Corporation may in its Bylaws confer powers upon its Board in addition to the foregoing and in addition to the powers and authorities expressly conferred upon the Board by applicable law.

SEVENTH: To the fullest extent permitted by Delaware law, no director of the Corporation shall be personally liable to the Corporation or its stockholders (the "**Stockholders**") for monetary damages for any breach of fiduciary duty as a director, notwithstanding any provision of law (other than any provision of the DGCL) imposing such liability. No amendment to or repeal of this provision shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

EIGHTH: The Corporation shall, to the fullest extent permitted by the DGCL, as amended from time to time, indemnify each person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he or she is or was, or has agreed to become, a director or officer of the Corporation, or is or was serving, or has agreed to serve, at the request of the Corporation, as a director, officer, manager, partner, employee, or trustee of, or in a similar capacity with, another corporation, limited liability company, partnership, joint venture, trust, or other enterprise (including any employee benefit plan) (all such persons being

---



referred to hereafter as an “**Indemnitee**”), or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys’ fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by or on behalf of an Indemnitee in connection with such action, suit, or proceeding and any appeal therefrom.

As a condition precedent to an Indemnitee’s right to be indemnified, the Indemnitee must notify the Corporation in writing as soon as practicable of any action, suit, proceeding, or investigation involving such Indemnitee for which indemnity will or could be sought. With respect to any action, suit, proceeding, or investigation of which the Corporation is so notified, the Corporation will be entitled to participate therein at its own expense and/or to assume the defense thereof at its own expense, with legal counsel reasonably acceptable to the Indemnitee.

In the event that the Corporation does not assume the defense of any action, suit, proceeding, or investigation of which the Corporation receives notice under this Article, the Corporation shall pay in advance of the final disposition of such matter any expenses (including attorneys’ fees) incurred by an Indemnitee in defending a civil or criminal action, suit, proceeding, or investigation or any appeal therefrom; provided, however, that the payment of such expenses incurred by an Indemnitee in advance of the final disposition of such matter shall be made only upon receipt of an undertaking by or on behalf of the Indemnitee to repay all amounts so advanced in the event that it shall ultimately be determined that the Indemnitee is not entitled to be indemnified by the Corporation as authorized in this Article, which undertaking shall be accepted without reference to the financial ability of the Indemnitee to make such repayment; and further provided that no such advancement of expenses shall be made under this Article if it is reasonably determined that (i) the Indemnitee did not act in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, or (ii) with respect to any criminal action or proceeding, the Indemnitee had reasonable cause to believe his or her conduct was unlawful.

The Corporation shall not indemnify an Indemnitee pursuant to this Article in connection with a proceeding (or part thereof) initiated by such Indemnitee unless the initiation thereof was approved by the Board of the Corporation. In addition, the Corporation shall not indemnify an Indemnitee to the extent such Indemnitee is reimbursed from the proceeds of insurance, and in the event the Corporation makes any indemnification payments to an Indemnitee and such Indemnitee is subsequently reimbursed from the proceeds of insurance, such Indemnitee shall promptly refund such indemnification payments to the Corporation to the extent of such insurance reimbursement.

The Corporation may not indemnify an Indemnitee (i) for any liability incurred in a proceeding in which such person is adjudged liable to the Corporation or is subjected to injunctive relief in favor of the Corporation (ii) for acts or omissions that involve intentional misconduct or a knowing violation of law, fraud or gross negligence, (iii) for unlawful distributions (iv) for any transaction for which such Indemnitee received a personal benefit in violation or breach of any provision of this Certificate or the Bylaws of the Corporation, or as otherwise prohibited by or as may be disallowed under Delaware law or (v) with respect to any dispute or proceeding between the Corporation and such Indemnitee unless such

---

indemnification has been approved by a disinterested majority of the Board or by a majority in interest of disinterested Stockholders who are entitled to vote.

All determinations hereunder as to the entitlement of an Indemnitee to indemnification or advancement of expenses shall be made in each instance (a) by a majority vote of the directors of the Corporation consisting of persons who are not at that time parties to the action, suit, or proceeding in question (“disinterested directors”), whether or not a quorum, (b) by a committee of disinterested directors designated by majority vote of disinterested directors, whether or not a quorum, (c) if there are no disinterested directors, or if the disinterested directors so direct, by independent legal counsel (who may, to the extent permitted by law, be regular legal counsel to the Corporation) in a written opinion, or (d) by the Stockholders of the Corporation.

The rights provided in this Article (i) shall not be deemed exclusive of any other rights to which an Indemnitee may be entitled under any law, agreement, or vote of Stockholders or disinterested directors or otherwise, and (ii) shall inure to the benefit of the heirs, executors and administrators of the Indemnitees. The Corporation may, to the extent authorized from time to time by its Board, grant indemnification rights to other employees or agents of the Corporation or other persons serving the Corporation and such rights may be equivalent to, or greater or less than, those set forth in this Article.

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

No amendment, termination, or repeal of this Article or of the relevant provisions of the DGCL or any other applicable laws shall affect or diminish in any way the rights of any Indemnitee to indemnification under the provisions hereof with respect to any action, suit, proceeding, or investigation arising out of or relating to any actions, transactions, or facts occurring prior to the final adoption of such amendment, termination or repeal.

NINTH: Meetings of Stockholders may be held within or without the State of Delaware, as the By-laws of the Corporation may provide. The books of the Corporation may be kept outside the State of Delaware at such place as may be designated from time to time by the Board or in the By-laws of the Corporation.

TENTH: The Corporation shall have the right from time to time, to amend this Certificate or any provision thereof in any manner now or hereafter provided by law. Except as expressly set forth herein, all rights and powers of any kind conferred upon a director or stockholder of the Corporation by this Certificate or any amendment thereof are conferred subject to such right.

[SIGNATURE PAGE FOLLOWS]

---

In witness whereof, the Corporation has caused this Second Amended and Restated Certificate of Incorporation to be signed this 17th day of March, 2017.

By: /s/ Chandler D. Robinson  
Chandler D. Robinson, President

---

**AMENDED AND RESTATED  
BY-LAWS OF MONOPAR THERAPEUTICS INC.**

**ARTICLE I OFFICES**

**Section 1.01 Registered Office.** The address, principal office, and principal place of business of Monopar Therapeutics Inc. (hereinafter called the "**Corporation**") in the State of Delaware shall be at 5 Revere Dr., Suite 200, Northbrook, Illinois 60062. The address of the Corporation's registered office in Delaware shall be Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801.

**Section 1.02 Other Offices.** The Corporation may also have offices at such other places, both within and outside the State of Delaware, as the acting board of directors of the Corporation (the "**Board of Directors**") from time to time shall determine or the business of the Corporation may require.

**Section 1.03 Books and Records.** Any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account and minute books, may be maintained on any information storage device or method; *provided that* the records so kept can be converted into clearly legible paper form within a reasonable time. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect such records pursuant to applicable law.

**ARTICLE II  
MEETINGS OF THE STOCKHOLDERS**

**Section 2.01 Place of Meetings.** All meetings of the stockholders shall be held at such place, if any, either within or without the State of Delaware, as shall be designated from time to time by resolution of the Board of Directors and stated in the notice of meeting. If authorized by the Board of Directors in its sole discretion, and subject to such guidelines and procedures as the Board of Directors may adopt, stockholders and proxyholders not physically present at a meeting of stockholders may, by means of remote communication participate in a meeting of stockholders; and be deemed present in person and vote at a meeting of stockholders, whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (i) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder, (ii) the Corporation shall implement reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (iii) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

---

**Section 2.02 Annual Meeting.** Unless directors are elected by written consent in lieu of an annual meeting as permitted by Section 2.11, the annual meeting of the stockholders for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held at such date, time and place, if any, as shall be determined by the Board of Directors and stated in the notice of the meeting.

**Section 2.03 Special Meetings.** Special meetings of stockholders for any purpose or purposes shall be called pursuant to a resolution approved by the Board of Directors and may not be called by any other person or persons. The only business which may be conducted at a special meeting shall be the matter or matters set forth in the notice of such meeting.

**Section 2.04 Adjournments.** Any meeting of the stockholders, annual or special, may be adjourned from time to time to reconvene at the same or some other place, if any, and notice need not be given of any such adjourned meeting if the time, place, if any, thereof and the means of remote communication, if any, are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date is fixed for stockholders entitled to vote at the adjourned meeting, the Board of Directors shall fix a new record date for notice of the adjourned meeting and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at the adjourned meeting as of the record date fixed for notice of the adjourned meeting.

**Section 2.05 Notice of Meetings.** Notice of the place, if any, date, hour, the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for stockholders entitled to notice of the meeting) and means of remote communication, if any, of every meeting of stockholders shall be given by the Corporation not less than ten days nor more than 60 days before the meeting (unless a different time is specified by law) to every stockholder entitled to vote at the meeting as of the record date for determining the stockholders entitled to notice of the meeting. Notices of special meetings shall also specify the purpose or purposes for which the meeting has been called. Except as otherwise provided herein or permitted by applicable law, notice to stockholders shall be in writing and delivered personally or mailed to the stockholders at their address appearing on the books of the Corporation. Without limiting the manner by which notice otherwise may be given effectively to stockholders, notice of meetings may be given to stockholders by means of electronic transmission in accordance with applicable law. Notice of any meeting need not be given to any stockholder who shall, either before or after the meeting, submit a waiver of notice or who shall attend such meeting, except when the stockholder attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any stockholder so waiving notice of the meeting shall be bound by the proceedings of the meeting in all respects as if due notice thereof had been given.

**Section 2.06 List of Stockholders.** The officer of the Corporation who has charge of the stock ledger shall prepare a complete list of the stockholders entitled to vote at any meeting

---

of stockholders (provided, however, if the record date for determining the stockholders entitled to vote is less than ten days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date), arranged in alphabetical order, and showing the address of each stockholder and the number of shares of each class of capital stock of the Corporation registered in the name of each stockholder at least ten days before any meeting of the stockholders. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, on a reasonably accessible electronic network if the information required to gain access to such list was provided with the notice of the meeting or during ordinary business hours, at the principal place of business of the Corporation for a period of at least ten days before the meeting. If the meeting is to be held at a place, the list shall also be produced and kept at the time and place of the meeting the whole time thereof and may be inspected by any stockholder who is present. If the meeting is held solely by means of remote communication, the list shall also be open for inspection by any stockholder during the whole time of the meeting as provided by applicable law. Except as provided by applicable law, the stock ledger of the Corporation shall be the only evidence as to who are the stockholders entitled to examine the stock ledger and the list of stockholders or to vote in person or by proxy at any meeting of stockholders.

**Section 2.07 Quorum.** Unless otherwise required by law, the Corporation's Certificate of Incorporation (the "**Certificate of Incorporation**") or these by-laws, at each meeting of the stockholders, a majority in voting power of the shares of the Corporation entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power, by the affirmative vote of a majority in voting power thereof, to adjourn the meeting from time to time, in the manner provided in Section 2.04, until a quorum shall be present or represented. A quorum, once established, shall not be broken by the subsequent withdrawal of enough votes to leave less than a quorum. At any such adjourned meeting at which there is a quorum, any business may be transacted that might have been transacted at the meeting originally called.

**Section 2.08 Conduct of Meetings.** The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of the stockholders as it shall deem appropriate. At every meeting of the stockholders, the President, or in his or her absence or inability to act, the Vice President, or, in his or her absence or inability to act, the person whom the President shall appoint, shall act as chairman of, and preside at, the meeting. The secretary or, in his or her absence or inability to act, the person whom the chairman of the meeting shall appoint secretary of the meeting, shall act as secretary of the meeting and keep the minutes thereof. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of the stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (a) the establishment of an agenda or order of business for the meeting; (b) the determination of when the polls shall open and close for any given matter to be voted on at the meeting; (c) rules and procedures for maintaining order at the meeting and the safety of those present; (d) limitations on attendance at or participation in

---

the meeting to stockholders of record of the corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (e) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (f) limitations on the time allotted to questions or comments by participants.

**Section 2.09 Voting; Proxies.** Unless otherwise required by law or the Certificate of Incorporation the election of directors shall be decided by a plurality of the votes cast at a meeting of the stockholders by the holders of stock entitled to vote in the election. Unless otherwise required by law, the Certificate of Incorporation or these by-laws, any matter, other than the election of directors, brought before any meeting of stockholders shall be decided by the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the matter. Each stockholder entitled to vote at a meeting of stockholders or to express consent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by delivering to the secretary of the Corporation a revocation of the proxy or a new proxy bearing a later date. Voting at meetings of stockholders need not be by written ballot.

**Section 2.10 Inspectors at Meetings of Stockholders.** The Board of Directors, in advance of any meeting of stockholders, may, and shall if required by law, appoint one or more inspectors, who may be employees of the Corporation, to act at the meeting or any adjournment thereof and make a written report thereof. The Board of Directors 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, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. 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 (a) ascertain the number of shares outstanding and the voting power of each, (b) determine the shares represented at the meeting, the existence of a quorum and the validity of proxies and ballots, (c) count all votes and ballots, (d) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors and (e) certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of their duties. Unless otherwise provided by the Board of Directors, the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting. No ballot, proxies, votes or any revocation thereof or change thereto, shall be accepted by the inspectors after the closing of the polls unless the Court of Chancery of the State of Delaware upon application by a stockholder shall determine otherwise. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for office at an election may serve as an inspector at such election.

---

**Section 2.11 Written Consent of Stockholders Without a Meeting.** Any action to be taken at any annual or special meeting of stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action to be so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered (by hand or by certified or registered mail, return receipt requested) to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Every written consent shall bear the date of signature of each stockholder who signs the consent, and no written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the earliest dated consent delivered in the manner required by this Section, written consents signed by a sufficient number of holders to take action are delivered to the Corporation as aforesaid. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall, to the extent required by applicable law, be given to those stockholders who have not consented in writing, and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for notice of such meeting had been the date that written consents signed by a sufficient number of holders to take the action were delivered to the Corporation. Stockholders may act by written consent to elect directors; provided, however, that, if such consent is less than unanimous, such action by written consent may be in lieu of holding an annual meeting only if all of the directorships to which directors could be elected at an annual meeting held at the effective time of such action are vacant and are filled by such action.

**Section 2.12 Fixing the Record Date.**

(a) In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than 60 nor less than ten days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however,* that the Board of Directors may fix a new record date for the determination of stockholders entitled to vote at the adjourned meeting and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for the determination of stockholders entitled to vote therewith at the adjourned meeting.

---



(b) In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date has been fixed by the Board of Directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting: (i) when no prior action by the Board of Directors is required by law, the record date for such purpose shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery (by hand, or by certified or registered mail, return receipt requested) to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded and (ii) if prior action by the Board of Directors is required by law, the record date for such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(c) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

### ARTICLE III BOARD OF DIRECTORS

**Section 3.01 General Powers.** The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. The Board of Directors may adopt such rules and procedures, not inconsistent with the Certificate of Incorporation, these by-laws or applicable law, as it may deem proper for the conduct of its meetings and the management of the Corporation.

**Section 3.02 Number; Term of Office.** The number of directors of the Corporation shall not be less than three nor more than seven. The number of directors shall, at the date of adoption of these Bylaws, initially be fixed at four, and hereafter, such number of directors may be fixed or changed at any annual meeting of the stockholders or at any special meeting of the stockholder called for that purpose by the affirmative vote of the holders of a majority or more of the voting power of the Corporation. Each director shall hold office for a period of one year and until a successor is duly elected and qualified or until the director's earlier death, resignation, disqualification or removal.

---

**Section 3.03 Newly Created Directorships and Vacancies.** Any newly created directorships resulting from an increase in the authorized number of directors and any vacancies occurring in the Board of Directors, may be filled by the affirmative votes of a majority of the remaining members of the Board of Directors, although less than a quorum, or by a sole remaining director. A director so elected shall be elected to hold office until the earlier of the expiration of the term of office of the director whom he or she has replaced, a successor is duly elected and qualified or the earlier of such director's death, resignation or removal.

**Section 3.04 Resignation.** Any director may resign at any time by notice given in writing or by electronic transmission to the Corporation. Such resignation shall take effect at the date of receipt of such notice by the Corporation or at such later time as is therein specified.

**Section 3.05 Removal.** Except as prohibited by applicable law or the Certificate of Incorporation, the stockholders entitled to vote in an election of directors may remove any director from office at any time, with or without cause, by the affirmative vote of a majority in voting power thereof.

**Section 3.06 Fees and Expenses.** Directors shall receive such fees, which may include equity compensation, and expenses as the Board of Directors shall from time to time prescribe.

**Section 3.07 Regular Meetings.** Regular meetings of the Board of Directors may be held without notice at such times and at such places as may be determined from time to time by the Board of Directors or its chairman.

**Section 3.08 Special Meetings.** Special meetings of the Board of Directors may be held at such times and at such places as may be determined by the chairman or the President on at least 24 hours' notice to each director given by one of the means specified in **Section 3.11** hereof other than by mail or on at least three days' notice if given by mail. Special meetings shall be called by the chairman or the President in like manner and on like notice on the written request of any two or more directors.

**Section 3.09 Telephone Meetings.** Board of Directors or Board of Directors committee meetings may be held by means of telephone conference or other communications equipment by means of which all persons participating in the meeting can hear each other and be heard. Participation by a director in a meeting pursuant to this Section shall constitute presence in person at such meeting.

**Section 3.10 Adjourned Meetings.** A majority of the directors present at any meeting of the Board of Directors, including an adjourned meeting, whether or not a quorum is present, may adjourn and reconvene such meeting to another time and place. At least 24 hours' notice of any adjourned meeting of the Board of Directors shall be given to each director whether or not present at the time of the adjournment, if such notice shall be given by one of the means specified in **Section 3.11** hereof other than by mail, or at least three days' notice if by mail. Any business may be transacted at an adjourned meeting that might have been transacted at the meeting as originally called.

---

**Section 3.11 Notices.** Subject to Section 3.08, Section 3.10 and Section 3.12 hereof, whenever notice is required to be given to any director by applicable law, the Certificate of Incorporation or these by-laws, such notice shall be deemed given effectively if given in person or by telephone, mail addressed to such director at such director's address as it appears on the records of the Corporation, facsimile, e-mail or by other means of electronic transmission.

**Section 3.12 Waiver of Notice.** Whenever notice to directors is required by applicable law, the Certificate of Incorporation or these by-laws, a waiver thereof, in writing signed by, or by electronic transmission by, the director entitled to the notice, whether before or after such notice is required, shall be deemed equivalent to notice. Attendance by a director at a meeting shall constitute a waiver of notice of such meeting except when the director attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting was not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special Board of Directors or committee meeting need be specified in any waiver of notice.

**Section 3.13 Organization.** At each meeting of the Board of Directors, the chairman or, in his or her absence, another director selected by the Board of Directors shall preside. The secretary shall act as secretary at each meeting of the Board of Directors. If the secretary is absent from any meeting of the Board of Directors, an assistant secretary shall perform the duties of secretary at such meeting; and in the absence from any such meeting of the secretary and all assistant secretaries, the person presiding at the meeting may appoint any person to act as secretary of the meeting.

**Section 3.14 Quorum of Directors.** The presence of a majority of the Board of Directors shall be necessary and sufficient to constitute a quorum for the transaction of business at any meeting of the Board of Directors.

**Section 3.15 Action by Majority Vote.** Except as otherwise expressly required by these by-laws, the Certificate of Incorporation or by applicable law, the vote of a majority of the directors shall be the act of the Board of Directors.

**Section 3.16 Action Without Meeting.** Unless otherwise restricted by the Certificate of Incorporation or these by-laws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all directors or members of such committee, as the case may be, consent thereto in writing or by electronic transmission, and the writings or electronic transmissions are filed with the minutes of proceedings of the Board of Directors or committee in accordance with applicable law.

**Section 3.17 Committees of the Board of Directors.** The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. If a member of a committee shall be absent from any meeting, or disqualified from voting thereat, the remaining member or members present at the meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may

---

unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent permitted by applicable law, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation and may authorize the seal of the Corporation to be affixed to all papers that may require it to the extent so authorized by the Board of Directors. Unless the Board of Directors provides otherwise, at all meetings of such committee, a majority of the then authorized members of the committee shall constitute a quorum for the transaction of business, and the vote of a majority of the members of the committee present at any meeting at which there is a quorum shall be the act of the committee. Each committee shall keep regular minutes of its meetings. Unless the Board of Directors provides otherwise, each committee designated by the Board of Directors may make, alter and repeal rules and procedures for the conduct of its business. In the absence of such rules and procedures each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to this Article III.

#### **ARTICLE IV OFFICERS**

**Section 4.01 Positions and Election.** The officers of the Corporation shall be elected annually by the Board of Directors and shall include a president, a treasurer and a secretary. The Board of Directors, in its discretion, may also elect a chairman (who must be a director), one or more vice chairmen (who must be directors) and one or more vice presidents, assistant treasurers, assistant secretaries and other officers. Any two or more offices may be held by the same person.

**Section 4.02 Term.** Each officer of the Corporation shall hold office until such officer's successor is elected and qualified or until such officer's earlier death, resignation or removal. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors at any time with or without cause by the majority vote of the members of the Board of Directors then in office. The removal of an officer shall be without prejudice to his or her contract rights, if any. The election or appointment of an officer shall not of itself create contract rights. Any officer of the Corporation may resign at any time by giving written notice of his or her resignation to the president or the secretary. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon its receipt. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Should any vacancy occur among the officers, the position shall be filled for the unexpired portion of the term by appointment made by the Board of Directors.

**Section 4.03 The President.** The president shall have general supervision over the business of the Corporation and other duties incident to the office of president, and any other duties as may be from time to time assigned to the president by the Board of Directors and subject to the control of the Board of Directors in each case.

**Section 4.04 Vice Presidents.** Each vice president shall have such powers and perform such duties as may be assigned to him or her from time to time by the chairman of the Board of Directors or the president.

---

**Section 4.05 The Secretary.** The secretary shall attend all sessions of the Board of Directors and all meetings of the stockholders and record all votes and the minutes of all proceedings in a book to be kept for that purpose, and shall perform like duties for committees when required. He or she shall give, or cause to be given, notice of all meetings of the stockholders and meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the president. The secretary shall keep in safe custody the seal of the Corporation and have authority to affix the seal to all documents requiring it and attest to the same.

**Section 4.06 The Treasurer.** The treasurer shall have the custody of the corporate funds and securities, except as otherwise provided by the Board of Directors, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the president and the directors, at the regular meetings of the Board of Directors, or whenever they may require it, an account of all his or her transactions as treasurer and of the financial condition of the Corporation.

**Section 4.07 Duties of Officers May Be Delegated.** In case any officer is absent, or for any other reason that the Board of Directors may deem sufficient, the president or the Board of Directors may delegate for the time being the powers or duties of such officer to any other officer or to any director.

## ARTICLE V

### STOCK CERTIFICATES AND THEIR TRANSFER

**Section 5.01 Certificates Representing Shares.** The shares of stock of the Corporation shall be represented by certificates; provided that the Board of Directors may provide by resolution or resolutions that some or all of any class or series shall be uncertificated shares that may be evidenced by a book-entry system maintained by the registrar of such stock. If shares are represented by certificates, such certificates shall be in the form, other than bearer form, approved by the Board of Directors. The certificates representing shares of stock of each class shall be signed by, or in the name of, the Corporation by the chairman, any vice chairman, the president or any vice president, and by the secretary, any assistant secretary, the treasurer or any assistant treasurer. Any or all such signatures may be facsimiles. Although any officer, transfer agent or registrar whose manual or facsimile signature is affixed to such a certificate ceases to be such officer, transfer agent or registrar before such certificate has been issued, it may nevertheless be issued by the Corporation with the same effect as if such officer, transfer agent or registrar were still such at the date of its issue.

**Section 5.02 Lost, Stolen or Destroyed Certificates.** The Board of Directors may direct a new certificate or uncertificated shares to be issued in place of any certificate theretofore issued by the Corporation alleged to have been lost, stolen or destroyed upon the making of an affidavit of that fact by the owner of the allegedly lost, stolen or destroyed certificate. When

---

authorizing such issue of a new certificate or uncertificated shares, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of the lost, stolen or destroyed certificate, or the owner's legal representative to give the Corporation a bond sufficient to indemnify it against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed or the issuance of such new certificate or uncertificated shares.

## **ARTICLE VI GENERAL PROVISIONS**

**Section 6.01 Seal.** The board of directors may adopt and use a corporate seal. The seal of the Corporation shall be in such form as shall be approved by the Board of Directors. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise, as may be prescribed by law or custom or by the Board of Directors. Failure to affix the corporate seal, if any, shall not affect the validity of any instrument.

**Section 6.02 Fiscal Year.** The fiscal year of the Corporation shall be the calendar year.

**Section 6.03 Checks, Notes, Drafts, Etc.** All checks, notes, drafts or other orders for the payment of money of the Corporation shall be signed, endorsed or accepted in the name of the Corporation by such officer, officers, person or persons as from time to time may be designated by the Board of Directors or by an officer or officers authorized by the Board of Directors to make such designation.

**Section 6.04 Dividends.** Subject to applicable law and the Certificate of Incorporation, dividends upon the shares of capital stock of the Corporation may be declared by the Board of Directors at any regular or special meeting of the Board of Directors or by consent in writing. Dividends may be paid in cash, in property or in shares of the Corporation's capital stock, unless otherwise provided by applicable law or the Certificate of Incorporation.

**Section 6.05 Conflict with Applicable Law or Certificate of Incorporation.** These by-laws are adopted subject to any applicable law and the Certificate of Incorporation. Whenever these by-laws may conflict with any applicable law or the Certificate of Incorporation, such conflict shall be resolved in favor of such law or the Certificate of Incorporation.

## **ARTICLE VII AMENDMENTS**

These by-laws may be amended, altered, changed, adopted and repealed or new by-laws adopted at any meeting of the Board of Directors.

Eff. March 17 2017

/s/ Chandler D. Robinson

---

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

**CANCER RESEARCH UK**

and

**CANCER RESEARCH TECHNOLOGY LIMITED**

and

**MONOPAR THERAPEUTICS LLC**

**CLINICAL TRIAL AND OPTION AGREEMENT  
(CTOA)**



**CANCER  
RESEARCH  
TECHNOLOGY**



**CANCER  
RESEARCH  
UK**



**Monopar Therapeutics**

---

## **TABLE OF CONTENTS**

1	DEFINITIONS AND INTERPRETATION	4
2	CONDITIONS PRECEDENT	12
3	CONDUCT OF THE CLINICAL TRIAL AND SPONSORSHIP	12
4	COMPANY'S OBLIGATIONS	14
5	CONFIDENTIALITY/PUBLICATION	16
6	INTELLECTUAL PROPERTY RIGHTS	19
7	OPTION	20
8	WARRANTIES AND LIMITS OF LIABILITY	21
9	INDEMNITIES	22
10	ASSIGNMENT	24
11	TERM AND TERMINATION	24
12	CONSEQUENCES OF TERMINATION	25
13	DISPUTE RESOLUTION	26
14	NOTICES	27
15	WAIVER	28
16	FORCE MAJEURE	28
17.	INSOLVENCY	28
18	SEVERABILITY	28
19	ENTIRE AGREEMENT	29
20	AMENDMENT	29
21	PUBLIC ANNOUNCEMENTS	29
22	PAYMENTS	30
23	DATA PROTECTION	30
24	THIRD PARTY RIGHTS	30
25.	EXECUTION	30

Schedule 1	Company Patent Rights
Schedule 2	Report Synopsis Headings
Schedule 3	Licence from CRT to Company
Schedule 4	No Fault Compensation Scheme
Schedule 5	Assignment and Licence from Company to CRT
Schedule 6	Protocol
Schedule 7	Company Materials
Schedule 8	Back-Up Antibodies
Schedule 9	XOMA Licence
Schedule 10	Progress Reports
Schedule 11	Clinical Protocol Summary
Schedule 12	Escrow Agreement
Schedule 13	Technical Agreement

---



**THIS AGREEMENT** is made the 15th day of May 2015

**BETWEEN:**

**CANCER RESEARCH UK** a company limited by guarantee registered under number 4325234 and a charity registered under number 1089464 of Angel Building, 407 St. John Street, London, EC1V 4AD, England (the “**Charity**”);

**CANCER RESEARCH TECHNOLOGY LIMITED** a company registered in England and Wales with number 1626049 and registered office at Angel Building, 407 St. John Street, London, EC1V 4AD, England (“**CRT**”); and

**MONOPAR THERAPEUTICS LLC, a limited liability company** registered in/incorporated in/ established under the laws of The State of Delaware, U.S.A., with registered office/principal place of business at 598 Rockefeller Road, Lake Forest, Illinois, U.S.A., 60045 (the “**Company**”).

**WHEREAS:**

- (A) The Company has the right to conduct research and clinical testing on the Antibody (as defined below). At this time, the Company does not intend to undertake any further development of the Antibody.
  - (B) The Charity's charitable objects are to protect and promote the health of the public in particular by research into the nature, causes, diagnosis, prevention, treatment and cure of cancer, including development of findings of research into practical applications.
  - (C) The Charity has expertise in the clinical evaluation of novel anti-cancer agents and considers that the Antibody has the potential to be a valuable drug that could be applied for the treatment of cancer. Accordingly, the Charity is interested in undertaking the development of the Antibody at its own cost. As the development is to be undertaken in pursuance of the Charity's charitable objects, the Charity will have the right to publish the results of such development work.
  - (D) On completion of the Charity's development work, the Company will have the option to take a licence to the results thereof with a view to the Company developing the drug further. If the Company does not wish to take a licence to such results, then CRT shall have the right to an assignment of rights owned by the Company and a licence to the rights licensed to the Company, in both cases in and to the Antibody, to enable CRT to find an alternative partner to develop the Antibody further.
  - (E) CRT is a wholly owned subsidiary of the Charity and is, by arrangement with the Charity, responsible for the management, exploitation and commercialisation of intellectual property generated by the Charity or using funding from the Charity and the Charity has assigned and will assign such intellectual property to CRT for such purpose. CRT remits all its taxable profits to the Charity.
  - (F) The Company, CRT and the Charity have therefore agreed to enter into this Agreement to enable the Charity to undertake the development of the Antibody subject to the following terms and conditions:
-

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

NOW IT IS HEREBY AGREED as follows:

## 1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement the words and phrases set out below shall, unless the context requires otherwise, have the corresponding meaning attributed to them below. In addition, any words and phrases in this Agreement which are not defined below, but which are defined in the CTD, shall have the meaning attributed to them in the CTD.

**“Additional Studies”** means any biomarker, manufacturing, purity, toxicology, imaging or combination studies, or any other exploratory or pre-clinical *in vitro* or *in vivo* studies commenced after the Commencement Date and associated with any part of the Antibody, or carried out in support of the clinical trial conducted pursuant to this Agreement, where such studies are performed by or on behalf of the Charity (as the same may be amended from time to time by the Charity).

**“Additional Results”** means all Know-How, data, information and results Controlled by the Charity or CRT and arising from the Additional Studies.

**“Affiliate”** means an entity that, whether now or in the future, Controls, is Controlled by or is under common Control with a Party. For the purpose of this definition only, “Control” means the possession (directly or indirectly) of fifty per cent or more of the voting stock or other equity interest of a subject entity with the power to vote, or the power in fact to control the management decisions of such entity through the ownership of securities or by contract or otherwise and “Controls” and “Controlled by” shall be construed accordingly.

**“Antibody”** means the humanised anti-uPAR monoclonal antibody known as HuATN-658 and/or any monoclonal antibody derived directly or indirectly from the Cell Line, including any fragment or conjugated antibody.

**“this Agreement”** means this agreement and each of the Schedules to it as amended from time to time in accordance with Clause 20.

**“Back-Up Antibodies”** means any and all antibodies, other than the anti-uPAR monoclonal antibody known as HuATN-658, that have been or are discovered, generated or developed by or on behalf of the Company or any of its Affiliates in the course of the [\*\*\*] including, but not limited to, the compounds identified in Schedule 8.

**“Case Report Forms”** means a record of the data and other information gathered on each Clinical Trial Subject pursuant to the Protocol.

**“Cell line”** means [\*\*\*].

**“Charity’s Standard Operating Procedures”** means the documents in use by the Centre for Drug Development of the Charity from time to time that are designated as standard operating procedures and which describe the procedures that must be followed to complete various tasks.

---

**“Chief Investigator”** means the person who will lead and co-ordinate the work of the Clinical Trial overall where the Clinical Trial is to be carried out at more than one site.

**“Clinical Trial”** means the Phase I clinical trial described in the Protocol to be conducted under the Sponsorship of the Charity and any Additional Studies.

**“Clinical Database Lock Date”** means the date when the clinical research database relating to the Clinical Trial is locked (after the Clinical Trial Results have been cleaned but excluding any Long Term Survival Data) in accordance with the Charity’s Standard Operating Procedures.

**“Clinical Legislation”** means all laws and regulations from time to time in force applicable to the performance of the Clinical Trial, including the CTD, the Human Rights Act 1998, the Data Protection Act 1998, the Medicines Act 1968, the Medicines for Human Use (Clinical Trials) Regulations 2004, and the Human Tissue Act 2004.

**“Clinical LPFV Date”** means the date when the final Clinical Trial Subject in the Clinical Trial attends their first study visit. The Clinical Trial LPFV Date may be further defined in the Protocol.

**“Clinical Results”** means all Know-How, data, information, results and improvements Controlled by the Charity or CRT and arising from the Clinical Trial, including the contents of each Progress Report, the Final Report, Case Report Forms and associated Data Listings and any other updates that may be agreed by the Parties from time to time.

**“Clinical Subject”** means any person who is enrolled in the Clinical Trial either as a recipient or planned recipient of the Investigational Medicinal Product or as a control.

**“Commencement Date”** means the date on which the Conditions Precedent have been satisfied.

**“Company Materials”** means those Company Materials listed in Part 2 of Schedule 7.

**“Company Intellectual Property”** means the Company Patent Rights, and all rights in the Company Know-How, the Investigational Medicinal Product and the Company Materials.

**“Company Know-How”** means such Know-How in the Company’s Control relating to the Antibody and/or Investigational Medicinal Product (and any constituents thereof), including: (i) any safety and toxicological data; (ii) information relating to the manufacturing/production; (iii) information relating to quality; (iv) information relating to safe and proper handling, storage and use; (v) any other data which is relevant to the efficient performance of the Clinical Trial and/or would make the Investigational Medicinal Product in any way easier to make; and (vi) any other data that would make the Antibody more useful, more valuable or in any way improve its prospects for development or commercialisation.

---

<b>“Company Materials”</b>	means the Cell Line and Materials identified in Schedule 7 that are to be provided by the Company to the Charity pursuant to this Agreement.
<b>“Company Patent Rights”</b>	means (i) those Patent Rights listed in Schedule 1; (ii) those Patent Rights owned by or licensed to the Company which would be infringed by the unauthorised manufacture, use or sale in, or importation into, the relevant country of the Antibody, Back-Up Antibodies and/or Investigational Medicinal Product; and (iii) all Patent Rights deriving priority from (i) and (ii).
<b>“Conditions Precedent”</b>	have the meaning given to them in Clause 2.1.
<b>“Confidential Information”</b>	means all information designated as confidential by any Party in writing together with all other information which relates to the business, affairs, technology, products, developments, trade secrets, Know-How, personnel, customers, agents, distributors and suppliers of any Party or information which may reasonably be regarded as the confidential information of the Disclosing Party. Subject to the terms of any licence agreement entered into in relation to them, the Clinical Trial Results shall be the Confidential Information of the Charity and CRT.
<b>“Control”</b>	means, with respect to Intellectual Property Rights, possession of the ability (whether through ownership or licence, other than a licence granted under this Agreement) to access and provide the Know-How and Material or grant the licences or sublicences or make the assignments as provided herein without violating the terms of any agreement or other arrangement with any third party.
<b>“Contributors”</b>	means the Chief Investigator, the Principal Investigator(s), the Sub-Investigators, the Experts, the NHS Trust(s) involved in the Clinical Trial, any sub-contractor of the Charity and/or any academic or not-for-profit entity involved in the Clinical Trial.
<b>“Costs”</b>	means all actual prepaid and committed costs and expenses incurred from time to time in connection with the Clinical Trial, including, for the avoidance of doubt, the internal personnel costs of the Charity and the Charity’s Biotherapeutics Development Unit (BDU) and Formulation Unit.
<b>“CTD”</b>	means the European Clinical Trials Directive (Directive 2001/20/EC) and national legislation implementing such Directive, as the same may be amended from time to time.
<b>“Data Listings”</b>	means the computer generated data listings produced by the Charity detailing all anonymised patient data collected under the Clinical Trial other than the Long Term Survival Data.

---

**“Declaration Helsinki”** means the 2008 version of the Helsinki Declaration of the World Medical Association.

**“Disclosing Party”** has the meaning specified in Clause 5.1.

**“Escrow Account”** means an investment account established by the Company with the Escrow Agent under the provisions of the Escrow Agreement.

**“Escrow Agent”** means Fifth Third Bank, a United States banking corporation with registered address at Fifth Third Square, 38 Fountain Square Plaza, Cincinnati, OH, 45263, or any other substantially comparable United States banking corporation selected by mutual agreement of the Parties.

**“Escrow Agreement”** means a written agreement between the Parties and the Escrow Agent in substantially the form attached as Schedule 12, and under which the Company is obliged to cause the Escrow Agent to open the Escrow Account, and deposit the Escrow Amount in the Escrow Account, before the Long Stop Date.

**“Escrow Amount”** means a sum of of eight hundred thousand US dollars (US \$800,000).

**“Ethics Committee”** has the meaning given to it in the CTD.

**“Exclusive Results”** means those Clinical Trial Results and the Intellectual Property Rights therein that directly relate to and only to the IMP. Exclusive Results shall not include any assay methodology, formulation-related results or biomarker results which do not directly relate to and only to the Investigational Medicinal Product.

**“Exercise Notice”** has the meaning specified in Clause 7.1.

**“Expert”** means any member of the Charity’s expert committees or any other person not being an employee of the Charity whom the Charity may engage from time to time to advise the Charity on the Clinical Trial.

**“Final Report”** means a Report Synopsis, unless, pursuant to Clause 3.10, a Full Clinical Study Report is prepared by the Charity instead of a Report Synopsis.

**“Financial Year”** means the period commencing on January 1 and ending on December 31.

**“Full Clinical Study Report”** means a full clinical study report in relation to the Clinical Trial written by or on behalf of the Charity in accordance with the Charity’s Standard Operating Procedures and which meets the standards of the ICH Guidelines for Structure and Content of Clinical Study reports as per ICH Topic E3 dated July 1996 except that Long Term Survival Data will not be included in the report.

**“Full CS Report Fee”** has the meaning given to it in Clause 3.10.

---

<b>“Good Manufacturing Practice”</b>	means the principles and guidelines of good manufacturing practice in respect of medicinal products for human use and investigational medicinal products for human use as defined in: (i) the CTD; (ii) European Community Directive 2003/94/EC; (iii) European Community Directive 2005/28/EC; (iv) Eudralex Volume 4: ‘EU Guidelines to Good Manufacturing Practice, Medicinal Products for Human and Veterinary Use, Part II Basic Requirements for Active Substances used as Starting Materials’, ICHQ7a Good Manufacturing Practice Guidance for Active Pharmaceutical Ingredients and ‘EU Guidelines to Good Manufacturing Practice Medicinal Products for Human and Veterinary Use, Annex 13: Investigational Medicinal Products’; and (v) any national legislation implementing the aforementioned Directives and any relevant guidance relating thereto.
<b>“ICH GCP”</b>	means the latest version from time to time of the International Conference on Harmonisation (ICH) Tripartite Guidelines, Good Clinical Practice (CPMP/ICH/135/95) together with such other good clinical practice requirements as are specified in the CTD and in Commission Directive 2005/28/EC and in any other regulations relating to medicinal products for human use and in any guidance published by the European Commission pursuant to such Directives or regulations.
<b>“Independent Opinion”</b>	means the opinion of an independent expert in the field of valuation of intellectual property in a similar field to the Company Intellectual Property, appointed by agreement between the Parties or in default of such agreement within twenty one (21) days of a Party seeking in writing to the others to appoint such expert, by the President for the time being of the Association of the British Pharmaceutical Industry (ABPI) in England and Wales, referred to at Clause 13.1.
<b>“Intellectual Property Rights”</b>	means all Patent Rights, Know-How, copyright, database rights, design rights, moral rights, rights in trade names, logos and trade and service marks, domain names, rights in Materials and all rights or forms of protection of a similar nature or having equivalent or similar effect to any of them which may subsist anywhere in the world, whether or not any of them are registered, including any application for registration of any of them.
<b>“Investigational Medicinal Product” or “IMP”</b>	means the pharmaceutical formulation of the Antibody suitable for use in the Clinical Trial.
<b>“Investigational Medicinal Product Dossier” or “IMPD”</b>	means a dossier relating to the Investigational Medicinal Product which accompanies a request for clinical trial authorisation to conduct the Clinical Trial from a Regulatory Authority. The Investigational Medicinal Product Dossier shall include a specification of the IMP.

---

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

**“Know-How”** means all technical and other information which is not in the public domain, including information comprising or relating to concepts, discoveries, data, designs, formulae, ideas, inventions, methods, models, designs for experiments and tests and results of experimentation and testing, processes, specifications and techniques, laboratory records, clinical data, reports, manufacturing data and information contained in submissions to Regulatory Authorities.

**“Licence”** means a licence to the Clinical Trial Results and any Intellectual Property Rights therein in the form attached at Schedule 3. Such licence shall be exclusive in respect of the Exclusive Results, and non-exclusive in relation to the Non-Exclusive Results.

**“Long Stop Date”** has the meaning given to it in Clause 2.2.

**“Long Term Survival Data”** means any ongoing survival data for Clinical Trial Subjects that the Charity collects after the completion of the interventional component of the Clinical Trial.

**“Losses”** means losses, damages, costs and expenses (including reasonable legal costs and expenses), in each case directly incurred by a Party.

**“Materials”** means any chemical or biological substances including any: organic or inorganic element or compound; nucleotide or nucleotide sequence including DNA and RNA sequences gene; vector or construct including plasmids, phages, bacterial vectors, bacteriophages and viruses; host organism including bacteria, fungi, algae, protozoa and hybridomas; eukaryotic or prokaryotic cell line or expression system or any development strain or product of that cell line or expression systems; protein including any peptide or amino acid sequence, enzyme, antibody or protein conferring targeting properties and any fragment of a protein or a peptide enzyme or antibody; drug or pro-drug; assay or reagent; any plasma or tissue; or any other genetic or biological material or micro-organism or any transgenic animal.

**“Non-Exclusive Results”** means those Clinical Trial Results that are not Exclusive Results (and all Intellectual Property Rights therein), including all assay methodology, formulation-related results or biomarker results.

**“Option”** has the meaning specified in Clause 7.1.

**“Option Fee”** means the sum of [\*\*\*] less the amount of any Full CS Report Fee actually paid by the Company to CRT under Clause 3.10 and excluding VAT or other applicable sales tax.

**“Option Period”** has the meaning specified in Clause 7.1.

---

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

- “Party”** means any party to this Agreement and **“Parties”** means all of them.
- “Patent Rights”** means any patent applications, patents, author certificates, inventor certificates, utility models, and all foreign counterparts of them and includes all divisionals, renewals, continuations, continuations-in-part, extensions, reissues, substitutions, confirmations, registrations, revalidations and additions of or to them, as well as any Supplementary Protection Certificate, or any like form of protection (including any pediatric, orphan drug or other exclusivity granted by a Regulatory Authority beyond the expiry of the original patent expiration date).
- “Principal Investigator”** means the person who will lead and co-ordinate the work of the Clinical Trial at a particular Clinical Trial site.
- “Progress Report”** means a report on the status of the Clinical Trial in the format set out in Schedule 10, or in such other format as is the Charity’s standard practice at the relevant time in respect of a clinical trial at the same stage, and of the same scope, as the Clinical Trial.
- “Protocol”** means the clinical trial protocol to be prepared by the Charity and the Chief Investigator as may be amended from time to time by the Charity in accordance with Clause 3.6.
- “Recipient Party”** has the meaning specified in Clause 5.2.
- “Regulatory Authority”** means any local, national or supra-national agency, authority, department, inspectorate, minister, ministry official or public or statutory person (whether autonomous or not) or any government of any country as shall have jurisdiction over the Clinical Trial or any part of it or over any activity of the Parties in connection with the Clinical Trial. Regulatory Authority includes, but is not limited to, the United Kingdom Medicines and Healthcare products Regulatory Agency (MHRA), the United States Food and Drug Administration (FDA) and the European Medicines Agency (EMA).
- “Report Synopsis”** a summary of the results of the Clinical Trial written by or on behalf of the Charity in accordance with the Charity’s Standard Operating Procedures in a form substantially similar to the format set out in Schedule 2 and the format of the clinical study synopsis set out in Annex I of ICH Topic E3 of the ICH Guidelines for Structure and Content of Clinical Study reports dated July 1996. The Report Synopsis shall not include or contain any additional documents or any appendices, exhibits or annexes nor shall it include or contain any Data Listings, Case Report Forms or any raw data comprised within the Clinical Trial Results or cover any Long Term Survival Data.
- “uPAR”** means [\*\*\*].
-



[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

[\*\*\*] means any and all research programmes undertaken by or on behalf of the Company, Tactic Pharma LLC or by Attenuon, LLC, or any of their Affiliates, and in the course of which the Antibody or the antibody known as ATN-658 or any of the Back-Up Antibodies were discovered, generated or developed (including but not limited to development activities conducted after the Commencement Date).

“**Signature**” means the period of [\*\*\*] commencing on:

**Period”**

- (i) in the event that the Charity does not prepare a Full Clinical Study Report pursuant to Clause 3.10, the Company’s receipt of the Data Listings pursuant to Clause 7.3; or
- (ii) in the event that the Charity prepares a Full Clinical Study Report pursuant to Clause 3.10, the date of the Exercise Notice.

“**Sub-Investigator**” means a clinician appointed and supervised by the Chief Investigator or Principal Investigator to assist in the carrying out of the Clinical Trial at the same trial site as the Principal Investigator.

“**Supplementary Protection Certificate**” means a right based on a patent pursuant to which the holder of the right is entitled to exclude third parties from using, making, having made, selling or otherwise disposing or offering to dispose of, importing or keeping the product to which the right relates, such as supplementary protection certificates in Europe, and any similar right anywhere in the world.

“**Tactic**” Tactic Pharma LLC, an Illinois limited liability company based at [\*\*\*].

“**Tobacco Party**” means: (i) any entity who develops, sells or manufactures tobacco products; and/ or (ii) any entity which makes the majority of its profits from the importation, marketing, sale or disposal of tobacco products. Furthermore, Tobacco Party shall include any entity that is an Affiliate of any entity referred to in (i) or (ii).

“**Transfer Documents**” means the following documents: (i) the asset contribution agreement between the Company and Tactic dated 20 January 2015 (and as amended on 20 January 2015); the assignment and assumption of licence agreement between the Company and Tactic dated 20 January 2015; and (iii) the letter from Tactic to the Parties dated 12 March 2015 in respect of the Cell Line and related Intellectual Property Rights.

“**XOMA IP**” means any and all Intellectual Property Rights licensed to the Company under the XOMA Licence.

“**XOMA Licence**” means the agreement entered into between XOMA (US) LLC and Tactic on 24 September 2014 in respect of the Antibody, which was assigned to the Company by Tactic pursuant to an agreement dated 20 January 2015. Both agreements are attached in Schedule 9.

---

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

**“XOMA Licence means those milestone payments set out in the XOMA Licence. Payments”**

1.2 In this Agreement:

- 1.2.1 unless the context requires otherwise, all references to a particular Clause, paragraph or Schedule shall be references to that clause, paragraph or schedule, of or to this Agreement;
- 1.2.2 the table of contents and headings are inserted for convenience only and shall be ignored in construing this Agreement;
- 1.2.3 unless the contrary intention appears, words importing the masculine gender shall include the feminine and vice versa and words in the singular include the plural and vice versa;
- 1.2.4 unless the contrary intention appears, words denoting persons shall include any individual, partnership, company, corporation, joint venture, trust, association, organisation or other entity, in each case whether or not having separate legal personality;
- 1.2.5 reference to any statute or regulation includes any modification or re-enactment of that statute or regulation, provided that the modification or re-enactment does not diminish the rights or extend the obligations of any Party; and
- 1.2.6 references to the words “include” or “including” shall be construed without limitation to the generality of the preceding words.

## 2. CONDITIONS PRECEDENT

2.1 Notwithstanding anything to the contrary in this Agreement, the Charity and CRT shall have no obligations, nor have any liability, of any nature howsoever arising under or in connection with this Agreement unless and until the following conditions precedent have been satisfied:

- 2.1.1 the valid execution of the Escrow Agreement; and
- 2.1.2 the Company’s performance of its obligations under the Escrow Agreement to open the Escrow Account and deposit the Escrow Amount in it; and
- 2.1.3 the Company’s delivery to the Charity of written evidence to the Charity’s reasonable satisfaction that the Company has obtained insurance described in Clause 9.5,

(the “**Conditions Precedent**”).

2.2 If the Conditions Precedent have not been satisfied by 14:00pm (BST) on the date falling [\*\*\*] after the date of signature of this Agreement (the “**Long Stop Date**”), the Agreement shall expire on the Long Stop Date.

2.3 The Company shall use its best endeavours to satisfy the Conditions Precedent before the Long Stop Date.

## 3. CONDUCT OF THE CLINICAL TRIAL AND SPONSORSHIP

3.1 Subject to: (i) the Company’s compliance with its obligations hereunder; and (ii) the Ethics Committee and the Regulatory Authority granting consent for the Clinical Trial, the Charity will use its reasonable endeavours to carry out or procure the carrying out of the Clinical Trial in accordance with the Protocol.

---

- 3.2 Once the Clinical Trial has been opened to Clinical Trial Subjects, the Charity shall use reasonable endeavours to provide to the Company at least one Progress Report per month (or with the frequency that is the Charity's standard practice at the relevant time in respect of a clinical trial at the same stage, and of the same scope, as the Clinical Trial, but no less frequently than quarterly). The Company may use the Progress Reports for the purpose of determining whether or not to exercise the Option. All Progress Reports and any supplementary information provided under them shall be the Confidential Information of the Charity and the provisions of Clause 5 shall apply. The Company acknowledges that information or data provided under this Clause 3.2 may not be verified, clean or accurate, and is provided "as is". Without prejudice to the generality of Clause 8.7, neither CRT nor the Charity make any representation or warranty (express or implied) of any nature in respect of such data or information, including as to its accuracy, quality, usefulness or comprehensiveness.
- 3.3 The Charity may, at its sole discretion: (i) sub-contract to third parties any part of the Clinical Trial; and (ii) engage such Experts and such persons to fulfil the roles of Chief Investigator and/or Principal Investigator as the Charity deems appropriate. Company shall be notified of any such third parties, Experts and persons set forth in this clause 3.3, and the Charity may make such notification by email.
- 3.4 The Charity shall, at its own expense, be responsible for seeking approval of the Clinical Trial and the Protocol from the Regulatory Authority and Ethics Committee prior to commencing the Clinical Trial. For the avoidance of doubt, the Charity shall not be held liable or responsible for any failure and/or refusal by the Ethics Committee or the Regulatory Authority to grant consent for the Clinical Trial or any change required therein.
- 3.5 The Charity shall use reasonable endeavours to carry out, or procure the carrying out of, the Clinical Trial in accordance with the relevant aspects of:
- 3.5.1 Clinical Trial Legislation; and
- 3.5.2 ICH GCP and the Declaration of Helsinki.

Any breach of this Clause 3.5 shall be a material breach.

- 3.6 The Charity shall be free to amend the Protocol or to change the third party undertaking any part of the Clinical Trial as it deems appropriate, provided that such Protocol or change to the Protocol has first been approved by the Ethics Committee and, if required by law or regulation, the Regulatory Authority; and further provided that:
- 3.6.1 prior to submission for Ethics Committee approval, the Charity shall provide to the Company a copy of the first final version of the Protocol at least fourteen (14) days before seeking Ethics Committee approval and give due consideration to any comments received from the Company by the Charity within such time.
- 3.6.2 the Charity shall notify the Company in writing of any proposed changes to the Protocol at least fourteen (14) days before seeking Ethics Committee approval for such changes, and shall give due consideration to any comments that the Company might make within such time. In an emergency (such as patient safety needs) the said fourteen (14) day time period may be reduced to such time period as the Charity is actually able to give to the Company in the circumstances and the Charity may, if in its reasonable opinion it is required, submit such changes to the Ethics committee prior to notifying the Company of such. The Charity will try to reach a consensus with the Company on all issues arising out of the Company's review of any Protocol pursuant to this Clause 3.6.2, but the Charity shall have the final decision.
-

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

- 3.6.3 in the event that the Ethics Committee and/or the Regulatory Authority does not approve the original Protocol and/or agree to any amendment to the Protocol, the Charity shall have the right to terminate this Agreement forthwith upon written notice to the Company.
- 3.7 The Charity shall have sole responsibility for the conduct and control of the Clinical Trial and shall accept the obligations of the sponsor of the Clinical Trial in accordance with the requirements of the Medicines for Human Use (Clinical Trials) Regulations 2004.
- 3.8 The Charity shall use reasonable endeavours to procure that Clinical Trial Subjects are recruited in accordance with the selection procedures and criteria set out in the Protocol.
- 3.9 The Charity shall promptly advise the Company, in writing, of the occurrence of the Clinical Trial LPFV Date.
- 3.10 The Company may elect to receive a Full Clinical Study Report instead of a Report Synopsis by:
  - 3.10.1 providing the Charity with written notice of its election to receive a Full Clinical Study Report, which written notice must be received by the Charity before the expiration of thirty (30) days from the date the Charity advised the Company of the occurrence of the Clinical Trial LPFV Date; and
  - 3.10.2 paying the Charity the sum of [\*\*\*] excluding VAT or other applicable sales tax (the “**Full CS Report Fee**”) within twenty one (21) days after service of such notice.

If the Company does not serve a written notice and pay the Full CS Report Fee as specified in this Clause 3.10, the Charity shall prepare a Report Synopsis and shall have no obligation to prepare or provide the Company with a Full Clinical Study Report.

- 3.11 The Charity shall provide the Final Report to the Company and CRT within [\*\*\*] after the Clinical Trial Database Lock Date.
- 3.12 The Charity shall only use the Investigational Medicinal Product for the purposes of carrying out the Clinical Trial and shall not permit any third party to use the Investigational Medicinal Product except as required for the purpose of carrying out the Clinical Trial or as set out in this Agreement.

#### 4. COMPANY'S OBLIGATIONS

- 4.1 The Company shall at the Company's sole cost, provide the Charity with:
    - 4.1.1 such information and Know-How relating to the manufacture of the IMP as is relevant to the efficient production of sufficient quantity of the IMP to conduct the Clinical Trial, as soon as practicable following the Commencement Date;
    - 4.1.2 all Company Know-How and the Company Materials as soon as practicable following the Commencement Date;
    - 4.1.3 any other information in the Company's Control pertaining to the safety of the IMP or which in the reasonable opinion of the Company may have a bearing on the conduct of the Clinical Trial as soon as the same comes to the attention of the Company.
    - 4.1.4 such scientific and technical guidance as the Charity may reasonably request to enable the Charity and the Contributors to conduct and manage the Clinical Trial in a safe and proper manner; and
-

- 4.1.5 all information (including information for inclusion in the Investigational Medicinal Product Dossier) and co-operation reasonably requested by the Charity at any time from the Commencement Date to enable the Charity to compile an Investigational Medicinal Product Dossier; provided that such requested information is in the Company's Control (which shall include all information transferred, and all information which the Company is entitled to request or Control, under the Transfer Documents). In the case of co-operation requested under this Clause 4.1.5, the Company shall procure (at its own cost) that any subcontractor which has performed activities or produced documents on its behalf under this Agreement is made available to the Charity on such notice, for such time and with such frequency as may be reasonably requested by the Charity. The Company shall provide information requested by the Charity within fourteen (14) days of request (or such other period as may be reasonable given the nature of the request).
- 4.2 The Company shall provide to the Charity any and all data, documentation, information and Know-How described in Clauses 4.1.1 to 4.1.5 on an ongoing basis within a reasonable time after the same comes to the attention of the Company (if already in the Company's Control), or into the Company's Control, after the Commencement Date.
- 4.3 The Company will keep the Charity informed of the scope and results of any pre-clinical or other non-clinical studies being undertaken by it or with third parties in relation to the Antibody or Back-Up Antibodies. If the Company is intending to transfer the Antibody or undertake any new research in relation to the Antibody or a Back-Up Antibody with a third party, it will consult with the Charity on the scope of the intended research and the identity of the third party and take into good faith consideration any comments the Charity may have in respect to the same. This Clause should not be interpreted to limit any restrictions on the Company's use of the Antibody or any Back-Up Antibody under Clause 6.1 or elsewhere in this Agreement.
- 4.4 The Company shall submit to CRT:
- 4.4.1 a copy of its detailed operating budget for development of the Antibody (including a quarterly cash flow and expenditure forecast) in respect of each Financial Year as adopted by the Company's board (the "**Annual Budget**"), at least thirty (30) days prior to the commencement of the Financial Year to which the Annual Budget relates; and
- 4.4.2 quarterly management accounts of the Company (to include, inter alia, a (consolidated) profit and loss account, balance sheet and cash flow statement and shall indicate where such management accounts differ to any material extent from the Annual Budget for such period), within sixty (60) days of the end of the period to which they relate; save that the accounts relating to the final quarter in any calendar year may be provided within ninety five (95) days, rather than sixty (60) days, of the end of that quarter. Such quarterly management accounts shall be prepared on a basis which is consistent with those adopted in the preparation of all previous management accounts of the Company.
- 4.5 The Company shall generally keep CRT informed of the progress of the Company's business and affairs and shall promptly supply CRT with written details of any circumstances which will or might cause any actual or prospective material adverse change in the financial position, prospects or business of the Company.
- 4.6 As between the Parties, the Company will be solely responsible for any and all payments due under the XOMA Licence that may become due as a result of the grant of rights to the Charity under this Agreement or the carrying out the Clinical Trial in accordance with this Agreement.
-

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

4.7 Following its receipt of the Company GMP Material, the Charity will assess whether or not it wishes to use the Company GMP Material to manufacture IMP. At the Charity's request, the Charity and the Company shall negotiate in good faith the terms of a technical agreement that sets out the responsibilities of each Party in respect of IMP and the GMP aspects of manufacturing IMP (the "**Technical Agreement**"). Negotiations shall take place and be concluded within [\*\*\*] of the Charity's request for a Technical Agreement. If required, the Technical Agreement will be in a form substantially similar to that set out in Schedule 13.

## 5. CONFIDENTIALITY/PUBLICATION

5.1 Subject to Clause 5.5, each Party shall keep confidential and not disclose to any third party (other than the Experts, Contributors, Ethics Committee, Regulatory Authority and staff involved in carrying out the Clinical Trial on a need to know basis) any Confidential Information disclosed to it by another Party (the "**Disclosing Party**") without the prior written consent of the Disclosing Party. For the avoidance of doubt, the Charity shall be permitted to disclose Confidential Information disclosed to it to CRT and CRT shall be permitted to disclose Confidential Information disclosed to it to the Charity. Any party to whom Confidential Information is disclosed in accordance with this Clause 5.1 shall be:

- 5.1.1 subject to no less onerous obligations than those contained in this Clause 5 to keep such information confidential; and
- 5.1.2 advised of its confidential nature.

5.2 The obligations of confidence referred to in Clause 5.1 shall not apply to any part of the Confidential Information which can be proved by evidence in writing:

- 5.2.1 was known to the recipient Party (the "**Recipient Party**") before its disclosure by the Disclosing Party;
- 5.2.2 was available to the public before that date or was otherwise in the public domain;
- 5.2.3 becomes available to the public or enters the public domain after that date otherwise than as a result of an act or default of the Recipient Party;
- 5.2.4 is received by the Recipient Party from a third party not bound to the Disclosing Party by any obligation of secrecy;
- 5.2.5 is independently developed or generated by the Recipient Party in circumstances where it has not been derived directly or indirectly from the Disclosing Party's Confidential Information; or
- 5.2.6 is required to be disclosed by: (i) law, (ii) a Regulatory Authority; or (iii) an order of any court, provided however, that in each such event the Recipient Party required to disclose the Confidential Information shall give prompt notice to the Disclosing Party of such requirement so that such Disclosing Party may seek a protective order or other appropriate remedy to the extent of such disclosure.

5.3 The obligations of the Parties under Clause 5.1 shall survive the expiry or termination of this Agreement for whatever reason for a period of ten (10) years from the date of such expiry or termination.

5.4 Each of the Parties agrees that the provisions of this Clause 5 are fair and reasonable and that money damages are not a sufficient remedy for any breach of this Clause 5 and therefore, in addition to all other remedies, all Parties shall be entitled to seek injunctive or other equitable relief as a remedy for such breach.

5.5 Notwithstanding any confidentiality obligations assumed by the Parties hereunder, the Parties acknowledge: i) the importance of publications to the academic standing of the Charity and the Contributors; and ii) the capital raising, transactional, and licensing prospects of the Company; and iii) the reporting and disclosure obligations of the Company to its investors and to XOMA under the XOMA Licence. Accordingly, the Parties have agreed as follows as regards publication of Clinical Trial Results and Progress Reports:

---

- 5.5.1 The Charity shall use reasonable endeavours to publish, or procure the publication by the Contributors of, the Clinical Trial Results in a timely manner in accordance with generally accepted academic practice, whether during the course of or after completion of the Clinical Trial.
- 5.5.2 The Company may disclose the content of Progress Reports to XOMA only to the extent it is required to do so under the XOMA Licence, provided that the disclosure will exclude all information regarding clinical responses and shall be limited to only information regarding the clinical indication, anticipated timelines of the trial, the number of patients dosed, and such other information of a similar nature as may be reasonably required by the XOMA Licence.
- 5.5.3 The Company may disclose:
- (a) the content of Progress Reports to a third party in connection with capital raising, financing, transactional, and/or licensing activities or prospects for the benefit of the Company. Prior to making such disclosure, the Company shall give notice to the Charity, including details of the content of the proposed disclosure and the reason for wishing to make such disclosure, and shall inform the Charity of the identity of the third party in its notice unless it is prevented from doing so due to express confidentiality restrictions owed to, and requested by, the third party, in which case the Company shall state the main business area within which the third party operates. The Company may, without the Charity's prior approval, disclose only the clinical indication, anticipated timelines of the trial, and the number of patients dosed, but shall obtain the Charity's approval before proceeding with any other disclosure under this Clause 5.5.3(a);
  - (b) the Final Report to the Company's consultants and professional advisors, solely for the purpose of assisting in the evaluation of the results with a view to exercise of the Option and provided that no patient data shall be disclosed unless it has been cleansed; and
  - (c) the content of Progress Reports to persons holding investments in the Company, solely for the purpose of a status update, such as periodic disclosure of recruitment numbers to investors in the Company by way of demonstration of progress in the Clinical Trial.
- 5.5.4 It is further provided that each disclosure of the content of Progress Reports by the Company under this Clause 5.5 shall be subject to the following conditions:
- (a) all recipients shall be informed in writing beforehand of the confidential nature of the information being disclosed and shall have agreed in writing to obligations of confidentiality in favour of the Company no less onerous than those contained in this Clause 5 (but without any right of further disclosure) to keep such information confidential; and
  - (b) only the content of the documents containing the relevant information which has been processed into a suitable format may be disclosed but not copies of the actual documents themselves.
-

- 5.6 The Charity will include provisions in its contracts with the Contributor(s) that require such Contributor(s) to notify the Charity in advance of submission of any abstract, presentation or manuscript incorporating Clinical Trial Results that the Contributor(s) wish to publish or have published or to present or have presented.
- 5.7 Upon receipt of such notification from a Contributor or if the Charity wishes itself to publish or have published or to present or have presented an abstract, presentation or manuscript incorporating Clinical Trial Results the Charity shall so notify the Company and CRT and provide (in so far as it is able to do so in the case of a Contributor's notification) in response to the Company's and/or CRT's reasonable request a copy or summary thereof at least seven (7) days prior to submission for publication of an abstract or presentation or at least thirty (30) days prior to submission for publication of a manuscript (or twenty one (21) days prior to submission for publication of a manuscript in the case of a Contributor's notification). Any such copy or summary shall provide sufficient details to enable the Company and CRT to ascertain whether it contains Confidential Information of the Company or CRT respectively or whether Patent Rights or other proprietary protection should be sought.
- 5.8 The Company and CRT shall review and make any comments on such intended publication or presentation of an abstract to the Charity within seven (7) days and/or shall review and make any comments on such intended publication or presentation of a manuscript within thirty (30) days. The Company and/or CRT may request that:
- 5.8.1 Confidential Information of the Company (not including Clinical Trial Results nor information directly relating to the Investigational Medicinal Product) or Confidential Information of CRT (not including Clinical Trial Results) be removed from the proposed publication or presentation; and/or
- 5.8.2 any such publication or presentation be delayed if in the Company's or CRT's reasonable opinion it is necessary to delay publication or presentation in order to file a patent application or application for other proprietary protection in respect of any invention made in the course of the Clinical Trial. Any such delay will be kept to the minimum period practicable and will in no event extend beyond thirty (30) days from the date the proposed publication or presentation was provided to the Company.
- In the event of a request pursuant to Clauses 5.8.1 or 5.8.2, the Company or CRT (as the case may be) shall provide the Charity with a written explanation of the reasons why it believes information should be removed or a delay is necessary. For the avoidance of doubt, any Patent Rights filed pursuant to Clause 5.8.2 shall be filed in CRT's name unless any Company personnel are deemed inventors on any such filing, in which case such Patent Right shall be filed in both CRT's and Company's names. As used herein, inventorship shall be determined in accordance with English law.
- 5.9 The Charity and CRT shall be entitled to publish information in relation to the proposed Clinical Trial, including that it is or will be a trial conducted by the Clinical Development Partnerships initiative set up by the Charity and CRT, the pre-requisites for patient recruitment, a brief description of the Clinical Trial, including the name of the Company, the reference number and class of the Investigational Medicinal Product and the location(s) at which the trial is taking place.
- 5.10 In addition to the disclosures under Clause 5.5, the Company may disclose the commercial terms of this Agreement to any actual or potential investors, bankers, acquirers, acquirees or merger partners, in each case under appropriate confidentiality provisions substantially equivalent to those of this Agreement.
-



[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

5.11 Except as expressly permitted in Clause 5, the Company shall not disclose the Clinical Trial Results to any potential investors, licensees or sub-licensees of the Company (or any other person) until the Company has been granted the Licence.

## **6. INTELLECTUAL PROPERTY RIGHTS**

6.1 The Company hereby grants to the Charity with a right to sub licence to Contributors:

6.1.1 the [\*\*\*] of the Investigational Medicinal Product;

6.1.2 the [\*\*\*] relating to the Investigational Medicinal Product;

6.1.3 an [\*\*\*] under the Company Intellectual Property; and

6.1.4 a [\*\*\*] under the XOMA IP,

on a [\*\*\*] basis for the purpose of preparing for and carrying out (and having prepared or carried out for the Charity) the Clinical Trial. The Company shall not be entitled to (and shall (i) procure that its Affiliates do not, and (ii) not authorise any other third party to) conduct any clinical trials in respect of the Antibody or any Back-Up Antibody during the term of this Agreement.

6.2 The Company shall use commercially reasonable endeavours to continue to prosecute and maintain, at its own cost, all of the Company Patent Rights. If the Company intends to substantially narrow the scope of the claims of any Patent Rights within the Company Patent Rights it will first consult with CRT and take into good faith consideration any concerns or views expressed by CRT. If the Company elects not to prosecute or maintain any part of the Company Patent Rights, the Company shall notify CRT in writing within a reasonable period and no less than [\*\*\*] prior to the expiration of any applicable time bars. After receipt of such notice, CRT may elect, before the expiry of any such time bars, by written notice to the Company, to take an assignment to any Company Patent Rights identified in such notice at CRT's sole discretion and for consideration not exceeding [\*\*\*]. In the event that CRT elects to take such an assignment, the Company shall, at CRT's expense, promptly transfer to CRT (or any person nominated by CRT) copies of any and all documents in the Company's Control relating to the filing, prosecution, maintenance, enforcement and defence of such Company Patent Rights. The Company shall not assign, charge, encumber or dispose of any interest in any of the Company Intellectual Property to a Tobacco Party or in a manner that limits or impairs the Charity's or CRT's rights under the licence (or assignment, where applicable) of Company Intellectual Property pursuant to this Agreement without the Charity's or CRT's prior written consent.

6.3 As between the Company and the Charity, [\*\*\*]. The Charity hereby [\*\*\*]. CRT hereby [\*\*\*].

6.4 Subject to [\*\*\*], the Company shall [\*\*\*].

---

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

- 6.5 Solely in connection with the Charity's and the Contributors' activities performed pursuant to the Clinical Trial, where carried out in accordance with the terms of this Agreement, the Company shall not, and shall procure that its Affiliates shall not, anywhere in the world, institute or prosecute (or, other than as required by law, in any way aid any third party in instituting or prosecuting) any claim, demand, action or cause of action for damages, costs, expenses or compensation, or for an injunction, injunction, or any other equitable remedy, alleging the infringement by the Charity and/or any Contributors of any Patent Rights of the Company and/or any Patent Rights of the Company's Affiliates. For the avoidance of doubt, the foregoing shall not apply in respect of: (i) development, at any time, of products other than the IMP; or (ii) any activity in relation to the IMP which constitutes a breach of the terms of this Agreement.
- 6.6 Any breach of Clause 6.5 shall be a material breach and shall accordingly entitle the Charity to terminate this Agreement under Clause 11.2.
- 6.7 CRT hereby reserves and excludes from the Option, the worldwide, perpetual and irrevocable right in and to the Exclusive Results for the Contributors and the Charity (including scientists funded and/or employed by the Charity) to:
- 6.7.1 use the Exclusive Results for the purpose of non-commercial scientific research carried out by or for or under their respective direction in accordance with their respective charitable and/or academic status, whether alone or in collaboration with a third party or third parties; and
- 6.7.2 grant licences under, and make available, the Exclusive Results solely to the extent necessary to exercise the rights under Clause 6.7.1, but not otherwise.
- 6.8 For the avoidance of doubt, CRT shall be entitled, at its discretion, at any time (including during the Option Period) to grant non-exclusive licences to the Non-Exclusive Results to any person and for any purpose.
- 6.9 Neither Charity nor CRT, or any affiliate or agent of Charity or CRT, shall institute any type of proceeding in a court, governmental agency, or patent office anywhere throughout the world for the purposes of invalidating, narrowing, or reducing the term of one or more claim in an issued patent or pending patent application. The institution of any such proceeding during the term of this agreement and afterwards during the term of Company's Patent Rights shall be a material breach and shall accordingly entitle the Company to terminate this Agreement under Clause 11.2.
- 7. OPTION**
- 7.1 CRT grants to the Company the option, exercisable by notice to CRT in writing (the "**Exercise Notice**") at any time during the [\*\*\*] period after the Company receives the Final Report (the "**Option Period**"), to enter into the Licence (the "**Option**"). Subject to Clause 6.7, the Option shall be [\*\*\*]
- 7.2 Upon exercise of the Option, the Company shall pay the Option Fee to CRT within the Option Period.
- 7.3 Save where the Charity has provided a Full Clinical Study Report, CRT shall procure the provision of the Data Listings to the Company following the exercise of the Option and the receipt by CRT of the Option Fee.
- 7.4 If the Company exercises the Option, CRT and the Company shall execute the Licence within the Signature Period.
- 7.5 If:
- 7.5.1 the Company does not exercise the Option within the Option Period; or
-

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

- 7.5.2 following the exercise of the Option, the Company does not enter into the Licence within the Signature Period, then the Company shall, within [\*\*\*] of the expiry of the Option Period or Signature Period (as applicable):
- a) assign the Company Intellectual Property and sub-license the XOMA IP to CRT by executing an agreement in the form attached at Schedule 5, and CRT shall be free to license or otherwise grant rights in respect of the Clinical Trial Results and the Intellectual Property Rights in the Clinical Trial Results on such terms and to such third parties as it shall see fit; and
  - b) provide CRT with such assistance as CRT may reasonably request in liaising with XOMA for the purpose of obtaining direct contractual rights with XOMA in respect of the XOMA IP.

## **8. WARRANTIES AND LIMITS OF LIABILITY**

8.1 The Charity warrants that:

- 8.1.1 it will procure the discharge of its obligations hereunder with reasonable care and skill; and
- 8.1.2 it will use its reasonable endeavours to procure that each Contributor that carries out part of the Clinical Trial ensures that the relevant Chief Investigator and/or the Principal Investigator discharge their obligations in respect of that part of the Clinical Trial in accordance with applicable ICH GCP provisions.

8.2 The Company warrants and represents that:

- 8.2.1 it is entitled to make the Company Materials available to the Charity for the purposes of this Agreement;
  - 8.2.2 to the best of its knowledge and belief the use and possession of the Company Materials and/or the Antibody by the Charity and/or the Contributors shall not infringe the rights (including without limitation any Intellectual Property Rights) of any third party;
  - 8.2.3 the Company Materials have been manufactured, handled and stored at all times in compliance with relevant legislation and, in the case of relevant Company Materials (including the Company Materials identified in Part 2 of Schedule 7), in accordance with Good Manufacturing Practice;
  - 8.2.4 it is a party to the XOMA Licence, which is in full force and effect;
  - 8.2.5 it has, and will maintain throughout the Term, the full right, power and authority, and has obtained all assignments, approvals or consents necessary to grant the rights, including under the Transfer Documents and the XOMA Licence, as provided under this Agreement;
  - 8.2.6 the XOMA Licence is the only third party licence held by the Company in respect of the manufacture, possession and use of the Antibody, IMP and the rights granted to the Charity under this Agreement;
  - 8.2.7 the XOMA Licence set out in Schedule 9 is a true and correct copy of the XOMA Licence;
  - 8.2.8 to the best of its knowledge and belief, there are no outstanding breaches of the XOMA Licence by any party (or any predecessor parties) to the XOMA Licence;
-

- 8.2.9 to the best of its knowledge and belief there are no acts, facts, circumstances or omissions at the Commencement Date which would give XOMA the right to terminate the XOMA Licence, either now or at a later date;
- 8.2.10 it shall maintain, and shall not amend or terminate the XOMA Licence without CRT's prior written consent; and
- 8.2.11 it shall notify the Charity and CRT as soon as possible if it becomes aware of any facts, circumstances or omissions which may give XOMA the right to terminate the XOMA Licence.

References to the "best of its knowledge and belief" in Clause 8.2 shall include any knowledge within the Company or its Affiliates, and, where relevant, of any predecessor party to the XOMA Licence, having made due and proper enquiries.

- 8.3 The Company warrants and represents that all information and Know-How supplied to the Charity and/or CRT pursuant to this Agreement (including any safety information) shall be accurate and complete and shall be supplied as soon as practicable following the Commencement Date to enable the Charity to conduct and manage the Clinical Trial in a safe and proper manner.
- 8.4 Nothing in this Agreement shall exclude or limit the liability of any Party for death or personal injury resulting from its negligence or the negligence of its employees while acting in the course of their employment or shall exclude or limit the liability of any Party for fraud.
- 8.5 Subject to Clause 8.4, the entire aggregate liability, for any loss or damage arising from any act or omission relating to this Agreement regardless of the form of action, whether in contract or tort (including in each case negligence), strict liability or otherwise:
  - 8.5.1 of the Charity and CRT to the Company shall be limited to £1,000,000 (one million Pounds Sterling) in aggregate;
  - 8.5.2 of the Company to CRT and the Charity shall be limited to US \$7,500,000 (7.5 million US dollars) in aggregate. The Escrow Amount is not, and shall not be deemed to operate in any manner as, a cap or limit on the Company's liability to the other Parties.
- 8.6 To the fullest extent permissible by law, no Party shall under any circumstances be liable to any other for any loss of revenue, business, contracts, anticipated savings, profits, data or information, or any indirect or consequential loss howsoever arising whether from negligence, breach of contract or otherwise.
- 8.7 Save to the extent otherwise provided in this Agreement, each Party specifically excludes to the extent permitted by law all warranties, representations, and conditions regarding the performance of its obligations under this Agreement including those implied by law, whether as to suitability, quality or fitness for any purpose or otherwise.

## 9. INDEMNITIES

- 9.1 Subject to Clause 8.5, the Charity shall indemnify and hold the Company its officers, and employees (the "**Company Indemnitees**") harmless from and against all Losses arising from any claims and proceedings made or brought (whether successfully or otherwise) on behalf of Clinical Trial Subjects for personal injury (including death), arising out of the conduct of the Clinical Trial, save where such claims, proceedings and/or Losses arise as a consequence of (i) any wrongful act or omission and/or negligence of any of the Company Indemnitees; (ii) a breach of this Agreement by the Company; or (iii) a misrepresentation by the Company.
-

- 9.2 Notwithstanding the provisions of Clause 9.1 above and any other restrictions on liability contained in this Agreement, but subject to Clause 8.5 above, the Company shall indemnify and hold the Charity, CRT, the Contributors, the Experts and their respective officers, employees and agents (the “**Charity Indemnitees**”) harmless from and against all Losses arising from any claims and proceedings made or brought (whether successful or otherwise):
- 9.2.1 on behalf of Clinical Trial Subjects for personal injury (including death), arising out of: (i) any failure or delay on the part of the Company to provide relevant or accurate Company KnowHow and other information relating to the storage, use and safety of any of the Company Materials. and/or (ii) any wrongful act or omission and/or negligence of the Company (or any third party engaged by the Company) in the supply and/or manufacture of any of the Company Materials; and
  - 9.2.2 alleging infringement of a third party’s Patent Rights or other Intellectual Property Rights resulting from use of Company Intellectual Property or Company Materials in the course of or in consequence of the performance of the Clinical Trial or by importation, storage, supply or use of any of the Company Materials and/or Antibody as permitted by this Agreement. provided always that;
  - 9.2.3 it is a condition of the indemnity that the Charity and CRT hand over or procure the hand over (as the case may be) of control of the matter to the Company, and give or procure (as the case may be) such information and assistance as the Company may reasonably request in connection with the matter, and allow or procure, (as the case may be) that the Company has exclusive conduct of the matter and any ensuing legal proceedings.
- 9.3 The indemnities set out in Clauses 9.1 and 9.2 shall survive the expiration or termination of this Agreement for whatever reason. Each Party’s agreement to indemnify, defend, and hold the other Party and its respective indemnitees harmless is conditioned upon the indemnified Party: (a) providing written notice to the indemnifying Party of any claim or proceeding arising out of the indemnified activities within thirty (30) days after the indemnified Party has knowledge of such claim or proceeding; (b) permitting the indemnifying Party to assume full responsibility and authority to investigate, prepare for, and defend against any such claim or proceeding; and (c) assisting the indemnifying Party, at the indemnifying Party's reasonable expense, in the investigation of, preparation for and defence of any such claim or proceeding. If the indemnifying Party assumes the defence of a third party claim, the indemnifying Party will not be subject to any liability for any settlement of such claim made by the indemnified Party without the indemnifying Party’s consent (which consent may not be unreasonably withheld, delayed or conditioned).
- 9.4 The Charity shall ensure that all Clinical Trial Subjects receive the benefit of a no-fault compensation scheme substantially in the form attached at Schedule 4 hereto. Subject to the indemnity in Clause 9.2, the Charity shall bear all costs associated with the provision of such compensation scheme including in relation to all claims received pursuant to such scheme.
- 9.5 The Company shall carry insurance coverage on an "occurrence" or "claims made" basis for potential liabilities which the Company may have under this Agreement, and ensure that the Charity and CRT are each named additional insureds on each such policy and may claim directly under them. The Company shall maintain such insurance in full force throughout the term of the Agreement (and in the case of insurance coverage on a "claims made" basis, for a further two years after the term of the Agreement) and shall upon request of the Charity provide such evidence of compliance as the Charity deems sufficient. The initial insurance policy of the Company which satisfied the condition under Clause 2.1.3 is agreed to provide the minimum coverage required for the policy to be carried by the Company under this Clause 9.5. The Company’s obligations, and the Charity’s and CRT’s rights, under this Clause 9.5 shall apply in addition to, and not instead of, the obligations of the Company, and rights of the Charity and CRT, under the Escrow Agreement. Neither the existence of the Escrow Agreement nor any of its contents shall limit the obligations imposed or rights granted under this Clause 9.5.
-

## **10. ASSIGNMENT**

- 10.1 No Party shall assign its rights under this Agreement or any part thereof, provided that the Company may assign its rights and obligations to a third party in connection with any merger or consolidation of the Company with another business entity, or in connection with the sale of all or a substantial part of its business and related assets that includes its business in relation to the Licensed Product (including, among other things, all XOMA IP and Intellectual Property licensed under this Agreement), other than a merger or consolidation with or a sale of assets to a Tobacco Party and provided that the Company obtains a direct covenant from the acquiring party to CRT and the Charity undertaking to be bound by the terms of this Agreement. Save as set out in this Agreement, no Party shall sub-contract the performance of all or any of its obligations under this Agreement without the prior written consent of the other Parties.

## **11. TERM AND TERMINATION**

- 11.1 Unless terminated earlier pursuant to the provisions hereunder, and except as otherwise provided hereunder, this Agreement shall remain in full force and effect from the Commencement Date until the earlier of the date that:
- 11.1.1 the Agreement expires pursuant to Clause 2.2 due to a failure to satisfy the Conditions Precedent before the Long Stop Date;
  - 11.1.2 the Company enters into the Licence pursuant to Clause 7.4; or
  - 11.1.3 the Company assigns the Company Intellectual Property and sub-licenses the XOMA IP to CRT pursuant to Clause 7.5.
- 11.2 Any of the Parties hereto may at any time terminate this Agreement, but shall not be obliged to do so, upon written notice to the other Party (being the Charity and CRT where the terminating Party is the Company, or the Company where the terminating Party is the Charity or CRT) under the following circumstances:
- 11.2.1 in the event that the other Party commits a material breach of this Agreement and does not fully remedy, if capable of remedy, the same within sixty (60) days of its receipt of written notice of the breach from any other Party; or
  - 11.2.2 in the event, in respect of a Party: that respective Party proposes a voluntary arrangement for that respective Party or a voluntary arrangement is approved for that respective Party; or an administration order is made as to such Party; or a receiver or administrative receiver is appointed of any of such Party's assets; or undertakings or a winding-up resolution or petition is passed as to such Party (otherwise than for the purpose of solvent reconstruction or amalgamation); or if any circumstances arise which entitle a court or a creditor to appoint a receiver, administrative receiver or administrator or make a winding-up order or similar; or equivalent action is taken against or by such Party by reason of its insolvency. A Party shall notify the other Parties immediately upon becoming aware that any of the events identified in this Clause 11.2.2 has or is likely to take place in relation to it.
- 11.3 The Charity shall have the right to terminate this Agreement forthwith, upon written notice to the Company:
-

- 11.3.1 if the Charity has an insufficient quantity of IMP of the standard required to perform the activities envisaged under this Agreement (whether due to a breach by the Company of Clause 8.2 or otherwise);
  - 11.3.2 in accordance with Clause 3.6; or
  - 11.3.3 if the Charity considers in its sole discretion that it would be unethical or otherwise undesirable for any reason to proceed or continue with the Clinical Trial.
- 11.4 The Charity shall have the right to terminate this Agreement forthwith, upon written notice to the Company if, by way of merger, acquisition or otherwise, the Company becomes a Tobacco Party.
- 11.5 The Parties may by mutual written agreement terminate this Agreement for any reason, including, if in their opinion the objectives of the Clinical Trial cannot be achieved.

## **12. CONSEQUENCES OF TERMINATION**

- 12.1 In the event of termination of this Agreement by the Company:
- 12.1.1 without prejudice to Clause 12.1.4, the Company shall have no obligation to enter into the Option or any other licence with CRT or the Charity, or to licence or assign its Intellectual Property Rights to CRT;
  - 12.1.2 subject to Clause 12.1.4 and 12.6, the Charity shall, within ninety (90) days after written request of the Company, return to the Company or destroy (by a method specified by the Company) and at the Company's cost and expense any remaining quantities of the Company Materials and/or Confidential Information of the Company in the Charity's possession or control;
  - 12.1.3 where the Charity has commenced the Clinical Trial, the Charity shall within thirty (30) days of finalisation of the last Case Report Form submit to the Company copies of all completed Case Report Forms and Data Listings for the Clinical Trial. The Charity shall be entitled to retain the original Case Report Forms for its own records; and
  - 12.1.4 where the Charity has commenced the Clinical Trial, the Charity shall nonetheless be entitled to make (or have made) the Investigational Medicinal Product and continue to provide it to: (i) any particular Clinical Trial Subject who has commenced treatment; and/or (ii) any Clinical Trial Subject where the Regulatory Authority and/or Ethics Committee request or require that such provision occurs.
- 12.2 In the event of any termination of this Agreement pursuant to Clause 11.2 or 11.4 by CRT or the Charity:
- 12.2.1 the Option shall lapse forthwith;
  - 12.2.2 the Company shall within thirty (30) days of the date of such termination reimburse the Charity all Costs;
  - 12.2.3 the Parties shall within thirty (30) days of the date of such termination execute the agreement set out in Schedule 5; and
  - 12.2.4 the Charity shall be entitled to (as applicable) commence and complete the Clinical Trial and the Company shall provide the Charity with the necessary assistance to allow the Charity to do so. For the avoidance of doubt, the licence granted by the Company under Clause 6.1 shall continue to the extent necessary to allow the Charity to commence and complete the Clinical Trial, provided that upon completion or termination of the Clinical Trial the Charity shall, within thirty (30) days written notice by the Company return to the Company or destroy (by a method specified by the Company) and at the Company's cost and expense any remaining quantities of the Company Materials and/or Confidential Information of the Company in the Charity's possession or control.
-

- 12.3 In the event of termination of this Agreement pursuant to Clause 11.3 by the Charity or pursuant to Clause 11.5:
- 12.3.1 subject to Clause 12.3.2 and 12.6, the Charity shall, within thirty (30) days written request by the Company, return to the Company or destroy (by a method specified by the Company) and at the Company's cost and expense any remaining quantities of the Company Materials and/or Confidential Information of the Company in the Charity's possession or control;
- 12.3.2 where the Charity has commenced the Clinical Trial, the Company shall nonetheless continue to permit the Charity to continue to provide such Investigational Medicinal Product to: (i) any particular Clinical Trial Subject who has commenced treatment; and/or (ii) any Clinical Trial Subject where the Regulatory Authority and/or Ethics Committee request or require that such provision occurs; and
- 12.3.3 where the Charity and CRT consider it appropriate to do so in light of the reason for termination, for a period of thirty (30) days from the date of termination (or such longer period as CRT may notify) CRT shall offer the Company the option, exercisable by written notice to CRT, to enter into the Licence in respect of those Clinical Trial Results in existence at the date of termination and subject to agreement between CRT and the Company on amended financial and other terms for the Licence to reflect that the Clinical Trial was not completed. If the Parties are not able to agree amended financial terms within thirty (30) days of the date CRT receives the Company's exercise notice, the Parties at their joint cost and expense shall obtain an Independent Opinion on a fair and reasonable reduction to the financial terms which will be binding on both Parties.
- 12.4 Termination of this Agreement for whatever reason shall not affect the accrued rights of the Parties arising out of this Agreement as at the date of its termination.
- 12.5 The provisions of the following Clauses shall survive the expiration or termination of this Agreement: 5 (Confidentiality/Publication), 6.3 (Assignment of Clinical Trial Results to CRT), 6.5 (Covenant not to sue), 6.9 (invalidation of Company's IP rights), 8.4 to 8.6 inclusive (Limits or exclusion of liability), 8.7 (Exclusion of other warranties), 9 (Indemnities), 10 (Assignment), 12 (Consequences of termination), 13 to 23 inclusive (Dispute Resolution to Third Party Rights inclusive).
- 12.6 The Charity shall retain copies of the Company's Confidential Information and the Clinical Trial Results in accordance with ICH GCP and as otherwise required under the Charity's obligations as Sponsor of the Clinical Trial.

### **13. DISPUTE RESOLUTION**

- 13.1 Insofar as this Agreement provides that a matter shall be resolved by Independent Opinion, the opinion of the appointed independent expert (who shall act as an expert and not as an arbitrator) shall be final and binding on the Parties. In the event of a Party seeking an Independent Opinion under this Agreement, each Party shall make written submissions to the expert and to the other Parties within fourteen (14) days of the appointment. Each Party shall have seven (7) days to respond to the others' submissions. The expert shall be requested to deliver his Independent Opinion within a further thirty (30) days. The costs of any Independent Opinion shall be borne in such proportions as the expert may determine in his Independent Opinion to be fair and reasonable in all the circumstances or, if no such determination is made in the Independent Opinion, by the Parties in equal proportions.
-



[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

- 13.2 It shall be a condition precedent to the commencement of any action in court or other tribunal (save an action for an interim injunction or an Independent Opinion sought under Clause 13.1) in respect of any dispute relating to this Agreement that the Parties have sought to resolve the dispute by one Party notifying the others in writing for resolution to the Chief Executive Officer of CRT, the Director of Drug Development of the Charity and the CEO of the Company (or their express delegates) (the “**Representatives**”) who shall meet (whether in person or via teleconference) within twenty one (21) days of such notice to seek resolution in good faith. If the Representatives are unable to resolve the dispute at such meeting, any Party may pursue any remedy available to such Party at law or in equity, subject to the terms and conditions of this Agreement and the other agreements expressly contemplated hereunder.
- 13.3 This Agreement shall be governed by and construed in accordance with English Law and, subject to the provisions of Clause 13.1 and 13.2, each Party agrees to submit to the exclusive jurisdiction of the English Courts (except in respect of disputes under Clause 5 where jurisdiction is non-exclusive).

#### **14. NOTICES**

- 14.1 Any notice or other document to be given under this Agreement shall be in writing and shall be deemed to have been given:
- 14.1.1 upon delivery if given in person; or
  - 14.1.2 upon confirmation of receipt if sent by facsimile or email; or
  - 14.1.3 (if posted to an inland destination) three (3) business days after deposit into First Class post; or
  - 14.1.4 (If posted to an overseas destination) five (5) days after deposit into airmail post; or
  - 14.1.5 upon delivery by air delivery service;

to a Party at the address set out below (or, if provided below or so notified, such facsimile or electronic communication) for such Party or such other address as the Party may from time to time designate by written notice to the other Parties.

Address of the Company

Monopar Therapeutics LLC  
598 Rockefeller Road  
Lake Forest, IL USA 60045  
Contact: Chief Executive Officer  
Email: [\*\*\*]

Address of the Charity

Cancer Research UK  
Angel Building  
407 St. John Street  
London EC1V 4AD  
England  
Contact: Director of Drug Development  
Fax: +44 (0) 20 7121 6700

---

With a copy to:

Cancer Research UK  
Angel Building  
407 St. John Street  
London EC1V 4AD  
England  
Contact: Caroline Foxton  
Fax: +44 (0) 20 7121 6700

Address of CRT

Cancer Research Technology Limited  
Angel Building  
407 St. John Street  
London  
EC1V 4AD  
United Kingdom  
Contact: Chief Executive Officer  
Fax: +44 (0) 20 3014 8633

**15. WAIVER**

- 15.1 No failure or delay on the part of any Party hereto to exercise any right or remedy under this Agreement shall be construed as or operate as a waiver thereof nor shall any single or partial exercise of any right or remedy under this Agreement preclude the exercise of any other right or remedy or preclude the further exercise of such right or remedy as the case may be.

**16. FORCE MAJEURE**

- 16.1 No Party shall be liable to any other Party or shall be in default of its obligations hereunder if such default is the result of any cause beyond the reasonable control of the Party affected including war, hostilities, revolution, civil commotion, strike, epidemic, accident, fire, wind, flood or because of any act of God . The Party affected by such circumstances shall promptly notify the other Parties in writing when such circumstances cause a delay or failure in performance (a “**Delay**”) and where they cease to do so. In the event of a Delay lasting for twenty six (26) weeks or more either of the non-affected Parties shall have the right to terminate this Agreement immediately by notice in writing to the affected Party.

**17. INSOLVENCY**

- 17.1 All rights and licenses granted under or pursuant to this Agreement by the Company to CRT and the Charity are for all purposes of Section 365(n) of Title 11 of the U.S. Bankruptcy Code (“**Title 11**”), licenses of rights to “intellectual property” as defined in Section 101 of Title 11.
-

- 17.2 The Company agrees that CRT and the Charity shall retain and may fully exercise all of its rights and elections under the U.S. Bankruptcy Code. If a case under Title 11 is commenced by or against the Company, CRT and the Charity shall have all rights of licensees set out in Section 365(n) of Title 11.
- 17.3 Without limiting CRT's and the Charity's rights under Section 365(n) of Title 11, if a case under Title 11 is commenced by or against the Company, and this Agreement is rejected by the Company in any bankruptcy proceeding by or against the Company under the U.S. Bankruptcy Code, (i) the Company shall provide CRT and the Charity with a complete duplicate of (and complete access to, as appropriate) any IP and embodiments of IP not already in their possession; and (ii) the Company shall not interfere with CRT's and the Charity's rights to IP and embodiments of IP, and shall facilitate and assist with CRT and the Charity obtaining IP and embodiments of IP (including from a third party).
- 17.4 The term "embodiments" of IP includes all tangible, intangible, electronic or other embodiments of rights and licenses, including antibodies, compounds and products embodying IP and related rights and technology. All rights of CRT and the Charity under this Clause and under Section 365(n) of Title 11 are in addition to, not in substitution of, any other rights and remedies that they may have under this Agreement, Title 11 and any other applicable law.

## **18. SEVERABILITY**

- 18.1 If and to the extent that any court or tribunal of competent jurisdiction holds any of the terms, provisions or conditions or parts thereof of this Agreement, or the application hereof to any circumstances, to be invalid or to be unenforceable in a final non-appealable order, the remainder of this Agreement and the application of such term, provision or condition or part thereof to circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each of the other terms, provisions and conditions of this Agreement shall be valid and enforceable to the fullest extent permissible by law.

## **19. ENTIRE AGREEMENT**

- 19.1 This Agreement embodies and sets forth the entire agreement and understanding of the Parties and supersedes all prior oral or written agreements, understandings or arrangements relating to the subject matter of this Agreement. No Party shall be entitled to rely on any agreement, understanding or arrangement which is not expressly set forth in this Agreement unless otherwise agreed between the Parties and recorded in writing. In the event of any inconsistency between this Agreement and the Protocol, the terms of this Agreement shall govern.

## **20. AMENDMENT**

- 20.1 This Agreement shall not be amended, modified, varied or supplemented except in writing signed by duly authorised representatives of the Parties.
- 20.2 The Charity shall at all times be free to amend, modify, vary or supplement any of its own Standard Operating Procedures.

## **21. PUBLIC ANNOUNCEMENTS**

- 21.1 The text of any press release, shareholders' report or other communication to be published or disclosed in any way by or on behalf of the Company by or in the media concerning the Charity, the Contributors or the Experts, the subject matter of this Agreement or concerning this Agreement itself, other than as required by law or by any regulatory or government authority, shall be submitted to the Charity and CRT at least seven (7) days in advance of publication or disclosure for approval, such approval not to be unreasonably withheld; provided that insofar as a disclosure repeats or restates a prior public disclosure permitted by this Agreement, such disclosure need not be submitted to the Charity or CRT for approval.
-

## **22. PAYMENTS**

- 22.1 All payments due to CRT and the Charity under this Agreement shall be made in cleared funds in pounds sterling to the bank accounts nominated by CRT and the Charity respectively from time to time. All costs of transmission shall be borne by the Company.
- 22.2 All payments under this Agreement are expressed to be exclusive of value added tax howsoever arising, which the Company shall pay in addition to those payments.
- 22.3 Save as expressly set out in Clause 7.2, all amounts due under this Agreement shall be paid in full without any deduction or withholding other than as required by law and the Company shall not be entitled to assert any credit, set-off or counterclaim against CRT or the Charity in order to justify withholding payment of any such amount in whole or in part.
- 22.4 Where a Party does not receive payment of any sums due to it by the due date, interest shall accrue both before and after any judgement on the sum due and owing to such Party at the rate equivalent to an annual rate of two percent (2%) over the then current base rate of Natwest Bank, calculated on a daily basis, until the full amount is paid, without prejudice to such Party's right to receive payment on the due date.

## **23. DATA PROTECTION**

- 23.1 The Parties' attention is drawn to the Data Protection Act 1998, Directive 95/46/EC of the European Parliament and any national or European legislation and/or regulations implementing them or made in pursuance of them (all referred to together as the "**Data Protection Requirements**").
- 23.2 Each Party warrants that it will observe all its obligations under the Data Protection Requirements which arise in connection with the performance of this Agreement and in particular that it will process and use any personal data fairly and lawfully.

## **24. THIRD PARTY RIGHTS**

- 24.1 Save for the third parties identified in Clauses 5.5 (Contributors' right to publish), 6.5 (Covenant not to sue), 9.1 and 9.2 (Indemnities) and 9.3 (No fault compensation scheme), who shall have the benefit of those respective Clauses, this Agreement shall not create any rights that shall be enforceable by anyone other than the Parties to this Agreement. The rights created in Clauses 5.5, 6.5, 9.1, 9.2 and 9.3 may be altered or extinguished by the Parties without consent of any third party beneficiary of such rights.

## **25. EXECUTION**

- 25.1 This Agreement may be executed in any one or more number of counterpart agreements, and as scanned email attachments, and all signatures and counterparts so exchanged shall be considered as original and shall be deemed to form part of and together constitute this Agreement.
-

**IN WITNESS** whereof this Agreement has been executed by duly authorised officers of the Parties on the day first above written.

Signed by: /s/ PJ L'Hullier  
Name: PJ L'Hullier  
Title: Director, Business Management

For and on behalf of  
**CANCER RESEARCH TECHNOLOGY LIMITED**

Signed by: /s/ Dr. Nigel Blackburn  
Name: Dr. Nigel Blackburn  
Title: Director of Drug Development CRUK Centre for Drug Development

For and on behalf of  
**CANCER RESEARCH UK**

Signed by: /s/ Chandler Robinson  
Name: Chandler Robinson  
Title: CEO and Manager

For and on behalf of  
**MONOPAR THERAPEUTICS LLC**

---

\*\*\* = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

**Schedule 1**  
**Company Patent Rights**  
(details of company patent rights to be inserted here)

	B& N Ref	Country	Status	Comments	Applicaition #	Filing Date	Patent #	Grant Date	
***	***	***			***	***	***	***	***

---

**Schedule 2  
Report Synopsis**

Name of Sponsor/Company:	Individual Study Table Referring to Part of the Dossier	
Name of Finished Product:		Volume:
Name of Active Ingredient:		Page:
Title of Study:		
Investigators:		
Study Centre(s):		
Publication (reference):		
Studied period (years): (date of first enrolment) (date of last completed)	Phase of development:	
Objectives:		
Methodology:		
Number of Patients (planned and analysed):		
Diagnosis and main criteria for inclusion:		
Test product, dose and mode of administration, batch number:		
Duration of treatment:		
Reference therapy, dose and mode of administration, batch number:		





Name of Sponsor/Company:	Individual Study Table Referring to Part of the Dossier
Name of Finished Product:	
Name of Active Ingredient:	

Volume:

Page:

Criteria for evaluation:

**Efficacy:**

*[Drafting Note: The sub-heading of “Efficacy” can be adapted to “Pharmacokinetics”, “Pharmacodynamics”, “Immunogenicity”, “Pharmacogenomics” etc, as dictated by the study objectives. If there is more than one major area of evaluation, further top-level headings can be added here.]*

**Safety:**

*[Drafting Note: The sub-heading of “Safety” must always be included.]*

Statistical methods:

**SUMMARY – CONCLUSIONS**

**EFFICACY RESULTS:**

*[Drafting Note: The sub-heading of “Efficacy Results” can be adapted to “Pharmacokinetics”, “Pharmacodynamics”, “Immunogenicity”, “Pharmacogenomics Results” etc, as dictated by the study endpoints. If there is more than one major area of evaluation, further top-level headings can be added here.]*

*Efficacy (and/or other similar) result CONCLUSIONS ONLY should be summarised. The summaries can be superficial if the study was uncontrolled, seriously flawed or aborted such that this data cannot be analysed.]*

**SAFETY RESULTS:**

*[Drafting Note: The subheading of “Safety Results” must always be included. Safety result CONCLUSIONS ONLY must always be presented.]*

**CONCLUSION:**

Date of the report:

**Schedule 3**  
**Licence from CRT to Company**

**THIS AGREEMENT is made the \_\_\_\_\_ day of \_\_\_\_\_ 20[●●]**

**BETWEEN:**

- (1) **CANCER RESEARCH TECHNOLOGY LIMITED**, a company registered in England and Wales under number 1626049 with registered office at Angel Building, 407 St. John Street, London, EC1V 4AD, England] (“**CRT**”); and
- (2) [**MONOPAR THERAPEUTICS LLC**, a limited liability company registered in/incorporated in/ established under the laws of The State of Delaware, U.S.A., with registered office/principal place of business at 598 Rockefeller Road, Lake Forest, Illinois, U.S.A., 60045] (the “**Company**”).]

**RECITALS**

- (A) CRT is a wholly owned subsidiary of Cancer Research UK (the “**Charity**”) and is, by arrangement with the Charity, responsible for the management, exploitation and commercialisation of intellectual property generated by the Charity or using funding from the Charity.
- (B) Pursuant to a Clinical Trial and Option Agreement between CRT, the Charity and the Company dated [●●●] attached at Appendix 2 (the “**CTOA**”) the Charity has conducted the Clinical Trial (as defined below) and assigned the results of such Clinical Trial and all intellectual property therein to CRT.
- (C) CRT has agreed to grant the Company a licence under the Licensed Intellectual Property (as defined below) upon the terms and conditions set out in this Agreement.

**OPERATIVE PROVISIONS**

**1. INTERPRETATION**

1.1 In this Agreement except where the context requires otherwise, the following words and expressions shall have the following meanings:

“**Accountancy Opinion**” means the opinion of an independent United Kingdom chartered accountant appointed by agreement between the Parties or in default of such agreement within twenty one (21) days of either Party seeking in writing to the other to appoint such accountant, at the request of either Party, by the President for the time being of the Institute of Chartered Accountants in England and Wales, referred to in Clauses 1, 6.3 and 24.1.

“**Affiliate**” has the same meaning as that ascribed to that phrase in the CTOA.

---

**“Affordable Price”** means in relation to a Licensed Product: (i) a determination by the UK Pricing Authority that such Licensed Product should be used within the NHS; and/or (ii) approval by the UK Pricing Authority of the price proposed by the Company or its Sub-Licensee in relation to sales of that Licensed Product in the United Kingdom (or one or more constituent countries thereof).

**“Agreement”** means this agreement and each of the Appendices as amended from time to time in accordance with Clause 21.

**“Clinical Trial”** has the same meaning as that ascribed to that phrase in the CTOA.

**“Clinical Trial Results”** has the same meaning as that ascribed to that phrase in the CTOA.

**“Company Intellectual Property”** has the same meaning as that ascribed to that phrase in the CTOA.

**“Company Patent Rights”** has the same meaning as that ascribed to that phrase in the CTOA.

**“Competing Programme”** means a research and development programme under which human subjects in a clinical trial have or are to be administered a treatment or compound directed towards the same target molecule as the Antibody.

**“Confidential Information”** means the Clinical Trial Results and all information relating to the customers, suppliers, business partners, clients, finances, business plans and products (in each case actual or prospective) of a Party which is not in the public domain and which is acquired by the other Party pursuant to this Agreement.

**“Contributors”** has the same meaning as that ascribed to that phrase in the CTOA.

**“Control”** means:

- a) with respect to corporate ownership, the possession (directly or indirectly) of fifty per cent or more of the voting stock or other equity interest of a subject entity with the power to vote, or the power in fact to control the management decisions of such entity through the ownership of securities or by contract or otherwise; and
- b) with respect to Intellectual Property Rights, possession of the ability (whether through ownership or licence, other than a licence granted under this Agreement) to provide the information or grant the licences or sublicences or make the assignments as provided herein without violating the terms of any agreement or other arrangement with any third party,

and **“Controls”** and **“Controlled by”** shall be construed accordingly.

---

<b>“Currency”</b>	means pounds sterling or such other currency as CRT may reasonably specify from time to time.
<b>“Data Exclusivity Period”</b>	means any period of clinical trial data or other regulatory exclusivity, together with any such periods under national implementations in the European Union of Article 10.1 of Directive 2001/EC/83 and all equivalents elsewhere in the Territory.
<b>“Data Listings”</b>	has the same meaning as that ascribed to that phrase in the CTOA.
<b>“Development Plan”</b>	means the development plan at Appendix 1 (as the same shall be updated in accordance with Clause 3.1) which describes: (i) the steps to be taken to develop Licensed Products within the Territory; and (ii) the relevant timescales within which such steps will be taken.
<b>“Effective Date”</b>	means the date this Agreement is made.
<b>“Exclusive Results”</b>	has the same meaning as that ascribed to that phrase in the CTOA.
<b>“Expert Opinion”</b>	means the opinion of an independent expert appointed by agreement between the Parties or in default of such agreement within twenty one (21) days of either Party seeking in writing to the other to appoint such expert, by the President for the time being of the Association of the British Pharmaceutical Industry referred to in Clauses 12.3 and 24.1.
<b>“Field”</b>	means the treatment, prophylaxis, diagnosis, prevention and/or cure of human disease and conditions.
<b>“Final Report”</b>	has the same meaning as that ascribed to that phrase in the CTOA.
<b>“First Commercial Sale”</b>	means, with respect to a Licensed Product, the first transfer or disposition for value of such Licensed Product by or on behalf of the Company or a Sub-Licensee or an Affiliate of either of them, after all relevant Regulatory Authorisations for the transfer or disposition of such Licensed Product have been obtained in respect of the relevant region or country.

---

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

- “Indication”** means a disease classification block as defined within the ‘International Statistical Classification of Diseases and Related Health Problems’ as published from time to time by the World Health Organization (e.g. “C50 Malignant neoplasm of Breast”, “C92 Myeloid leukaemia”, “B20 Human immunodeficiency virus [HIV] disease resulting in infectious and parasitic diseases”, “M34 Systemic sclerosis”).
- “Investigational Medicinal Product” or “IMP”** has the same meaning as that ascribed to that phrase in the CTOA.
- “Intellectual Property Rights”** has the same meaning as that ascribed to that phrase in the CTOA.
- “Licensed Intellectual Property”** means the Clinical Trial Results and all Intellectual Property Rights therein.
- “Licensed Product”** means any product:
- a) whose application for Regulatory Authorisation from a Regulatory Authority in any jurisdiction included the Clinical Trial Results and/or the Final Report and/or the Data Listings or any part of any of them, and/or
  - b) that contains the Antibody or a Back-Up Antibody (or any part of either), in each case whether or not as the sole active ingredient, and/or
  - c) the unauthorised manufacture, sale or use of which would infringe a valid claim of the Company Patent Rights.
- “Major Markets”** means [\*\*\*]
- “Milestone Event”** has the meaning specified in Clause 4.1.2.
- “Milestone Payments”** has the meaning specified in Clause 4.1.2.
- “NDA”** means, in relation to any Licensed Product, a biologics license application, new drug application, supplementary new drug application, abbreviated new drug application or any of their equivalents filed with the United States Food and Drugs Administration (FDA) or any successor to it, a marketing authorisation application or its equivalent filed with the European Medicines Agency (EMA) or any successor to it, or a marketing authorisation application or a product licence application or equivalent filed with the relevant Regulatory Authority in any one or more countries or regions within the Territory.
-

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

- “Net Sales Value”** means, in relation to Licensed Product the gross amount invoiced by the Company or SubLicensee or Affiliate of the Company or a SubLicensee [\*\*\*] to the extent that any of those items are included as separate items in the amount so invoiced, and [\*\*\*].
- “New Company IP”** means any Intellectual Property Rights developed by or on behalf of the Company on or after the Effective Date that directly relate to the IMP and its use.
- “Non-Exclusive Results”** has the same meaning as that ascribed to that phrase in the CTOA.
- “Oncology Indication”** means an Indication in the range C00 – D48 (e.g. “C50 Malignant neoplasm of Breast”, “C92 Myeloid leukaemia”).
- “Party”** means either party to this Agreement and **“Parties”** means both of them.
- “Patent Rights”** has the same meaning as ascribed to that phrase in the CTOA.
- “Phase II Clinical Trial Commencement”** means the first dosing of a human subject in a clinical trial of a Licensed Product (or in the adaptation of an existing clinical trial) in any country that would satisfy the requirements of 21 CFR §312.21(b) and is intended to establish dose response and/or preliminary data on the efficacy of Licensed Product and/or route of administration of the Licensed Product.
- “Phase III Clinical Trial Commencement”** means the first dosing of a human subject in a clinical trial of a Licensed Product (or the adaptation of an existing clinical trial) to be a larger scale (than Phase I or Phase II), usually multi-centred trial in any country that would satisfy the requirements of 21 CFR §312.21(c) and is intended to establish the efficacy and safety of the Licensed Product or any other human clinical trial of the Licensed Product intended as a pivotal trial for regulatory approval purposes whether or not such trial is a traditional Phase III trial.
-

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

- “pound” and “£”** means British pound sterling or if England changes its currency during the Term, then a sum equivalent in the new currency based on the spot exchange rate at the date of adoption of the new currency.
- “Price Approval”** means, in those countries in the Territory where Regulatory Authorities may approve or determine pricing and/or pricing reimbursement for pharmaceutical products, such approval or determination.
- “Quarter”** means any of the three-monthly periods commencing on the first day of any of the months of January, April, July, and October in any year and **“Quarterly”** has a corresponding meaning.
- “Regulatory Authorisations”** means all marketing authorisations, approvals, clearances and authorisations that may be required by a Regulatory Authority in any country or region within the Territory prior to Phase II Clinical Trial Commencement and/or Phase III Clinical Trial Commencement and/or commercial sale of the Licensed Product, including any necessary variations thereto, but excluding always any Price Approvals.
- “Regulatory Authority”** means any local or national agency, court, authority, department, inspectorate, minister, ministry official or public or statutory person (whether autonomous or not) of, or of any government of, any country having jurisdiction over this Agreement or either of the Parties or over the development or marketing of medicinal products including, the European Medicines Agency and the European Court of Justice.
- “Signature Fee”** means the sum of [\*\*\*].
-

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

- “Sub-License Revenue”** means any monies or non-monetary consideration (including securities) receivable from time to time by the Company or any of its Affiliates in respect of: (i) any sub-licence granted by the Company or any of its Affiliates under this Agreement; (ii) any licence granted by the Company or any of its Affiliates (whether under the Company Intellectual Property or otherwise) to sell Licensed Products anywhere in the Territory; and/or (iii) the grant of the right to acquire such a sub-licence or licence, including, in each case, option fees, licence issue fees or other up-front payments, annual licence fees, milestone or other lump sum payments which are attributable to the grant of the rights in question, excluding royalties and Net Sales Value as referred to in Clause 4.4 (in the case of non-monetary Sub-Licence Revenue such as company stocks and shares, such non-monetary consideration shall not form Sub-Licence Revenue until Company or relevant Affiliate has received cash proceeds from the disposal or other realisation of such consideration. [\*\*\*])
- “Sub-Licensee”** means any person who is granted: (i) a sub-licence in accordance with Clause 2.3 in respect of the rights granted under this Agreement (and any further tiers of sub-licence thereunder); and/or (ii) a licence by the Company (whether under the Company Intellectual Property or otherwise) to sell Licensed Products anywhere in the Territory, but shall not mean distributors, wholesalers, and sales agents (sales to whom will be sales for the purpose of Net Sales Value).
- “Term”** means the term of this Agreement as determined under Clause 12.1.
- “Territory”** means worldwide.
- “Tobacco Party”** means: (i) any entity who develops, sells or manufactures tobacco products; and/ or (ii) any entity which makes the majority of its profits from the importation, marketing, sale or disposal of tobacco products. Furthermore, Tobacco Party shall include any entity that is an Affiliate of any entity referred to in (i) or (ii).
- “UK Pricing Authority”** means any supra-national, national or regional government department, authority, agency or entity (including a non-departmental public body or similar entity) with responsibility for evaluating the cost effectiveness of medicinal products in the United Kingdom (or one or more constituent countries thereof) or otherwise determining whether the NHS (or constituent parts thereof) should purchase medicinal products.
-



[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

“**XOMA**” has the meaning ascribed to that phrase in the CTOA.

“**XOMA Licence**” has the same meaning ascribed to that phrase in the CTOA.

“**Year**” means a calendar year.

1.2 In this Agreement:

- 1.2.1 unless the context requires otherwise, all references to a particular Clause, paragraph or Appendix shall be references to that clause, paragraph or appendix, in or to this Agreement;
- 1.2.2 the headings are inserted for convenience only and shall be ignored in construing this Agreement;
- 1.2.3 unless the contrary intention appears, words importing the masculine gender shall include the feminine and vice versa and words in the singular include the plural and vice versa;
- 1.2.4 unless the contrary intention appears, words denoting persons shall include any individual, partnership, company, corporation, joint venture, trust, association, organisation or other entity, in each case whether or not having separate legal personality; and
- 1.2.5 references to the words ‘include’ or ‘including’ shall be construed without limitation to the generality of the preceding words.

## 2. GRANT OF LICENCE

2.1 Subject to the provisions of this Agreement and the surviving provisions of the CTOA, CRT hereby grants to the Company:

- 2.1.1 [\*\*\*]; and
- 2.1.2 [\*\*\*],

in each case to research, develop, make, have made, import, use and sell Licensed Products for any and all uses in the Territory and to apply for Regulatory Authorisation for such Licensed Products in any jurisdiction.

2.2 CRT hereby reserves and excepts from the [\*\*\*] under Clause 2.1.1 the worldwide, perpetual and irrevocable right for the Contributors and the Charity (including use by scientists funded and/or employed by the Charity) to:

- 2.2.1 use the Licensed Intellectual Property for the purpose of non-commercial scientific research carried out by or for or under their respective direction in accordance with their respective charitable and/or academic status, whether alone or in collaboration with a third party or third parties and whether sponsored or funded, in whole or in part, by any third party including any commercial entity; and
  - 2.2.2 make publications in relation to the Licensed Intellectual Property and any results of research using the same in accordance with generally accepted academic practice.
-

- 2.3 The Company shall be entitled to grant sub-licences in respect of the rights granted under this Agreement, provided that:
- 2.3.1 any sub-licence granted by the Company shall be expressed to terminate automatically on the termination of this Agreement for any reason;
  - 2.3.2 any sub-licence granted by the Company beyond the first tier of sub-licensing shall expressly prohibit further sub-licensing without CRT's prior written consent, which consent may not be unreasonably conditioned, delayed, or withheld.
  - 2.3.3 the Company shall ensure that there are included in the terms of any sub-licence like obligations and undertakings on the part of the Sub-Licensee as are contained in this Agreement (except this Clause 2.3, but including Clause 9 (indemnity) and Clause 14 (confidentiality)) and shall further ensure that all Sub-Licensees duly comply with the same;
  - 2.3.4 no sub-licence shall be granted to a Tobacco Party;
  - 2.3.5 the sub-licence shall be entered into on an arms-length basis reflecting the market value of the rights granted; and
  - 2.3.6 the Company shall provide CRT with a copy of such sub-licence within thirty (30) days of entering into it.
- 2.4 Any breach of Clause 2.3 shall be deemed to be a material breach.
- 2.5 The grant of any sub-licence shall be without prejudice to the Company's obligations under this Agreement. Any act or omission of any such Sub-Licensee which, if it were the act or omission of the Company would be a breach of any of the provisions of this Agreement, will be deemed to be a breach of this Agreement by the Company who will be liable to CRT accordingly.
- 2.6 CRT will provide the Company with any Long Term Survival Data as and when the Charity has completed collection of the same.
- 2.7 The Company may not publish or publicly disclose any Clinical Trial Results in the one (1) year period beginning on the Effective Date without the prior written consent of CRT, which will be given at CRT's sole discretion. All publications by the Company of the Clinical Trial Results and results of research using the same will be made in accordance with generally accepted academic practice, including in respect of the role played by the Contributors. The foregoing provisions of this Clause 2.7 shall not apply to disclosure of Clinical Trial Results, or any portion thereof, by the Company to the extent required for (a) satisfying mandatory reporting and disclosure obligations under United States and other securities laws. or (b) to existing licensors or sublicensors of the Company in order to comply with reporting obligations in existence as at the date of this agreement under the XOMA Licence, provided that in the case of (b) the disclosure shall be limited to only information as may be reasonably required by the XOMA Licence and subject to XOMA being bound by confidentiality obligations that are no less restrictive than those that the Company is bound by under this Agreement in respect of confidential information disclosed to it.
- 2.8 The Charity shall, within thirty (30) days written request by the Company, return to the Company or destroy (by a method specified by the Company) and at the Company's cost and expense any remaining quantities of the Company Materials in the Charity's possession or control.

### **3. PERFORMANCE**

- 3.1 The Company shall provide an updated Development Plan to CRT on at least a six-monthly basis before the first approval of an NDA in respect of a Licensed Product, and on an annual basis thereafter.
-

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

- 3.2 The Company shall procure the achievement of Phase II Clinical Trial Commencement within [\*\*\*] of the Effective Date.
  - 3.3 The Company shall use its commercially reasonable efforts at all times during the Term to:
    - 3.3.1 comply with the most up-to-date version of the Development Plan;
    - 3.3.2 develop and pursue Regulatory Authorisation for a Licensed Product for use in [\*\*\*] in each of the [\*\*\*];
    - 3.3.3 introduce a Licensed Product for use in [\*\*\*] into each of the [\*\*\*] as soon as reasonably and commercially practical following receipt of the corresponding Regulatory Authorisations and subsequently use commercially reasonable efforts to market the Licensed Product and pursue maximum market penetration throughout the Major Markets for such Licensed Product;
    - 3.3.4 launch each Licensed Product in the United Kingdom as soon as practicable and in any event no later than [\*\*\*] after the date the first Regulatory Authorisation is granted by the European Medicines Agency; and
    - 3.3.5 make Licensed Products that are launched in the United Kingdom available at an Affordable Price if required by a Regulatory Authority in order to obtain a Price Approval for such Licensed Products in the United Kingdom.
  - 3.4 Subject to Clause 3.5.2, the Company shall provide CRT with reports as to the progress of the development of each Licensed Product, the progress of any applications for Regulatory Authorisation and Price Approval, and the progress of and plans for the marketing and sale of the Licensed Product and its compliance with the Development Plan, in such form and detail as CRT may reasonably require. The Company shall provide such reports on at least a six-monthly basis before first approval of an NDA in respect of a Licensed Product, and on an annual basis thereafter.
  - 3.5 If, prior to the First Commercial Sale in the United Kingdom and two (2) other Major Markets, the Company undergoes a change of Control, or acquires or begins (whether independently or with a third party) a Competing Programme:
    - 3.5.1 it shall notify CRT in writing within thirty (30) days after the change of Control occurring, or its commencement or acquisition of the Competing Programme; and
    - 3.5.2 for the [\*\*\*] period following the change of Control, or commencement or acquisition of the Competing Programme, it shall provide CRT with a report described in Clause 3.4 at least once every three (3) months.
  - 3.6 The Company shall give CRT prompt notice upon the occurrence of any Milestone Event.
  - 3.7 The Company shall submit to CRT:
    - 3.7.1 a copy of its detailed operating budget (including a semi-annual cash flow and expenditure forecast) for the Licensed Product in respect of each Financial Year as adopted by the Company's board (the "**Annual Budget**"), at least thirty (30) days prior to the commencement of the Financial Year to which the Annual Budget relates;
    - 3.7.2 semi-annual management accounts of the Company (to include, inter alia, a (consolidated) profit and loss account, balance sheet and cash flow statement and shall indicate where such management accounts differ to any material extent from the Annual Budget for such period), within sixty (60) days of the end of the period to which they relate; save that the accounts relating to the final quarter in any calendar year may be provided within ninety five (95) days, rather than sixty (60) days, of the end of that quarter. Such semi-annual management accounts shall be prepared on a basis which is consistent with those adopted in the preparation of all previous management accounts of the Company.
-

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

- 3.8 The Company shall generally keep CRT informed of the progress of the Company's business and affairs and shall supply CRT with written details of any circumstances which will or might cause any actual or prospective material adverse change in the financial position, prospects or business of the Company.
- 3.9 Any breach of Clause 3 shall be deemed to be a material breach of this Agreement.

**4. CONSIDERATION**

- 4.1 The Company shall pay the Signature Fee to CRT within thirty (30) days of the Effective Date.
- 4.2 Subject to clause 4.5, the Company shall pay the following payments (“**Milestone Payments**”) to CRT each time the following events (“**Milestone Events**”) occur in relation to any Licensed Product:
  - 4.2.1 [\*\*\*];
  - 4.2.2 [\*\*\*];
  - 4.2.3 [\*\*\*];
  - 4.2.4 [\*\*\*];
  - 4.2.5 [\*\*\*];
  - 4.2.6 [\*\*\*];
  - 4.2.7 [\*\*\*]; and
  - 4.2.8 [\*\*\*]

Upon the occurrence of each Milestone Event, any Milestone Event listed before it in this Clause 4 which has not occurred shall be deemed to have occurred. For the avoidance of doubt, a Milestone Event may be triggered by the actions of the Company, a Sub-Licensee or any third party acting on behalf of the Company or any Sub-Licensee.

- 4.3 Subject to Clause 4.5, the Company shall pay to CRT:
    - 4.3.1 [\*\*\*];
    - 4.3.2 [\*\*\*]; and
-

\*\*\* = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

4.3.3 \*\*\*.

For the avoidance of doubt, Sub-Licence Revenue expressly excludes royalty payments due under Clause 4.4 or Net Sales Value.

4.4 The Company shall pay royalties to CRT on a Licensed Product by Licensed Product, and country by country basis until the later of:

4.4.1 \*\*\*;

4.4.2 t\*\*\*]; and

4.4.3 \*\*\*],

4.5 In the event that any Milestone Event is triggered by any Sub-Licensee, the Company shall pay to CRT the greater of: (i) \*\*\*; and (ii) \*\*\*].

**5. PAYMENT AND STATEMENT**

5.1 All payments due to CRT under this Agreement shall be made in the Currency in cleared funds to the following bank account:

***	***
***	***
***	***
***	***
***	***
***	***

or such other account as CRT may notify to the Company from time to time.

5.2 The Company shall pay to CRT:

5.2.1 the Signature Fee on the date specified in Clause 4.1;

5.2.2 each of the Milestone Payments within thirty (30) days of the relevant Milestone Event occurring; and

5.2.3 each payment that is due under Clause 4.3 or 4.4, within thirty (30) days of the Company or any relevant Affiliate receiving the corresponding Sub-Licence Revenue or percentage of Net Sales Value. All sums due to CRT under Clause 4.3 or 4.4 shall belong to CRT upon the Company's or its Affiliate's receipt of the revenue to which such payment corresponds (and is a percentage of) and such sums shall be held on trust for CRT until paid to CRT in accordance with this Clause 5.2.3. The Company shall take all steps necessary to ensure, and to procure that any relevant Affiliate ensures, that sums held on trust are separate and identifiable from other monies of the Company or Affiliate, including holding such sums in a separate account to monies that belong to the Company and/or Affiliate. At CRT's reasonable request, the Company shall provide written evidence of the arrangements required under this Clause 5.2.3.

---

- 5.3 Where Licensed Products are sold or Sub-Licence Revenue or royalties are received by the Company (or a Sub-Licensee) in a currency other than the Currency, the rate of exchange to be used for converting such other currency into the Currency shall be the relevant mid-spot rate for the currency quoted by the Financial Times on the last day of the Quarter to which they relate.
- 5.4 All costs of transmission and currency conversion shall be borne by the Company.
- 5.5 All payments to CRT under this Agreement are expressed to be exclusive of value added tax howsoever arising, and the Company shall pay to CRT in addition to those payments or, if earlier, on receipt of a tax invoice or invoices from CRT, all value added tax for which CRT is liable to account in relation to any supply made or deemed to be made for value added tax purposes pursuant to this Agreement.
- 5.6 All sums payable under this Agreement shall be paid without deduction or deferment in respect of any claims whatsoever and of any taxes except any tax which the Company is required by law to deduct or withhold. If the Company is required by law to make any such tax deduction or withholding, the Company shall pay to CRT such amount as shall, after deduction, amount to the sum referred to in this Agreement give reasonable assistance to CRT to claim exemption from or (if that is not possible) a credit for the deduction or withholding under any applicable double taxation or similar agreement from time to time in force, and shall promptly give CRT proper evidence as to the deduction or withholding and payment over of the tax deducted or withheld.
- 5.7 Where CRT does not receive payment of any sums due to it by the due date, interest shall accrue both before and after any judgment on the sum due and owing to CRT at the rate equivalent to an annual rate of two percent (2%) over the then current base rate of the Bank of England, calculated on a daily basis, until the full amount is paid to CRT, without prejudice to CRT's right to receive payment on the due date.
- 5.8 Within thirty (30) days after the end of each Quarter, the Company shall send to CRT a written statement detailing in respect of that Quarter (including a nil report if appropriate):
- 5.8.1 any Milestone Payments which became due to CRT;
  - 5.8.2 for each sub-licence, details of each item of Sub-Licence Revenue received by the Company during that Quarter and the Sub-Licence Revenue payable to CRT thereon;
  - 5.8.3 the quantity of each type of Licensed Product sold or otherwise disposed of by the Company or any Sub-Licensees in each country in the Territory;
  - 5.8.4 the Net Sales Value in respect of each such type of Licensed Product in each country of the Territory;
  - 5.8.5 the aggregate Net Sales Value in respect of that Quarter for Licensed Product;
  - 5.8.6 the type and value of deductions made in the calculation of Net Sales Value by type of Licensed Product and country;
  - 5.8.7 any currency conversions, showing the rates used;
-

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

- 5.8.8 any further information necessary for the calculation of Sub-Licence Revenue and Net Sales Value of Licensed Products and/or the royalties due to CRT; and
- 5.8.9 the amount of the royalties due to CRT in respect of that Quarter.

## **6. ACCOUNTS**

- 6.1 The Company shall:
  - 6.1.1 keep and notwithstanding termination of this Agreement, maintain and shall procure that each Sub-Licensee keeps and maintains, for at least six (6) years, true and accurate accounts and records (including any underlying documents supporting such accounts and records) in sufficient detail to enable the amount of all sums payable under this Agreement to be determined; and
  - 6.1.2 during the Term and thereafter until the said period of six (6) years relevant to the accounts and records has expired, at the reasonable request of CRT and (subject to Clause 6.2) at the expense of CRT from time to time, permit or procure permission for a qualified accountant nominated by CRT to inspect and audit those accounts and records and, to the extent that they relate to the calculation of those sums, to take copies of them. Subject to receiving not less than thirty (30) days written notice, the Company shall at the request of CRT assemble in one location that is respectively convenient to the Company and Sub-Licensee(s) all such relevant accounts and records of the Company and all Sub-Licensee(s).
- 6.2 If, following any inspection pursuant to Clause 6.1.2, CRT's nominated accountant certifies to CRT that the payments in respect of any Quarter or Year fall short of the sums which were properly payable in respect of that Quarter or Year under this Agreement, CRT shall send a copy of the certificate to the Company and the Company shall (subject to Clause 6.3) within thirty (30) days of the date of receipt of the certificate pay the shortfall to CRT [\*\*\*], the Company shall also reimburse to CRT the reasonable costs and expenses of CRT in making the inspection.
- 6.3 If within fifteen (15) days of the date of receipt by the Company any certificate produced pursuant to Clause 6.2 the Company notifies CRT in writing that it disputes the certificate, the dispute shall be referred for resolution by Accountancy Opinion in accordance with Clause 24.1.

## **7. INTELLECTUAL PROPERTY PROTECTION, PROCEEDINGS AND COSTS**

- 7.1 The Company shall throughout the Term continue to use commercially reasonable efforts to prosecute and maintain the Company Patent Rights. Notwithstanding the foregoing, if the Company elects not to prosecute or maintain any part of the Company Patent Rights in any of the Major Markets, the Company shall notify CRT in writing at least ninety (90) days prior to the expiration of any applicable time bars. After receipt of such notice, CRT may elect, before the expiry of any such time bars, by written notice to the Company, to take an assignment of the relevant Company Patent Rights such that CRT may continue to prosecute and/or maintain the Company Patent Rights at CRT's sole discretion and expense.

## **8. WARRANTY**

- 8.1 Each Party warrants that it has the legal capacity to enter into this Agreement.
  - 8.2 Each Party acknowledges that, in entering into this Agreement, it does not do so in reliance on any warranty or other provision except as expressly provided in this Agreement, and any conditions, warranties or other terms implied by statute or common law are excluded to the fullest extent permitted by law.
-

8.3 Without limiting the scope of Clause 8.2, CRT does not give any warranty, representation or undertaking:

8.3.1 as to the efficacy or usefulness or accuracy of the Clinical Trial Results; or

8.3.2 that the exercise of rights granted under this Agreement will not infringe the intellectual property or other rights of any other person.

## 9. INDEMNITY

9.1 The Company shall indemnify and hold harmless CRT, the Contributors and the Charity and their respective officers, employees and agents (each, an “**Indemnified Party**”) from and against any and all third party claims, demands, losses, damages and expenses (including, without limitation, legal fees) arising from or in connection with the exercise of the rights granted in Clause 2 by the Company or a Sub-Licensee or the actions of any Affiliate of any of them in relation to the Licensed Product. This Clause 9 is without prejudice to and shall not limit the rights of the Company, and is without prejudice to and shall not limit the liabilities of the Charity, under Clause 9.1 of the CTOA.

9.2 Promptly after receipt by CRT of any written claim or alleged claim or notice of the commencement of any action, administrative or legal proceeding, or investigation to which the indemnity provided for in this Clause 9 may apply, CRT shall give written notice to the Company of such fact and specifying that the Company shall have the option to assume the defence thereof by election in writing within seven (7) days of receipt of such notice. If the Company fails to make such election, the Indemnified Party may assume such defence and the Company will be liable for the legal and other expenses consequently incurred in connection with such defence. If CRT fails to notify Company within thirty (30) days of receipt of any written claim or alleged claim or notice of the relevant commencement, then the Company shall not be liable for the legal and other expenses consequently incurred in connection with such defence. The Parties will co-operate in good faith in the conduct of any defence, provide such reasonable assistance as may be required to enable any claim properly to be defended and the Party with conduct of the action shall provide promptly to the other Party copies of all correspondence and documents and notice in writing of the substance of all oral communications relating to such action.

9.3 Should the Company assume conduct of the defence:

9.3.1 the Indemnified Party may retain separate legal advisers, at its sole cost and expense save that if the Company denies the applicability of the indemnity or reserves its position in relation to the same, the indemnity in this Clause 9 shall extend to the Indemnified Party’s costs and expenses so incurred unless it is subsequently resolved between the Parties or determined by a court of competent jurisdiction (after exhaustion or expiration of all rights of appeal) that the indemnity under this Clause 9 was not available to the Indemnified Party in the terms claimed by the Indemnified Party;

9.3.2 the Company will not, except with the written consent of the Indemnified Party consent to the entry of any judgment or enter into any settlement provided always, that if the Indemnified Party unreasonably refuses to consent to such entry of judgment or settlement and the matter proceeds to trial at which a greater amount is ordered by the Court then the amount which the Indemnified Party shall be entitled to recover from the Company pursuant to this Clause 9 shall be limited to the amount for which the action would otherwise have been settled or compromised and the Indemnified Party shall assume all costs of defending the claim or proceeding from the date of the Indemnified Party’s refusal;

---



9.3.3 CRT shall not admit liability in respect of, or compromise or settle any such action without the prior written consent of the Company, such consent not to be unreasonably withheld, conditioned or delayed; and

9.3.4 the Company shall not be responsible for or bound by any settlement made by CRT in breach of Clause 9.3.3.

## **10. INSURANCE**

10.1 The Company shall maintain, at its own cost, comprehensive product liability insurance and general commercial liability insurance, and shall ensure that each insurance policy maintained under this Clause 10.1 is held in the joint names of the Parties as co-insureds. Within thirty (30) days of the Effective Date and of the beginning of each policy period, the Company shall provide CRT with a certificate evidencing the coverage required hereby, and the amount thereof. Such insurance shall be with a reputable insurance company and shall be maintained for not less than six (6) years following the expiration/termination of this Agreement for any reason or if such coverage is of the 'claims made' type, for ten (10) years following the expiration or termination of this Agreement for any reason.

## **11. LIMITATION OF LIABILITY**

11.1 Neither Party nor the Charity, nor their respective officers, employees and agents shall have liability whether under statute or in tort (including negligence), contract or otherwise to the other Party in respect of any consequential, indirect or pure economic loss nor in any event for loss of goodwill, opportunity, profit or contract.

11.2 Nothing in this Agreement shall be construed as excluding or limiting the liability of either Party or the Charity or any of their respective officers, employees and agents to the other Party for death or personal injury of any person resulting from the negligence of such persons.

## **12. TERM AND TERMINATION**

12.1 This Agreement will become effective on the Effective Date and, subject to the provisions of this Clause 12, will remain effective in each country of the Territory until expiry of the obligation of the Company to pay royalties under Clause 4.4 in relation to that country pursuant to this Agreement.

12.2 Without prejudice to any other rights of the Parties this Agreement may be terminated by notice in writing:

12.2.1 by either Party forthwith if the other Party shall be in material breach of any of its obligations under this Agreement and in the case of a remediable breach fails to remedy the breach within ninety (90) days of written notice containing full particulars of the breach and requiring it to be remedied;

12.2.2 by CRT if a voluntary arrangement is proposed or approved or an administration order is made, or a receiver or administrative receiver is appointed of any of the Company's assets or undertakings or a winding-up resolution or petition is passed (otherwise than for the purpose of solvent reconstruction or amalgamation) or if any circumstances arise which entitle the Court or a creditor to appoint a receiver, administrative receiver or administrator or make a winding-up order or similar or equivalent action is taken against or by the Company by reason of its insolvency;

12.2.3 by CRT forthwith in the event that, by way of merger, acquisition or otherwise, the Company becomes a Tobacco Party; or

---

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

12.2.4 by CRT upon ninety (90) days written notice to the Company if the Company:

- (a) discontinues the development (including prosecuting application for Regulatory Authorisation) of all Licensed Products; or
- (b) discontinues the development (including prosecuting application for Regulatory Authorisation) of a Licensed Product in relation to one or more Oncology Indications (in which case termination shall not apply to the whole Agreement but shall be limited to such Licensed Product and such Oncology Indications); or
- (c) discontinues the development (including prosecuting application for Regulatory Authorisation) of all Licensed Products in Oncology Indications (in which case termination shall not apply to the whole Agreement but shall be limited to Oncology Indications); or
- (d) fails to use its commercially reasonable efforts to obtain Regulatory Authorisation in all of the Major Markets within fifteen (15) years, taking into account the unique aspects of the development and regulatory path for the Licensed Product, indication and market (in which case termination shall not apply to the whole Agreement but shall be limited to that Major Market); or
- (e) having obtained Regulatory Authorisation for a Licensed Product in a Major Market, ceases to actively market and sell such Licensed Product in such Major Market (in which case termination shall not apply to the whole Agreement but shall be limited to that Licensed Product in that Major Market); or
- (f) ceases to carry on business in the Field; or
- (g) without reasonable cause fails to commence sales of any Licensed Product in a Major Market within two (2) years of obtaining Regulatory Authorization to market such Licensed Product in such market (in which case termination shall not apply to the whole Agreement but shall be limited to that Licensed Product in that Major Market).

12.3 The Company shall notify CRT in writing immediately upon any of the events described in Clause 12.2 occurring. However, CRT's right to terminate under Clause 12.2 shall not be conditional upon the Company's such notice.

12.4 In the event of disagreement between the Parties as to whether entitlement to terminate has arisen under Clause 12.2.1 or 12.2.4, the Parties at their joint cost and expense shall obtain an Expert Opinion which shall be final as to whether it has arisen.

### **13. EFFECTS OF TERMINATION**

13.1 Subject to Clause 13.2, upon the termination of this Agreement for any reason:

13.1.1 other than termination by CRT pursuant to Clause 12.2.1, 12.2.2, or 12.2.3 subject to all the terms of this Agreement (including without limitation payment of royalties), the Company shall be entitled for a period not exceeding [\*\*\*] following such termination to:

- (a) manufacture any of the Licensed Products to the extent necessary to satisfy orders accepted before termination; and
  - (b) sell, use or otherwise dispose of any unsold stocks of the Licensed Products.
-

- 13.1.2 subject to Clause 13.1.1, the Company shall, and shall procure that all Sub-Licensees shall, cease to exploit the Licensed Intellectual Property in any way, either directly or indirectly;
- 13.1.3 subject to Clause 13.1.1, the Company shall, at the request and option of CRT, return or destroy CRT's Confidential Information;
- 13.1.4 notwithstanding any provision of this Agreement allowing the Company credit, payment of royalties and all other sums to CRT shall become due and payable to CRT immediately upon notice of termination of this Agreement;
- 13.1.5 the Company shall, within thirty (30) days of notice of termination of this Agreement provide CRT with a final written statement detailing, in respect of the time elapsed since the last statement under Clause 5.8, the matters set out in Clause 5.8;
- 13.1.6 other than termination by the Company pursuant to Clause 12.2.1, the Company:

- (a) hereby grants to CRT an exclusive, perpetual, worldwide, sub-licensable licence under the Company Intellectual Property, Company Patent Rights and New Company IP to research, develop, make, have made, market, use and sell Licensed Products, on revenue share and, if appropriate, royalty terms to be agreed; provided that such licence shall only become effective upon termination, and not before. If, having regard to the nature and status of the rights licensed, the products to which they relate, the likely market for such products, the nature and standing of potential sub-licensees and actual or potential competing products, the Parties cannot agree such revenue share and, if appropriate, royalty terms within three (3) months of the date of termination then either Party may refer the matter, subject to Clause 24.2, for determination by an Accountancy Opinion;
- (b) in the case of XOMA IP, hereby grants to CRT a sub-licence to the full extent of the Company's rights under the XOMA Licence; provided that such licence shall only become effective upon termination, and not before;
- (c) at CRT's request, shall promptly transfer to CRT (or any person nominated by CRT) any and all documents and information in the Company's Control relating to the Patent Rights exclusively licensed to CRT under clause 13.1.6 above and CRT may assume responsibility for the prosecution, maintenance and enforcement of the same; and
- (d) at CRT's request, shall transfer to CRT (or its nominee) any Regulatory Authorisations, Price Approvals and other permits and applications relating to Licensed Products.

13.2 This Clause 13.2 shall not apply in the case of termination of this Agreement under Clause 12.1. In the event that this Agreement is terminated solely in respect of particular Licensed Product and/or Indication and/or Major Market, the provisions of Clause 13.1 shall apply, but solely in respect of the relevant Licensed Product, Indication and/or Major Market.

13.3 Insolvency:

- 13.3.1 All rights and licenses granted under or pursuant to Clause 13.1.6 by the Company to CRT are for all purposes of Section 365(n) of Title 11 of the U.S. Bankruptcy Code ("**Title 11**"), licenses of rights to "intellectual property" as defined in Section 101 of Title 11.
-

- 13.3.2 the Company agrees that CRT shall retain and may fully exercise all of its rights and elections under the U.S. Bankruptcy Code. If a case under Title 11 is commenced by or against the Company, CRT shall have all rights of licensees set out in Section 365(n) of Title 11;
  - 13.3.3 without limiting CRT's rights under Section 365(n) of Title 11, if a case under Title 11 is commenced by or against the Company, and this Agreement is rejected by the Company in any bankruptcy proceeding by or against the Company under the U.S. Bankruptcy Code, (i) the Company shall provide CRT with a complete duplicate of (and complete access to, as appropriate) any IP and embodiments of IP not already in their possession; and (ii) the Company shall not interfere with CRT's rights to IP and embodiments of IP, and shall facilitate and assist with CRT obtaining IP and embodiments of IP (including from a third party); and
  - 13.3.4 the term "embodiments" of IP includes all tangible, intangible, electronic or other embodiments of rights and licenses, including antibodies, compounds and products embodying IP and related rights and technology. All rights of CRT under this Clause and under Section 365(n) of Title 11 are in addition to, not in substitution of, any other rights and remedies that they may have under this Agreement, Title 11 and any other applicable law.
- 13.2 The termination of this Agreement howsoever arising will be without prejudice to the rights and duties of either Party accrued prior to termination. The following Clauses will continue to be enforceable notwithstanding termination: Clauses 1 (Definitions), 6 (Accounts), 7.2 (XOMA Licence), 9 (Indemnity), 10 (Insurance), 11 (Limitation of Liability), 12 (Termination), 13 (Effects of Termination), 14 (Confidentiality), 19 (Severability), 24 (Dispute Resolution) and 25 (Law and Jurisdiction).

#### **14. CONFIDENTIALITY**

- 14.1 Each Party undertakes with the other that it shall keep and it shall procure that its respective directors and employees keep secret and confidential all Confidential Information belonging to or Controlled by the other Party and shall not disclose the same or any part of the same to any person whatsoever other than:
- 14.1.1 in the case of the Company: (i) to Sub-Licensees subject to compliance with Clause 2.3.3, (ii) to potential development partners, sublicensees, and investors bound by terms of confidentiality at least as strict as those herein, and (iii) as necessary in communications with Regulatory Authorities in the Territory relating to the Licensed Products;
  - 14.1.2 in the case of CRT to the Charity; and
  - 14.1.3 in the case of each Party, to its directors or employees directly or indirectly concerned in the exercise of the rights granted under this Agreement.
- 14.2 The provisions of Clause 14.1 shall not apply to Confidential Information which CRT or the Company (as the case may be):
- 14.2.1 can prove to have been in its possession (other than under an obligation of confidence to the other or to a third party) at the date of receipt or which enters the public domain otherwise than through a breach of any obligation of confidentiality owed to the Party communicating such information to the other;
  - 14.2.2 can prove it has independently developed; or
  - 14.2.3 is required to disclose by law or by the order of a competent court, solely to the extent of such disclosure.
- 14.3 The provisions of this Clause 14 shall remain in force for a period of five (5) years from the expiry or termination of this Agreement
-

**15. ASSIGNMENT**

15.1 The Company shall not without CRT's consent assign its rights under this Agreement except in conjunction with a merger or consolidation of the Company with another business entity or the sale of all or substantially all or a substantial part of its business and related assets that includes its business in relation to the Licensed Products other than a merger or consolidation with, or a sale of assets to, a Tobacco Party and provided that Company obtains a direct covenant from the acquiring party to CRT undertaking to be bound by the terms of this Agreement.

**16. NOTICES**

16.1 Any notice or other document to be given under this Agreement shall be in writing and shall be deemed to have been given:

16.1.1 upon delivery if given in person; or

16.1.2 upon confirmation of receipt if sent by facsimile (or other similar means of electronic communication, such as email); or

16.1.3 (if posted to an inland destination) three (3) business days after deposit into First Class post; or

16.1.4 (If posted to an overseas destination) five (5) days after deposit into airmail post; or

16.1.5 upon delivery by air delivery service,

to a Party at the address set out below (or, if provided below or so notified, such facsimile or electronic communication) for such Party or such other address as the Party may from time to time designate by written notice to the other Party. *[As may be updated at the Effective Date.]*

Address of the Company

Monopar Therapeutics LLC

598 Rockefeller Road

Lake Forest, IL USA 60045

Contact: Chief Executive Officer

Address of CRT

Angel Building

407 St. John Street

London EC1V 4AD

United Kingdom

Contact: Chief Executive Officer

Fax: +44 (0) 20 3014 8633

**17. WAIVER**

17.1 No failure or delay on the part of either Party hereto to exercise any right or remedy under this Agreement shall be construed as or operate as a waiver thereof nor shall any single or partial exercise of any right or remedy under this Agreement preclude the exercise of any other right or remedy or preclude the further exercise of such right or remedy as the case may be.

---

**18. FORCE MAJEURE**

- 18.1 Except in relation to obligations pursuant to Clauses 4 and/or 5, neither Party shall be liable to the other Party or shall be in default of its obligations hereunder if such default is the result of war, hostilities, revolution, civil commotion, strike, epidemic, accident, fire, wind, flood or because of any act of God or other cause beyond the reasonable control of the Party affected. The Party affected by such circumstances shall promptly notify the other Party in writing when such circumstances cause a delay or failure in performance (a "Delay") and where they cease to do so. In the event of a Delay lasting for twenty six (26) weeks or more the non-affected Party shall have the right to terminate this Agreement immediately by notice in writing to the affected Party.

**19. SEVERABILITY**

- 19.1 If and to the extent that any court or tribunal of competent jurisdiction holds any of the terms, provisions or conditions or parts thereof of this Agreement, or the application hereof to any circumstances, to be invalid or to be unenforceable in a final non-appealable order, the remainder of this Agreement and the application of such term, provision or condition or part thereof to circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each of the other terms, provisions and conditions of this Agreement shall be valid and enforceable to the fullest extent permissible by law.

**20. ENTIRE AGREEMENT**

- 20.1 This Agreement and the surviving clauses of the CTOA, embodies and sets forth the entire agreement and understanding of the Parties and supersedes all prior oral or written agreements, understandings or arrangements relating to the subject matter of this Agreement. Without prejudice to any liability for fraudulent misrepresentation or fraudulent misstatement neither Party shall be entitled to rely on any agreement, understanding or arrangement which is not expressly set forth in this Agreement unless otherwise agreed between the Parties and recorded in writing.

**21. AMENDMENT**

- 21.1 This Agreement shall not be amended, modified, varied or supplemented except in writing signed by duly authorised representatives of the Parties.

**22. PUBLIC ANNOUNCEMENTS**

- 22.1 The text of any press release, shareholders' report or other communication to be published or disclosed to the public in any way by or in the media concerning CRT or the Charity, the subject matter of this Agreement or concerning this Agreement itself, other than as required by law or by any Regulatory Authority or the rules of any securities exchange, shall be submitted to CRT at least seven (7) days in advance of publication for approval, such approval not to be unreasonably withheld, conditioned, or delayed, provided that insofar as a disclosure repeats or restates a prior public disclosure permitted by this Agreement, such disclosure need not be submitted to the Charity or CRT for approval.

**23. FURTHER ASSURANCE**

- 23.1 The Parties hereby undertake to do all such other acts and things, and execute and provide all such documents at the requesting Party's cost as may be necessary or desirable to give effect to the purposes of this Agreement.
-

## **24. DISPUTE RESOLUTION**

- 24.1 Insofar as this Agreement provides that a matter shall be resolved by Accountancy Opinion or Expert Opinion the opinion of such expert (who shall act as an expert and not as an arbitrator) shall be final and binding on the Parties. In the event of a Party seeking an Accountancy Opinion or Expert Opinion under this Agreement, each Party shall make written submissions to the expert so appointed and to the other Party within fourteen (14) days of the appointment. Each Party shall have seven (7) days to respond to the other's submissions. The expert shall be requested to deliver his Accountancy Opinion or Expert Opinion within a further thirty (30) days. The costs of any Accountancy Opinion or Expert Opinion shall be borne in such proportions as the expert may determine in his opinion to be fair and reasonable in all the circumstances or, if no such determination is made in the opinion, by the Parties in equal proportions.
- 24.2 It shall be a condition precedent to the commencement of any action in court or other tribunal (save an action for an interim injunction or an Expert Opinion sought under Clause 12.1) in respect of any dispute relating to this Agreement that the Parties have sought to resolve the dispute by either Party notifying the other Party in writing for resolution to the Chief Executive Officer (in the case of CRT) and the Chief Executive Officer (in the case of the Company) (or their express delegates) (the "Senior Executives") who shall meet (whether in person or via teleconference) within twenty one (21) days of such notice to seek resolution in good faith. If the Senior Executives are unable to resolve the dispute at such meeting, either Party may pursue any remedy available to such Party at law or in equity, subject to the terms and conditions of this Agreement and the other agreements expressly contemplated hereunder.

## **25. LAW AND JURISDICTION**

- 25.1 This Agreement shall be governed by and construed in accordance with English Law and, subject to the provisions of Clauses 24.1 and 24.2, each Party agrees to submit to the exclusive jurisdiction of the English Courts (except in respect of disputes under Clause 14 where jurisdiction is non-exclusive).

## **26. EXECUTION**

- 26.1 This Agreement may be executed in any one or more number of counterpart agreements, and as scanned email attachments, and all signatures and counterparts so exchanged shall be considered as original and shall be deemed to form part of and together constitute this Agreement.

## **27. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

- 27.1 Save that the Charity, the Contributors and their and CRT's respective officers, employees and agents in respect of Clauses 9 and 11 may enforce those respective terms, no term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a Party to this Agreement. Notwithstanding the provisions of this Clause, the Parties shall be entitled to amend, suspend, cancel or terminate this Agreement or any part of it in accordance with Clause 21, without the consent of any third party including those referred to in this Clause.
-

The Parties hereby execute this Agreement by their duly authorised representatives:

Signed by: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

For and on behalf of  
**CANCER RESEARCH TECHNOLOGY LIMITED**

Signed by: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

For and on behalf of  
**MONOPAR THERAPEUTICS LLC**

---



**Appendix 1**  
**Development Plan**

**Appendix 2**  
**Executed CTOA**

---

**Schedule 4**  
**No Fault Compensation Scheme**

**Preamble**

The Association of the British Pharmaceutical Industry favours a simple and expeditious procedure in relation to the provision of compensation for injury caused by participation in clinical trials. The Association therefore recommends that a member company sponsoring a clinical trial should provide without legal commitment a written assurance to the investigator — and through him to the relevant research ethics committee — that the following Guidelines will be adhered to in the event of injury caused to a patient attributable to participation in the trial in question.

**1 Basic Principles**

- 1.1 Notwithstanding the absence of legal commitment, the company should pay compensation to patient-volunteers suffering bodily injury (including death) in accordance with these Guidelines.
- 1.2 Compensation should be paid when, on the balance of probabilities, the injury was attributable to the administration of a medicinal product under trial or any clinical intervention or procedure provided for by the protocol that would not have occurred but for the inclusion of the patient in the trial.
- 1.3 Compensation should be paid to a child injured in utero through the participation of the subject's mother in a clinical trial as if the child were a patient-volunteer with the full benefit of these Guidelines.
- 1.4 Compensation should only be paid for the more serious injury of an enduring and disabling character (including exacerbation of an existing condition) and not for temporary pain or discomfort or less serious or curable complaints.
- 1.5 Where there is an adverse reaction to a medicinal product under trial and injury is caused by a procedure adopted to deal with that adverse reaction, compensation should be paid for such injury as if it were caused directly by the medicinal product under trial.
- 1.6 Neither the fact that the adverse reaction causing the injury was foreseeable or predictable, nor the fact that the patient has freely consented (whether in writing or otherwise) to participate in the trial should exclude a patient from consideration for compensation under these Guidelines, although compensation may be abated or excluded in the light of the factors described in paragraph 4.2 below.
- 1.7 For the avoidance of doubt, compensation should be paid regardless of whether the patient is able to prove that the company has been negligent in relation to research or development of the medicinal product under trial or that the product is defective and therefore, as the producer, the company is subject to strict liability in respect of injuries caused by it.

**2 Type of Clinical Research Covered**

- 2.1 These Guidelines apply to injury caused to patients involved in Phase II and Phase III trials, that is to say, patients under treatment and surveillance (usually in hospital) and suffering from the ailment which the medicinal product under trial is intended to treat but for which a product licence does not exist or does not authorise supply for administration under the conditions of the trial.
  - 2.2 These Guidelines do not apply to injuries arising from studies in non-patient volunteers (Phase I), whether or not they are in hospital, for which separate Guidelines for compensation already exist.
-

2.3 These Guidelines do not apply to injury arising from clinical trials on marketed products (Phase IV) where a product licence exists authorising supply for administration under the conditions of the trial, except to the extent that the injury is caused to a patient as a direct result of procedures undertaken in accordance with the protocol (but not any product administered) to which the patient would not have been exposed had treatment been other than in the course of the trial.

2.4 These Guidelines do not apply to clinical trials which have not been initiated or directly sponsored by the company providing the product for research. Where trials of products are initiated independently by doctors under the appropriate Medicines Act 1968 exemptions, responsibility for the health and welfare of patients rests with the doctor alone (see also paragraph 5.2 below).

### **3 Limitations**

3.1 No compensation should be paid for the failure of a medicinal product to have its intended effect or to provide any other benefit to the patient.

3.2 No compensation should be paid for injury caused by other licensed medicinal products administered to the patient for the purpose of comparison with the product under trial.

3.3 No compensation should be paid to patients receiving placebo in consideration of its failure to provide therapeutic benefit.

3.4 No compensation should be paid (or it should be abated as the case may be) to the extent that the injury has arisen:

3.4.1 through a significant departure from the agreed protocol;

3.4.2 through the wrongful act or default of a third party, including a doctor's failure to deal adequately with an adverse reaction;

3.4.3 through contributory negligence by the patient.

### **4 Assessment of Compensation**

4.1 The amount of compensation paid should be appropriate to the nature, severity and persistence of the injury and should in general terms be consistent with the quantum of damages commonly awarded for similar injuries by an English Court in cases where legal liability is admitted.

4.2 Compensation may be abated, or in certain circumstances excluded, in the light of the following factors (on which will depend the level of risk the patient can reasonably be expected to accept):

4.2.1 the seriousness of the disease being treated, the degree of probability that adverse reactions will occur and any warnings given;

4.2.2 the risks and benefits of established treatments relative to those known or suspected of the trial medicine.

This reflects the fact that flexibility is required given the particular patient's circumstances. As an extreme example, there may be a patient suffering from a serious or life-threatening disease who is warned of a certain defined risk of adverse reaction. Participation in the trial is then based on an expectation that the benefit/risk ratio associated with participation may be better than that associated with alternative treatment. It is, therefore, reasonable that the patient accepts the high risk and should not expect compensation for the occurrence of the adverse reaction of which he or she was told.

4.3 In any case where the company concedes that a payment should be made to a patient but there exists a difference of opinion between company and patient as to the appropriate level of compensation, it is recommended that the company agrees to seek at its own cost (and make available to the patient) the opinion of a mutually acceptable independent expert, and that his opinion should be given substantial weight by the company in reaching its decision on the appropriate payment to be made.

---

## 5 Miscellaneous

- 5.1 Claims pursuant to the Guidelines should be made by the patient to the company, preferably via the investigator, setting Out details of the nature and background of the claim and, subject to the patient providing on request an authority for the company to review any medical records relevant to the claim, the company should consider the claim expeditiously.
- 5.2 The undertaking given by a company extends to injury arising (at whatever time) from all administrations, clinical interventions or procedures occurring during the course of the trial but not to treatment extended beyond the end of the trial at the instigation of the investigator. The use of unlicensed products beyond the trial period is wholly the responsibility of the treating doctor and in this regard attention is drawn to the advice provided to doctors in MAL 3Q2 concerning the desirability of doctors notifying their protection society of their use of unlicensed products.
- 5.3 The fact that a company has agreed to abide by these Guidelines in respect of a trial does not affect the right of a patient to pursue a legal remedy in respect of injury alleged to have been suffered as a result of participation. Nevertheless, patients will normally be asked to accept that any payment made under the Guidelines will be in full settlement of their claims.
- 5.4 A company sponsoring a trial should encourage the investigator to make clear to participating patients that the trial is being conducted subject to the ABPI Guidelines relating to compensation for injury arising in the course of clinical trials and have available copies of the Guidelines should they be requested.

## References

- 1 Guidelines *for* Medical Experiments in Non-patient Human Volunteers, ABPI March 1988, as amended May 1990.
- 2 MAL 30— A Guide to the Provisions affecting Doctors and Dentists, DHSS, (Revised June 1985)



**The Association of the British Pharmaceutical Industry**  
12 Whitehall London SW1

---

**Schedule 5**  
**Assignment and Licence from Company to CRT**

**THIS AGREEMENT is made the \_\_\_\_\_ day of \_\_\_\_\_ 20[●●]**

**BETWEEN:**

- (1) **CANCER RESEARCH TECHNOLOGY LIMITED**, a company registered in England and Wales with number 1626049 with registered office at Angel Building, 407 St. John Street, London, EC1V 4AD, England (“**CRT**”); and
- (2) [**MONOPAR THERAPEUTICS LLC**, a limited liability company registered in/incorporated in/ established under the laws of The State of Delaware, U.S.A., with registered office/principal place of business at 598 Rockefeller Road, Lake Forest, Illinois, U.S.A., 60045] (the “**Company**”).

**WHEREAS**

- (A) CRT, the Company and the Charity (as defined below) are parties to a Clinical Trial and Option Agreement dated [●●●] (the “**CTOA**”) relating to the Investigational Medicinal Product (as defined in the CTOA).
- (B) Pursuant to clause 7.5 of the CTOA, the Company has agreed to assign the Company Intellectual Property and sub-license the XOMA IP in return for a royalty and a share of any revenue generated by CRT from the commercial exploitation of such intellectual property rights upon the terms and conditions set out below.

**NOW IT IS HEREBY AGREED** as follows:

**1. INTERPRETATION**

1.1 In this Agreement except where the context requires otherwise, the following words and expressions shall have the following meanings:

- “**Affiliate**” has the same meaning as that ascribed to that phrase in the CTOA.
- “**Accountancy Opinion**” means the opinion of an independent United Kingdom chartered accountant appointed by agreement between the Parties or in default of such agreement within twenty one (21) days of either Party seeking in writing to the other to appoint such accountant, at the request of either Party, by the President for the time being of the Institute of Chartered Accountants in England and Wales, referred to in Clauses 6.3 and 12.1.
- “**Charity**” means Cancer Research UK, a charity registered under number 1089464 of Angel Building, 407 St. John Street, London EC1V 4AD, England.
-

<b>“Clinical Trial”</b>	has the meaning given in the CTOA.
<b>“Company Intellectual Property”</b>	means the Company Patent Rights and all rights in the Company Materials, the Investigational Medicinal Product and the Company Know-How.
<b>“Company Know-How”</b>	means: (a) any Know How that was disclosed by the Company to the Charity pursuant to the CTOA; (b) any Know How described in Annex 2; and (c) such other Know How in the Company’s Control relating to the Investigational Medicinal Product (and any constituents thereof) or any Back-Up Antibody including but not limited to: (i) any safety and toxicological data; (ii) information relating to manufacturing/production; (iii) information relating to quality; (iv) information relating to safe and proper handling, storage and use; and (v) any information which would in any way improve the prospects for its commercialisation.
<b>“Company Materials”</b>	means Materials Controlled by the Company which include and relate to the Investigational Medicinal Product, the Antibody and the Back-Up Antibodies, more particularly described in Annex 3.
<b>“Company Patent Rights”</b>	means (i) those Patent Rights listed in Annex 1A; (ii) those Patent Rights Controlled by the Company which would be infringed by the unauthorised manufacture, use or sale in, or importation into, the relevant country of the Investigational Medicinal Product, Antibody or Back-Up Antibodies; and (iii) all Patent Rights deriving priority from (i) and (ii).
<b>“Control”</b>	has the meaning given in the CTOA.
<b>“Data Exclusivity Period”</b>	means any period of clinical trial data or other regulatory exclusivity, together with any such periods under national implementations in the European Union of Article 10.1 of Directive 2001/EC/83 and all equivalents elsewhere in the Territory.
<b>“Direct Costs”</b>	means XOMA Licence Payments paid by CRT pursuant to Clause 7.2.
<b>“Effective Date”</b>	means the date of this Agreement.
<b>“First Commercial Sale”</b>	means, with respect to a Licensed Product, the first transfer or disposition for value of such Licensed Product by or on behalf of CRT or a Sub-Licensee or an Affiliate of either of them, after all relevant Regulatory Authorisations for the transfer or disposition of such Licensed Product have been obtained in respect of the relevant region or country.

---

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

**“Gross Revenue”** means any and all monies or non-monetary consideration (including securities) received by CRT from time to time in respect of the commercial exploitation of the Investigational Medicinal Product, Antibody, Back-Up Antibodies, or any Licensed Product; [\*\*\*]. For the avoidance of doubt, any developmental and/or sales milestone revenue shall constitute Gross Revenue, and not Royalties.

**“Investigational Medicinal Product” or “IMP”** has the meaning given in the CTOA.

**“Intellectual Property Rights”** means all Patent Rights, Know-How, copyright, database rights, design rights, moral rights, rights in trade names, logos and trade and service marks, domain names, rights in Materials and all rights or forms of protection of a similar nature or having equivalent or similar effect to any of them which may subsist anywhere in the world, whether or not any of them are registered including any application for registration of any of them.

**“Know-How”** has the meaning given in the CTOA.

**“Licence”** has the meaning given in the CTOA.

**“Licensed Product”** means any product:

a) whose application for a Regulatory Authorisation from a Regulatory Authority in any jurisdiction included the Clinical Trial Results and/or the Final Report and/or the Data Listings or any part of any of them, and/or

b) that contains the Antibody or a Back-Up Antibody (or any part of either), in each case whether or not as the sole active ingredient, and/or

c) the unauthorised manufacture, sale or use of which would infringe a valid claim of the Company Patent Rights,

where **“Clinical Trial Results”**, **“Final Report”** and **“Data Listings”** have the meaning given to them in the CTOA and **“Regulatory Authorisation”** has the meaning given to it in the Licence.

---

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

- “Materials”** has the meaning given in the CTOA.
- “NDA”** means, in relation to any Licensed Product, a biologics license application, new drug application, supplementary new drug application, abbreviated new drug application or any of their equivalents filed with the United States Food and Drugs Administration (FDA) or any successor to it, a marketing authorisation application or its equivalent filed with the European Medicines Agency (EMA) or any successor to it, or a marketing authorisation application or a product licence application or equivalent filed with the relevant Regulatory Authority in any one or more countries or regions within the Territory.
- “Net Revenue”** means Gross Revenue less Direct Costs.
- “Net Sales Value”** means, in relation to Licensed Product, the gross amount invoiced by CRT or Sub-Licensee or Affiliate of CRT or a Sub-Licensee [\*\*\*] to the extent that any of those items are included as separate items in the amount so invoiced, and [\*\*\*]
- “Party”** means either party to this Agreement and **“Parties”** means both of them.
- “Patent Rights”** has the meaning given in the CTOA.
- “Royalties”** means any monies that CRT receives from a Sub-Licensee which are a percentage of Net Sales Value only, and are paid to CRT on a Licensed-Product by Licensed-Product and country-by-country basis.
- “Sub-Licensee”** means any person who is granted a sub-licence in respect of the Company Intellectual Property under this Agreement; and/or any person who is granted a sub-licence (whether under the Company Intellectual Property or otherwise) to sell Licensed Products anywhere in the Territory, but shall not mean distributors, wholesalers, and sales agents (sale to whom will be sales for the purpose of Net Sales Value).
-



[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

**“Territory”** means worldwide.  
**“XOMA IP”** has the meaning given in the CTOA.  
**“XOMA Licence”** has the meaning given in the CTOA.  
**“XOMA Licence Payments”** has the meaning given in the CTOA.

1.2 The headings in this Agreement are for convenience only and shall not affect its interpretation. Unless the contrary intention appears, words denoting persons shall include any individual, partnership, company, corporation, joint venture, trust, association, organisation or other entity, in each case whether or not having separate legal personality. References to the words “include” or “including” shall be construed without limitation to the generality of the preceding words.

## **2. ASSIGNMENT AND LICENCE FROM COMPANY TO CRT**

2.1 Pursuant to clause 7.5 of the CTOA, and in consideration of the provisions of Clause 4, the Company hereby assigns to CRT with full title guarantee:

2.1.1 [\*\*\*] the Company Patent Rights (and the inventions disclosed in such Company Patent Rights) and the [\*\*\*];

2.1.2 [\*\*\*] the Company Intellectual Property and [\*\*\*];

2.1.3 [\*\*\*] the Company Intellectual Property [\*\*\*];

2.1.4 [\*\*\*] the Company Patent Rights; and

2.1.5 [\*\*\*].

2.2 Effective only upon a written request from CRT and to the extent it is entitled to do so under the XOMA Licence, the Company hereby grants to CRT [\*\*\*] to research, develop, make, have made, import, use and sell the Investigational Medicinal Product and products incorporating the Antibody or any Back-Up Antibody. The licence granted under this Clause 2.2 shall become effective upon written notice from CRT to the Company (such notice to be given within thirty (30) days of the Effective Date).

2.3 The Company shall disclose to CRT any Company Know-How that was not already disclosed to CRT pursuant to the CTOA within three (3) months of the Effective Date and agrees that the Company Know-How may be used by CRT and anyone to whom CRT discloses the Company Know-How, and that the Company shall not disclose the Company Know-How to any third party or use the Company Know-How in any internal research programme.

2.4 The Company either has or shall transfer, or procure the transfer of, the Company Materials and any and all rights therein to CRT (or any third party nominated by CRT) within three (3) months of the Effective Date and agrees that the Company Materials may be used by CRT and any third party authorised by CRT and that the Company shall not transfer any Company Materials to any third party or use the Company Materials in any internal research programme.

2.5 At CRT’s request, the Company shall negotiate with CRT in good faith on reasonable commercial terms a [\*\*\*] the Company and not already licensed or assigned under this Agreement which may be necessary and/or useful for the development and/or commercial exploitation of the Company Intellectual Property.

---

**3. ASSISTANCE AND FURTHER ASSURANCE**

- 3.1 The Company shall promptly provide to CRT or its nominated patent agent all documents relating to the filing, prosecution and maintenance of the Company Patent Rights.
- 3.2 The Company shall execute, sign and do all instruments, applications, documents, acts and things that may reasonably be required by CRT to enable CRT to enjoy the full benefit of the property and rights hereby assigned or licensed and (if requested to do so by CRT) to apply for any patents or other forms of protection in respect of the Investigational Medicinal Product throughout the world and fully and effectively to assign the same to CRT or as CRT shall direct.
- 3.3 The Company shall assist CRT and any third party that CRT may nominate in understanding and using the Company Know-How and the Company Materials and assist CRT and any such third party in relation to any further development of the Investigational Medicinal Product and any regulatory application in relation thereto (including without limitation and to the extent that the Company may lawfully do so by the provision of information that may be requested from time to time in relation to the origin, development, and distribution by the Company to any third parties of the Licensed Product).
- 3.4 The Company shall maintain the XOMA Licence, and not terminate it without the prior written agreement of CRT.
- 3.5 To the extent it has the rights under the XOMA Licence to Control Patent Rights which are XOMA IP, the Company shall transfer to CRT control of the filing, prosecution, maintenance, enforcement and defence of any such Patent Rights to CRT.
-

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

#### **4. CONSIDERATION**

4.1 Subject to Clause 4.5, CRT and the Company shall share Net Revenue in the following proportions:

CRT [\*\*\*];  
Company [\*\*\*].

4.2 In the event that any Gross Revenue is received by CRT as part of the consideration for the grant of rights which include rights other than those in respect of Company Intellectual Property, CRT shall apportion the consideration as between on the one hand, the rights granted in respect of the Company Intellectual Property and, on the other, any other rights granted, in such manner as is fair and reasonable.

4.3 If CRT receives any non-monetary consideration in respect of the commercial exploitation of the Company Intellectual Property (such as company stocks and shares), such non-monetary consideration shall not form Gross Revenue until CRT has received cash proceeds from the disposal or other realisation of such consideration. CRT shall not determine the timing of and price for any realisation of the Company's share of non-monetary consideration without first having notified and consulted the Company, but shall otherwise seek to realise such non-monetary consideration at the earliest opportunity that is consistent with securing a reasonable return. For the avoidance of doubt, any dividend or similar monetary consideration received in respect of such non-monetary consideration shall form Gross Revenue.

4.4 Subject to Clause 4.5, CRT and the Company shall share any Royalties received by CRT in each calendar quarter of the Royalty Term in the following proportions:

---

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

CRT [\*\*\*];  
Company [\*\*\*],

provided that under no circumstance other than that set out in Clause 4.5 shall CRT pay the Company under this Clause 4.4 [\*\*\*] in each such calendar quarter. CRT shall include in any and all sub-licenses granted under this Agreement obligations on its sub-licensee(s) to make timely payments (on not less than a quarterly basis) of sufficient royalties to CRT to ensure that CRT can meet its obligations under this Clause 4.4.

In this Clause 4.4, “**Royalty Term**” means a period, on a Licensed Product-by-Licensed Product, country-by-country basis, beginning on the Effective Date and ending upon the later to occur of:

- 4.4.1 the expiry of any Data Exclusivity Period in respect of the data submitted for the NDA for such Licensed Product in such country;
- 4.4.2 the expiry of ten (10) years from the First Commercial Sale; and
- 4.4.3 the date when unauthorised manufacture, sale or use of the Licensed Product would no longer infringe a valid claim of the Company Patent Rights in the country of sale or manufacture.

4.5 Without restricting or limiting any of the Charity’s or CRT’s rights under the CTOA, CRT may deduct as a first charge and set off from sums due to the Company under this Clause 4 any and all sums of any nature that are due and payable, but not yet paid, by the Company to CRT or the Charity under or in connection with the CTOA (including, without limitation, any sums due pursuant to Clause 9.2 or 12.2 of the CTOA).

## 5. PAYMENT AND STATEMENT

- 5.1 All payments due to the Company under this Agreement shall be made in United States Dollars in cleared funds to such bank account as Company may notify to CRT from time to time.
  - 5.2 CRT shall pay to Company:
    - 5.2.1 payments due under Clause 4.1, Clause 4.2, and Clause 4.3 within thirty (30) days of CRT receiving the revenue; and
    - 5.2.2 the payments due pursuant to Clause 4.4 Quarterly within thirty (30) days of the end of each Quarter in which the corresponding Royalties are received by CRT.
  - 5.3 Where Licensed Products are sold or Sub-Licence Revenue or Royalties are received by CRT (or a Sub-Licensee) in a currency other than United States Dollars, the rate of exchange to be used for converting such other currency into United States Dollars shall be the relevant mid-spot rate for the currency quoted by the Financial Times on the last day of the Quarter to which they relate.
  - 5.4 All costs of transmission and currency conversion shall be borne by CRT.
  - 5.5 All payments to the Company under this Agreement are expressed to be exclusive of value added tax howsoever arising, and CRT shall pay to the Company in addition to those payments or, if earlier, on receipt of a tax invoice or invoices from the Company, all value added tax for which the Company is liable to account in relation to any supply made or deemed to be made for value added tax purposes pursuant to this Agreement.
  - 5.6 All sums payable under this Agreement shall be paid without deduction or deferment in respect of any claims whatsoever and of any taxes except any tax which CRT is required by law to deduct or withhold. If CRT is required by law to make any such tax deduction or withholding, CRT shall pay to the Company such amount as shall, after deduction, amount to the sum referred to in this Agreement give reasonable assistance to the Company to claim exemption from or (if that is not possible) a credit for the deduction or withholding under any applicable double taxation or similar agreement from time to time in force, and shall promptly give the Company proper evidence as to the deduction or withholding and payment over of the tax deducted or withheld.
-

- 5.7 Where the Company does not receive payment of any sums due to it by the due date, interest shall accrue both before and after any judgment on the sum due and owing to the Company at the rate equivalent to an annual rate of two percent (2%) over the then current base rate of the Bank of England, calculated on a monthly basis, until the full amount is paid to the Company, without prejudice to the Company's right to receive payment on the due date.
- 5.8 Within thirty (30) days after the end of each Quarter, CRT shall send to the Company a written statement detailing in respect of that Quarter (including a nil report if appropriate):
- 5.8.1 any payments which became due to Company;
  - 5.8.2 for each sub-licence, details of each item of Sub-Licence Revenue received by CRT during that Quarter and the Sub-Licence Revenue payable to Company thereon;
  - 5.8.3 the quantity of each type of Licensed Product sold or otherwise disposed of by CRT or any Sub-Licensees in each country in the Territory;
  - 5.8.4 the Net Sales Value in respect of each such type of Licensed Product in each country of the Territory;
  - 5.8.5 the aggregate Net Sales Value in respect of that Quarter for Licensed Product;
  - 5.8.6 the type and value of deductions made in the calculation of Net Sales Value by type of Licensed Product and country;
  - 5.8.7 any currency conversions, showing the rates used;
  - 5.8.8 any further information necessary for the calculation of Sub-Licence Revenue and Net Sales Value of Licensed Products and/or the Royalties due to Company; and
  - 5.8.9 the amount of the Royalties due to Company in respect of that Quarter.

## **6. ACCOUNTS**

- 6.1 CRT shall:
- 6.1.1 keep and notwithstanding termination of this Agreement, maintain and shall procure that each Sub-Licensee keeps and maintains, for at least three (3) years, true and accurate accounts and records (including any underlying documents supporting such accounts and records) in sufficient detail to enable the amount of all sums payable under this Agreement to be determined; and
  - 6.1.2 during the Term and thereafter until the said period of three (3) years relevant to the accounts and records has expired, at the reasonable request of Company and (subject to Clause 6.2) at the expense of the Company from time to time, permit or procure permission for a qualified accountant nominated by the Company to inspect and audit those accounts and records and, to the extent that they relate to the calculation of those sums, to take copies of them. Subject to receiving not less than thirty (30) days written notice, CRT shall at the request of the Company assemble in one location that is respectively convenient to CRT and Sub-Licensee(s) all such relevant accounts and records of CRT and all Sub-Licensee(s).
-

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

- 6.2 If, following any inspection pursuant to Clause 6.1.2, the Company's nominated accountant certifies to the Company that the payments in respect of any Quarter or Year fall short of the sums which were properly payable in respect of that Quarter or Year under this Agreement, the Company shall send a copy of the certificate to CRT and CRT shall (subject to Clause 6.3) within thirty (30) days of the date of receipt of the certificate pay the shortfall to the Company and, [\*\*\*] of the sum properly payable, CRT shall also reimburse to the Company the reasonable costs and expenses of the Company in making the inspection.
- 6.3 If within fifteen (15) days of the date of receipt by CRT any certificate produced pursuant to Clause 6.2 CRT notifies the Company in writing that it disputes the certificate, the dispute shall be referred for resolution by Accountancy Opinion in accordance with Clause 12.1.

## **7. XOMA LICENCE**

- 7.1 As of the Effective Date and subject to any notices served pursuant to Clause 8.2.11 of the CTOA, the Company hereby restates and gives the warranties and representations set out in Clause 8.2 of the CTOA (save that references in such provisions to: (i) the "Agreement" shall mean this Agreement not the CTOA; (ii) to rights granted to the Charity shall mean rights granted to CRT; and (iii) to the "Commencement Date" shall mean the Effective Date). In addition, the Company shall give as much notice as practicable to CRT if the XOMA Licence is liable to be, or is summarily terminated, and at CRT's request use its commercially reasonable endeavours to facilitate a continuance and an assignment of the XOMA Licence to CRT.
- 7.2 CRT will be responsible for paying directly to XOMA (US) LLC any XOMA Licence Payments incurred after the Effective Date, in each case in accordance with the terms of the XOMA Licence insofar as such XOMA Licence Payments are triggered by, and only by, CRT or any of its Sub-Licencee(s) or Affiliates. Each XOMA Licence Payment paid by CRT shall be a Direct Cost. The Company will remain solely responsible for all XOMA Licence Payments incurred prior to the Effective Date.

## **8. MANAGEMENT AND EXPLOITATION**

- 8.1 The filing, prosecution, maintenance, enforcement and defence of any Company Intellectual Property and further development and commercial exploitation thereof shall be at the sole discretion of CRT.

## **9. CONFIDENTIALITY**

- 9.1 Subject to the other provisions of this Clause 9, each Party undertakes that both during and after termination of this Agreement, it will keep confidential and not disclose to any person other than to its officers, employees or professional advisors whose province it is to know, any confidential proprietary information of the other Party disclosed to or obtained by it in connection with this Agreement. For these purposes, Company Know-How shall be deemed to be the confidential information of CRT but only to the extent such Company Know-How pertains solely or directly to the Licensed Product and the Field. Additionally, subject to the provisions of Clause 9.2, any information of the Charity (and any charitable body succeeding to it) disclosed to or obtained by the Company in connection with this Agreement shall be deemed to be the confidential information of the Charity.
-

- 9.2 With the exception of Company Know-How which the Company shall keep confidential in accordance with Clause 9.1, Clause 9.1 shall not apply to:
- 9.2.1 information which is or was already known to the receiving Party at the time of disclosure under this Agreement, as shown by the receiving Party's written records, without any obligation to keep it confidential;
  - 9.2.2 information which at the time of being disclosed or obtained by the receiving Party under this Agreement or at any time thereafter, is published or otherwise generally available to the public other than due to default by the receiving Party of its obligations hereunder; or
  - 9.2.3 information which is required to be disclosed by a competent Court or regulatory authority or otherwise by applicable law or statute or any rule or regulation of any Regulatory Authority or other government or administrative agency or authority, to the extent of such disclosure, provided that the receiving Party shall give notice of such disclosure as soon as reasonably practicable.
- 9.3 Clause 9.1 above shall not apply to the use or disclosure of any information by any Party for the purpose of exercising or enforcing its rights under this Agreement.
- 9.4 Each Party will ensure that all personnel and third parties to whom confidential information of another Party is disclosed are informed of the provisions of this Clause 9.
- 9.5 So long as this Agreement remains in effect, as between CRT and the Company only, clause 5 of the CTOA shall cease to operate and this Clause 9 shall replace and supersede the obligations and rights of CRT and the Company only under such clause 5 of the CTOA.

## **10 WARRANTIES**

- 10.1 The Company represents and warrants to CRT that to the best of its knowledge and belief:
- 10.1.1 it is not aware of any inventors of the Company Patent Rights other than the inventors named therein;
  - 10.1.2 it is the legal and beneficial owner of the Company Intellectual Property free of any third party rights or encumbrances;
  - 10.1.3 it has not and will not enter into any Agreement which prevents it fulfilling its obligations under this Agreement;
  - 10.1.4 it has not done anything whereby the whole or any part of the rights assigned or licensed under the Agreement might be invalidated or registration of them refused;
  - 10.1.5 the manufacture, use and possession of the Investigational Medicinal Product by CRT or any person authorised by CRT shall not infringe the rights (including without limitation any Intellectual Property Rights) of any third party; and
  - 10.1.6 it has not done or omitted to do anything with respect to the Investigational Medicinal Product which may materially prejudice the further development of the Investigational Medicinal Product or adversely affect any application which may be made to any regulatory authority concerned with the approval of medicinal products and their sale.
- 10.2 Nothing in this Agreement shall be treated as imposing on CRT any liability to the Company in relation to the further development and commercial exploitation of the Investigational Medicinal Product or the Company Intellectual Property.
-

**11. DURATION**

- 11.1 This Agreement shall come into force on the Effective Date and shall extend for so long as CRT has the potential to receive Gross Revenue and/or Royalties.

**12. DISPUTE RESOLUTION**

- 12.1 Insofar as this Agreement provides that a matter shall be resolved by Accountancy Opinion or Expert Opinion the opinion of such expert (who shall act as an expert and not as an arbitrator) shall be final and binding on the Parties. In the event of a Party seeking an Accountancy Opinion or Expert Opinion under this Agreement, each Party shall make written submissions to the expert so appointed and to the other Party within fourteen (14) days of the appointment. Each Party shall have seven (7) days to respond to the other's submissions. The expert shall be requested to deliver his Accountancy Opinion or Expert Opinion within a further thirty (30) days. The costs of any Accountancy Opinion or Expert Opinion shall be borne in such proportions as the expert may determine in his opinion to be fair and reasonable in all the circumstances or, if no such determination is made in the opinion, by the Parties in equal proportions.
- 12.2 It shall be a condition precedent to the commencement of any action in court or other tribunal (save an action for an interim injunction or an Expert Opinion sought under Clause 12.1) in respect of any dispute relating to this Agreement that the Parties have sought to resolve the dispute by either Party notifying the other Party in writing for resolution to the Chief Executive Officer (in the case of CRT) and the Chief Executive Officer (in the case of the Company) (or their express delegates) (the "Senior Executives") who shall meet (whether in person or via teleconference) within twenty one (21) days of such notice to seek resolution in good faith. If the Senior Executives are unable to resolve the dispute at such meeting, either Party may pursue any remedy available to such Party at law or in equity, subject to the terms and conditions of this Agreement and the other agreements expressly contemplated hereunder.

**13. GENERAL**

- 13.1 The surviving terms and conditions of the CTOA shall, in accordance with its terms, continue in full force and effect.
- 13.2 This Agreement shall be governed by and construed in accordance with English law and each Party agrees to submit to the exclusive jurisdiction of the English courts (except in respect of disputes under Clause 9 where jurisdiction is non-exclusive).
- 13.3 This Agreement may be executed in any one or more number of counterpart agreements, as scanned email attachments, and all signatures and counterparts so exchanged shall be considered as original and shall be deemed to form part of and together constitute this Agreement.
-



**IN WITNESS** whereof this document is executed by the parties on the date stated at the beginning of this Agreement through their authorised signatories

Signed by: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

For and on behalf of  
**CANCER RESEARCH TECHNOLOGY  
LIMITED**

Signed by: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

For and on behalf of  
**MONOPAR THERAPEUTICS LLC**

---

**ANNEX 1A  
COMPANY PATENT RIGHTS**

*[Drafting note – Annex 1A to include those patents identified in schedule 1 of the CTOA and any applications made during the term of the CTOA relating to the Investigational Medicinal Product and its use (e.g. formulation, manufacturing, etc.)]*

<b>PATENT/ APPLICATION NUMBER</b>	<b>TITLE</b>	<b>TERRITORY</b>	<b>FILING DATE</b>

**ANNEX 1B  
COMPANY COMBINATION PATENT RIGHTS**

<b>PATENT/ APPLICATION NUMBER</b>	<b>TITLE</b>	<b>TERRITORY</b>	<b>FILING DATE</b>

**ANNEX 2  
COMPANY KNOW-HOW**

**ANNEX 3  
COMPANY MATERIALS**

---

**Schedule 6**  
**Protocol**  
(copy of protocol to be inserted here)

---

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

**Schedule 7**

**Company Materials**

(insert list of materials to be provided by the Company to the Charity)

[\*\*\*]; purified huATN-658 reference material.

**Schedule 7 - Part 2**

**Company GMP Materials**

(insert list of GMP materials to be provided by the Company to the Charity)

[\*\*\*].

**Schedule 8**

**Back-Up Antibodies**

The [\*\*\*] known as [\*\*\*], each of which is owned by the Company but, as at the Commencement Date, are held by XOMA at its premises.

---

**Schedule 9**  
**XOMA Licence**  
(copy of XOMA Licence to be inserted here)

---

## Schedule 10 Progress Reports



Project XXXXXXXX: [Month] 201[x] DDO Monthly Project Report

CONFIDENTIAL

<Enter Phase> Phase – Current Status:		Project Phase Transition	Project Phase End Point	Forecast / Actual Date & Traffic Light
			NAC approval	XXXXXX
		Exploratory	Exploratory Criteria met & approved	XXXXXX
		Pre-Clinical & Trial Preparation	CTA submission	XXXXXX
		Study Set Up	1st Site Open Notification	XXXXXX
		Study Open	LPFV	XXXXXX
		Study Close-down	Final CSR	XXXXXX
		Study Archive	Archive	XXXXXX
Key Project Activities Since Last Report	Key Project Activities for Next Month	Significant issues / risks and potential impact	Issue / Risk Mitigations and potential impact	
1. 2. 3. 4. 5.	1. 2. 3. 4. 5.	1. 2. 3. 4. 5.	1. 2. 3. 4. 5.	
Alert message:				

**Schedule 11**  
**Clinical Protocol Summary**  
**(To be added to this Agreement within 3 months of signing)**

---

**Schedule 12**  
**Escrow Agreement**

---



## ESCROW AGREEMENT

THIS AGREEMENT is made the \_\_\_\_\_ day of \_\_\_\_\_ 2015 (the “Effective Date”)

### AMONG:

**CANCER RESEARCH UK** a company limited by guarantee registered under number 4325234 and a charity registered under number 1089464 of Angel Building, 407 St. John Street, London, EC1V 4AD, England (the “Charity”);

**CANCER RESEARCH TECHNOLOGY LIMITED** a company registered in England and Wales with number 1626049 and registered office at Angel Building, 407 St. John Street, London, EC1V 4AD, England (“CRT”);

**MONOPAR THERAPEUTICS LLC**, a limited liability company registered in/incorporated in/ established under the laws of The State of Delaware, U.S.A., with registered office/principal place of business at 598 Rockefeller Road, Lake Forest, Illinois, U.S.A., 60045 (the “Company”); and

[NAME], as the escrow agent (the “Escrow Agent”).

### WHEREAS:

(A) The Charity, CRT and the Company have entered into that certain **CLINICAL TRIAL AND OPTION AGREEMENT** (the “CTOA”), a true copy of which (as executed) is attached hereto as **Exhibit A**, incorporated herein by reference and made a part of this Agreement;

(B) The Charity, CRT and the Company further intend that the Company shall hold in escrow, throughout the Escrow Period, Eight Hundred Thousand Dollars (\$800,000.00 USD) as collateral for the liabilities of the Company under the CTOA (“Escrow Consideration”);

NOW IT IS HEREBY AGREED as follows:

#### 1. Escrow.

1.1 Escrow Fund. The Escrow Agent shall immediately establish and open an account to receive, invest, hold and disburse the funds that constitute (i) the Escrow Consideration (the “Escrow Fund”) and (ii) the Escrow Earnings (defined below). That account is referred to as the “Escrow Account”.

1.2 Appointment. CRT, the Charity, and the Company hereto hereby appoint, and the Escrow Agent hereby accepts such appointment as, and agrees to act throughout the Escrow Period as, the escrow agent to hold, safeguard and disburse the Escrow Fund and the Escrow Earnings (defined below) pursuant to the terms and conditions hereof.

1.3 Deposit. Within fourteen (14) days of the Effective Date, the Company shall deposit the Escrow Consideration in the Escrow Account and provide written evidence of the same to CRT and the Charity.

#### 1.4 Investment of the Escrow Consideration.

(a) The Escrow Agent agrees to invest and reinvest funds in the Escrow Account, but only upon written instruction signed by an authorized agent of the Company, and only in one or more of the following investments (the “Permitted Investments”) from time to time: (i) bank accounts; (ii) bank money-market accounts; (iii) short-term certificates of deposit; or (iv) short-term securities issued or guaranteed by the United States government.

---

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

(b) The Company, the Charity, and CRT recognize and agree that the Escrow Agent will not provide supervision, recommendations or advice relating to either the investment of moneys held in the Escrow Account or the purchase, sale, retention or other disposition of any Permitted Investment. Interest and other earnings on Permitted Investments shall be added to the Escrow Account and disbursed in accordance with Sections 4 and 5 hereof. Without prejudice to Section 2, any loss or expense incurred as a result of an investment will be borne by the Escrow Account. In the event that the Escrow Agent does not receive directions to invest funds held in the Escrow Account, the Escrow Agent shall invest such funds in bank money-market accounts.

(c) The Escrow Agent is hereby authorized to execute purchases and sales of Permitted Investments through the facilities of its own trading or capital markets operations or those of any affiliated entity. The Escrow Agent shall send statements to the Company hereto on a monthly basis reflecting activity in the Escrow Account for the preceding month. Although the Company recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Company hereby agrees that confirmations of Permitted Investments are not required to be issued by the Escrow Agent for each month in which a monthly statement is rendered. No statement need be rendered for the Escrow Account if no activity occurred for such month. The Company shall send statements to CRT hereto on a quarterly basis stating the balance of funds in the Escrow Account for the preceding quarter.

(d) The Escrow Agent shall sell or redeem any Permitted Investments as necessary to make any payments or distributions required under this Agreement. The Escrow Agent shall have no responsibility or liability for any loss which may result from any investment made pursuant to, and in accordance with, this Agreement, or for any loss resulting from the authorized sale of such investment.

(e) Proceeds of the sale of investments will be delivered on the business day on which the appropriate instructions are received by the Escrow Agent if received prior to the deadline for same day sale of such permitted investments. If such instructions are received after the applicable deadline, proceeds will be delivered on the next succeeding business day.

(f) Investments will be made promptly following the availability of such funds to the Escrow Agent taking into consideration the regulations and requirements (including investment cut-off times) of the Federal Reserve wire system, any investment provider and the Escrow Agent.

(g) The Company, the Charity, and CRT shall furnish the Escrow Agent with a completed Form W-8 or Form W-9, as applicable.

1.5 Purpose of the Escrow Fund. The Escrow Fund shall be held by the Escrow Agent to provide a source of collateral for the liabilities of the Company under the CTOA.

1.6 Escrow Period. The “**Escrow Period**” shall mean the period commencing on the Effective Date and ending on the earlier of:

(i) the date that [\*\*\*];

(ii) by mutual written agreement between the Company, CRT, and the Charity to terminate this Agreement for any reason; or

---

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

(iii) five (5) years from the Effective Date of the CTOA;

(the “**Claim Expiration Date**”); provided that if there are any Claims that are not Resolved at the end of such period, the Escrow Period shall extend automatically beyond the Claim Expiration Date and continue until such time as all Claims have been Resolved.

The Company, CRT, and the Charity shall jointly deliver to Escrow Agent written notice upon the end of the Escrow Period, unless it has been five (5) years since the Effective Date of the CTOA, in which case no notice is required.

“**Resolved**” shall mean, in respect of a Claim, that the Claim has been (i) agreed in writing between the Company, the Charity and CRT as to both liability and quantum; (ii) finally determined (as to both liability and quantum) pursuant to Section 5 or, if applicable, by a court of competent jurisdiction from which there is no right of appeal, or from whose judgment the relevant Party is debarred (by passage of time or otherwise) from making an appeal, including in situations where the Claim relates to a third party claim brought against the Charity, CRT or a Charity Indemnitee; or (iii) unconditionally withdrawn by the Charity and CRT in writing; and, in each case, all sums due to the Charity or CRT under this Agreement in respect of such Claim have been paid.

1.7 Instructions. All instructions required under this Agreement will be delivered to Escrow Agent in writing, in either original or facsimile form, executed by an authorized person of each of the Company, CRT, and the Charity. Escrow Agent reserves the right to telephone an authorized person to confirm the details of such instructions or documents.

#### 1.8 Taxes and Income Distributions.

(a) Ownership of Funds in Escrow. For U.S. federal income tax purposes, the parties hereto agree that the Company shall be treated as owning the funds in the Escrow Fund.

(b) Treatment of Escrow Fund Earnings. The Company shall include in its taxable income all interest, dividends and other income earned on the amounts in the Escrow Fund (the “**Escrow Earnings**”), and the Escrow Agent shall make distributions to the Company (“**Income Distributions**”), at the end of each calendar quarter and upon the final distribution out of the Escrow Fund, [\*\*\*]; provided that in no circumstance shall Income Distributions result in the Escrow Fund falling below eight hundred thousand US dollars (\$800,000 USD).

## 2. Maintenance of Escrow Fund.

2.1 Minimum. The Company shall ensure at all times during the Escrow Period that the Escrow Fund is at least equal to the difference between (i) the amount of eight hundred thousand US dollars (\$800,000 USD), and (ii) [\*\*\*] in connection with Claims made under Section 5.1 (the “**Escrow Balance**”). The Company shall also ensure at all times during the Escrow Period that the Escrow Balance is available for payment to the Charity or CRT in connection with Claims allowed under Section 5.

2.2 Additional Deposits. If, for any reason, at any time during the Escrow Period the Escrow Fund is less than the Escrow Balance, the Company shall immediately make any additional deposits in the Escrow Account, and take any other steps, needed to ensure that it meets its obligations under Section 2.1.

---

3. Fees. The Escrow Agent shall be entitled to receive a fee for its services under this agreement. The fee shall be \_\_\_\_\_. Fees are payable by the Company and shall not be paid out of or deducted from the Escrow Fund.

4. Disbursement. Promptly after the Escrow Period, the Escrow Agent shall deliver to the Company all funds remaining in the Escrow Fund.

5. Claims Upon the Escrow Fund; Objections to Claims; Resolution of Conflicts.

5.1 Claims Upon Escrow Fund. By written notice to the Escrow Agent and the Company, CRT and the Charity shall have the right to make a Claim upon the Escrow Fund at any time during the Escrow Period before 5:00 p.m. Eastern Standard Time on the Claim Expiration Date upon any failure by the Company to fully discharge any of its obligations under, or fully meet its liabilities arising under or in connection with, the CTOA (each, a “**Claim**”), including if:

(a) the Company fails to fully discharge its obligations under Clause 9.2 of the CTOA. Subject to Clause 13 of the CTOA, CRT or the Charity, but not both, shall have the right to receive from the Escrow Agent an amount out of the Escrow Fund equal to the amount the Company has failed to cover to fully discharge its obligations under Clause 9.2 of the CTOA. Such right shall include the right of the Charity or CRT to make Claims on behalf of Charity Indemnitees, and receive from the Escrow Agent an amount out of the Escrow Fund equal to the amount payable by the Company to Charity Indemnitees, under the CTOA; and

(b) the Company fails to pay amounts owed to the Charity under Clause 12.2.2 of the CTOA upon termination of the CTOA by CRT or the Charity pursuant to Clause 11.2 or 11.4. Subject to Clause 13 of the CTOA, CRT or the Charity, but not both, shall have the right to receive from the Escrow Agent an amount out of the Escrow Fund equal to the amount the Company owes the Charity.

The Charity’s and CRT’s rights under this Section 5.1 are subject to Section 5.4.

5.2 Objections to Claims.

(a) At the time of delivery of a written notice of a Claim to the Escrow Agent and the Company by CRT or the Charity, and for a period of twenty (20) days after such delivery is made to the Company, the Escrow Agent shall make no delivery to CRT, the Charity, or the Charity Indemnitees of any amount from the Escrow Fund pursuant to Section 5.1 hereof unless the Escrow Agent shall have received written authorization from the Company to make such delivery. After the expiration of such twenty (20) day period, the Escrow Agent shall pay and deliver funds (in US dollars) claimed by the Charity or CRT from the Escrow Fund to an account designated by the Charity or CRT; provided, however, that no such payment or delivery may be made if the Company shall object in a written statement to the Claim made in the written notice, and such statement shall have been delivered to the Escrow Agent, the Charity and CRT prior to the expiration of such twenty (20) day period.

(b) The Company shall furnish CRT and the Charity with detailed written reason(s) for its objection at the same time as it delivers its objection to any Claim.

(c) The Company shall not unreasonably object to any Claim made to the Escrow Agent by CRT or the Charity, including by making any objection that has no reasonable prospect of being upheld if referred to arbitration.

---

### 5.3 Resolution of Conflicts; Arbitration.

(a) In case the Company shall object in writing to any Claim or Claims made in any written notice by CRT or the Charity, the Company, CRT, and the Charity shall attempt in good faith to agree upon the rights of the respective parties with respect to each of such Claims. If the Company, CRT, and the Charity should so agree, a memorandum setting forth such agreement shall be prepared and signed by the parties and shall be furnished to the Escrow Agent. The Escrow Agent shall be entitled to rely on any such memorandum and distribute funds or withhold payments from the Escrow Fund in accordance with the terms thereof.

(b) If no such agreement can be reached within twenty (20) business days after delivery of the Company's written objection to CRT or the Charity's Claim in the written notice notwithstanding good faith negotiation, any of the Company, CRT or the Charity may demand arbitration of the matter. The Company, CRT, or the Charity shall, within twenty (20) days of the demand, mutually select one independent arbitrator with at least five (5) years relevant experience; provided, however, that if the Company, CRT, and the Charity cannot agree upon one arbitrator during such twenty (20) day period, the Company, on the one hand, and CRT and the Charity, on the other, shall, within five (5) days following such twenty (20) day period, each select one arbitrator and the two arbitrators so selected shall select a third arbitrator, each of which arbitrators shall be independent and have at least five (5) years relevant experience. The arbitrator(s) shall set a limited time period and establish procedures designed to reduce the cost and time for discovery to the extent possible while allowing the parties an opportunity, adequate in the sole judgment of the arbitrators, to discover relevant information from the opposing parties about the subject matter of the dispute. The arbitrator(s) shall rule upon motions to compel or limit discovery and shall have the authority to impose sanctions, including attorneys' fees and costs, should the arbitrator(s) determine that discovery was sought without substantial justification or that discovery was refused or objected to without substantial justification. The decision of the arbitrator (or, in the case of three arbitrators, a majority of the three arbitrators) as to the validity and amount of any Claim in such written notice shall be binding and conclusive upon the parties to this Agreement, and notwithstanding anything in Section 5.2 hereof, the Escrow Agent shall act in accordance with such decision and make or withhold payments out of the Escrow Fund in accordance therewith. Such decision shall be written and shall be supported by written findings of fact and conclusions which shall set forth the award, judgment, decree or order awarded by the arbitrator(s). The arbitrator(s) shall also have the authority to award additional sums to the Charity and CRT, and reimbursement of attorneys' fees and costs, should the arbitrator(s) determine that the objection had no reasonable prospect of being upheld.

(c) Judgement upon any award rendered by the arbitrators may be entered in any court having jurisdiction. Any such arbitration shall be held in London, England, under the International Arbitration Rules of the International Centre for Dispute Resolution then in effect.

(d) Each party shall bear its own fees and costs in connection with the arbitration. The fees, costs and expenses of the arbitrator(s), if any, shall be apportioned between the Company, on the one hand, and CRT and the Charity, on the other, based upon the inverse proportion of the amount of disputed items resolved in favor of such party (i.e., so that the prevailing party bears a lesser amount of such fees and expenses).

5.4 Limit. The maximum aggregate amount that the Charity and CRT may claim, and that is payable to them, from the Escrow Account to satisfy any and all Claims made under this Agreement shall be eight hundred thousand US dollars (\$800,000 USD). The rights granted under this Agreement are in addition to, and not instead of, any rights of the Charity and CRT under or in connection with the CTOA, whether under contract, statute or tort. Nothing in this Agreement shall, or is intended to, limit such rights, including where sums paid under this Agreement do not fully discharge the Company's liabilities.

---

6. Limitation on Escrow Agent's Liability. The Escrow Agent's responsibilities and liabilities shall be limited as follows:

6.1 The Escrow Agent shall not be responsible for or be required to enforce any of the terms or conditions of the CTOA or any other agreement between the parties thereto. The Escrow Agent shall not be responsible or liable in any manner whatsoever for the performance by the Company, CRT, or the Charity of their respective obligations under the CTOA or this Agreement, nor shall the Escrow Agent be responsible or liable in any manner whatsoever for the failure of any party to the CTOA to honor any of the provisions of the CTOA.

6.2 The duties and obligations of the Escrow Agent shall be limited to and determined solely by the express provisions of this Agreement and the CTOA, and no implied duties or obligations shall be read into this Agreement against the Escrow Agent. The Escrow Agent shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument or document other than this Escrow Agreement or the CTOA, whether or not a copy and/or original of such agreement is held by Escrow Agent; and, the Escrow Agent shall have no duty to know or inquire as to the performance or nonperformance of any provision of any such agreement, instrument or document. This Escrow Agreement sets forth all matters pertinent to the escrow contemplated hereunder, and no additional obligations of the Escrow Agent shall be inferred from the terms of this Escrow Agreement or any other agreement, instrument or document. All references in this Escrow Agreement to any other agreement (other than the CTOA) are for the convenience of the parties other than the Escrow Agent, and the Escrow Agent has no duties or obligations with respect thereto.

6.3 The Escrow Agent shall be entitled to rely upon and shall be protected in acting in reliance upon any instruction, notice, information, certificate, instrument or other document which is submitted to it in connection with its duties under, and in accordance with, this Agreement and which the Escrow Agent in good faith believes to have been signed or presented by the proper party or parties. The Escrow Agent shall have no liability with respect to the form, execution, validity or authenticity thereof.

6.4 The Escrow Agent shall be entitled to consult, at its own cost, with independent counsel of its own selection and the opinion of such counsel shall be full and complete authorization and protection to the Escrow Agent in respect of any action taken or omitted by the Escrow Agent hereunder in good faith and in accordance with the opinion of such counsel, unless caused by or arising from its own fraud, gross negligence or willful misconduct.

6.5 The Escrow Agent shall have no responsibility or liability for any diminution in value of any assets held under this agreement which may result from any investments or reinvestments made in accordance with any provision which may be contained in this agreement.

6.6 The Escrow Agent shall not be liable for any action taken or omitted under this Agreement while acting in good faith, unless caused by or arising from its own fraud, negligence or misconduct.

6.7 The Escrow Agent shall have the right to perform any of its duties hereunder through custodians or nominees, and shall be liable for all acts and omissions of such custodians or nominees as if they were acts or omissions of the Escrow Agent.

---

6.8 Any banking association or corporation into which the Escrow Agent may be merged, converted or with which the Escrow Agent may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Escrow Agent shall be transferred, shall succeed to all of the Escrow Agent's rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

6.9 The Escrow Agent shall have the right at any time to resign for any reason and be discharged of its duties as Escrow Agent hereunder by giving written notice of its resignation to the parties hereto at least thirty (30) calendar days prior to the date specified for such resignation to take effect. In addition, the Company, the Charity and CRT may remove the Escrow Agent as escrow agent at any time with or without cause, by an instrument given to the Escrow Agent, which instrument shall be signed by each of the Company, the Charity and CRT and shall designate the effective date of such removal. In the event of any such resignation or removal, a successor escrow agent which, unless the Company, CRT, and the Charity otherwise agree in writing, shall be a bank or trust company organized under the laws of the United States of America or of the State of Illinois shall be appointed by Company with the approval of CRT and the Charity, which approval shall not be unreasonably delayed, conditioned, or withheld. Any such successor escrow agent shall deliver to Company, CRT and the Charity a written instrument accepting such appointment, and thereupon it shall succeed to all the rights and duties of the Escrow Agent hereunder and shall be entitled to receive the Escrow Fund. All responsibilities of the Escrow Agent hereunder shall cease and terminate on the effective date of its resignation or removal and its sole responsibility thereafter shall be to hold the Escrow Fund for a period of thirty (30) calendar days following the effective date of resignation or removal, at which time:

(1) if a successor Escrow Agent shall have been appointed and written notice thereof shall have been given to the resigning or removed Escrow Agent by parties hereto and the successor Escrow Agent, then the resigning Escrow Agent shall deliver the remaining Escrow Fund to the successor Escrow Agent; or

(2) if a successor Escrow Agent shall not have been appointed, for any reason whatsoever, the resigning or removed Escrow Agent shall deliver the Escrow Fund to a court of competent jurisdiction in the County of New York, New York and give written notice of the same to Company, CRT, and the Charity.

6.10 In the event that the Escrow Agent shall be uncertain as to its duties or rights hereunder or shall receive instructions with respect to the Escrow Fund, which, in its sole discretion, are in conflict either with other instructions received by it or with any provision of this Agreement, the Escrow Agent shall have the absolute right to suspend all further performance under this Agreement (except for the safekeeping and investment of the Escrow Fund) until such uncertainty or conflicting instructions have been resolved by alternative dispute resolution, to the Escrow Agent's sole satisfaction, pursuant to Section 7 hereof or by final judgment of a court of competent jurisdiction, joint written instructions executed by all parties hereto, or otherwise. In the event that any controversy arises between one or more of the parties hereto or any other party with respect to this Agreement and/or the Escrow Fund, the Escrow Agent shall not be required to determine the proper resolution of such controversy or the proper disposition of the Escrow Fund. In such event, and without the consent or approval of any other party, (i) the Escrow Agent shall have the absolute right, in its sole discretion, to deposit; and (ii) the Company shall have the absolute right, in its sole discretion, to require the Escrow Agent to deposit, the cash remaining in the Escrow Fund with the clerk of a court of competent jurisdiction specified in Section 6 hereof, file a suit in interpleader in that court and obtain an order from that court requiring all parties involved to resolve their respective claims to the Escrow Fund pursuant to Section 6. Upon the deposit by the Escrow Agent of the Escrow Fund with the clerk of that court in accordance with this provision, the Escrow Agent shall be relieved of all further obligations, and the Company shall have no obligation to restore the Escrow Balance under Section 2.

---

6.11 The Company shall indemnify and hold the Escrow Agent harmless from and against all liabilities, causes of action, claims, demands, judgments, damages, reasonable costs and expenses that may arise out of or in connection with the Escrow Agent's good faith acceptance of and performance of its duties and obligations under this Agreement, except to the extent related to acts or omissions of the Escrow Agent in bad faith constituting fraud, gross negligence or willful misconduct or otherwise in breach of this Agreement. The provisions of this Section 6.11 shall survive the resignation or removal of the Escrow Agent and the termination of this Agreement.

7. Dispute Resolution/Governing Law.

7.1 This Agreement shall be governed by and construed in accordance with the laws of the State of New York without giving effect to the principles of conflicts of laws (other than Section 5-1401 of the New York General Obligations Law).

7.2 Subject to Section 5.3(c), the parties hereto intend that all disputes between the parties arising out of or related to this Agreement shall be settled by the parties amicably through good-faith discussions upon the written request of any party.

7.3 In the event that any such dispute cannot be resolved thereby within a period of twenty (20) days after such notice has been given, such dispute shall be resolved by binding arbitration, which shall take place in the County of New York, New York, administered by and in accordance with the then-existing International Arbitration Rules of the International Centre for Dispute Resolution.

7.4 An award rendered in connection with an arbitration pursuant to this Section 7 shall be final and binding upon the parties, and the parties agree and consent that the arbitral award shall be conclusive proof of the validity of the determinations of the arbitrations set forth in the award, and judgment upon any award rendered by the arbitrators may be entered by any state or federal court having jurisdiction thereof.

7.5 This Section 7 is subject to the terms of Section 10 hereof.

8. Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered, mailed or transmitted, and shall be effective upon receipt, if delivered personally, mailed by registered or certified mail (postage prepaid, return receipt requested) or sent by fax (with immediate confirmation) or internationally recognized overnight courier service, as follows:

If to the Company, to:

Monopar Therapeutics LLC  
598 Rockefeller Road  
Lake Forest, IL USA 60045  
Contact: Chief Executive Officer

If to the Charity or CRT, to:

Angel Building  
407 St. John Street  
London EC1V 4AD  
United Kingdom  
Contact: Chief Executive Officer and Director of Centre for Drug Development  
Fax: +44 (0) 20 3014 8633

---



If to the Escrow Agent, to:

[]

[]

[]

Attn:

Fax:

9. Interpretation and Construction of Agreement.

9.1 Unless the context shall otherwise require, any pronoun herein shall include the corresponding masculine, feminine, and neuter forms, and words using the singular or plural number shall also include the plural or singular number, respectively. The words “include,” “includes” and “including” herein shall be deemed to be followed by the phrase “without limitation” and the word “or” shall include the meaning “either or both.” All references herein to sections, exhibits, and schedules shall be deemed to be references to sections of, and exhibits and schedules to, this Agreement unless the context shall otherwise require. The headings of the sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement. Unless the context shall otherwise require, any reference herein to any agreement, other instrument, statute or regulation is to such agreement, instrument, statute or regulation as amended and supplemented from time to time (and, in the case of a statute or regulation, to any successor provision).

9.2 The Company, CRT, and the Charity acknowledge that each has participated in the drafting of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Agreement.

9.3 Any reference herein to a “day” or a number of “days” (without the explicit qualification of “business”) shall be interpreted as a reference to a calendar day or number of calendar days. If any action or notice is to be taken or given on or by a particular calendar day, and such calendar day is not a business day, then such action or notice shall be deferred until, or may be taken or given on, the next business day.

10. Specific Performance. Each party agrees that irreparable harm, for which there may be no adequate remedy at law and for which the ascertainment of damages would be difficult, would occur in the event any of the provisions of this Agreement were not performed in accordance with its specific terms or were otherwise breached. Each party accordingly agrees that the other parties shall be entitled to specifically enforce this Agreement and to obtain an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof or thereof, in each instance without being required to post bond or other security and in addition to, and without having to prove the adequacy of, other remedies at law.

11. Counterpart Signatures, Electronic Communication Delivery. This Agreement may be executed in one or more counterparts and delivered by electronic communication, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart.

---

12. Entire Agreement. This Agreement and the documents, instruments and other agreements specifically referred to herein or delivered pursuant hereto (a) constitute the entire agreement among the parties with respect to the subject matter hereof and (b) supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

13. Amendment; Waiver; Requirement of Writing. This Agreement may be amended, modified, superseded, rescinded, or canceled only by a written instrument executed by the Company, CRT, the Charity, and the Escrow Agent. Any term or condition of this Agreement may be waived at any time by the party hereto entitled to the benefit thereof, and any such term or condition may be modified at any time by an agreement in writing executed by each of the parties hereto entitled to the benefit thereof. No delay or failure on the part of any party in exercising any rights hereunder, and no partial or single exercise thereof, will constitute a waiver of such rights or of any other rights hereunder.

14. Expenses. Each of the parties hereto shall bear, without right of reimbursement from any other party, all the costs incurred by it incident to the preparation, execution, and delivery of this Agreement or the performance of its obligations hereunder, whether or not the transactions contemplated by this Agreement shall be consummated.

15. No Third-Party Beneficiaries. Nothing in this Agreement will be construed as giving any person, other than the parties, their successors and permitted assigns, any right, remedy, or claim under or in respect of this Agreement or any provision hereof; it being acknowledged that (i) this Section 15 is without prejudice to the rights of the Charity Indemnitees under the CTOA; (ii) the Charity and CRT may make Claims under this Agreement on behalf of the Charity Indemnitees in respect of Claims made by the Charity Indemnitees under the CTOA; and (iii) the Escrow Agent may make payments to the Charity and/or CRT on behalf of such Charity Indemnitees in respect of such Claims, but only after the Escrow Agent has received written confirmation from such Charity Indemnitees of the authority of the Charity and/or CRT to receive such payments on behalf of such Charity Indemnitees.

16. Disclaimer of Agency. Except for any provisions herein expressly authorizing one party to act for another, this Agreement shall not constitute any party as a legal representative or agent of any other party, nor shall a party have the right or authority to assume, create, or incur any liability of any kind, expressed or implied, against or in the name or on behalf of any other party or any of such other party's affiliates.

17. Relationship of the Parties. Nothing contained in this Agreement is intended to, or shall be deemed to, create a partnership or joint venture relationship among the parties hereto or any of their affiliates for any purpose, including tax purposes.

18. Assignment. This Agreement and the rights and obligations of each party hereunder or thereunder shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and permitted assigns. None of the Company, CRT or the Charity shall assign this Agreement without the prior written consent of each other, which consent may not be unreasonably conditioned, delayed, or withheld. Assignment by Escrow Agent shall be governed by Section 6 hereof.

19. Severability. In the event that any provision of this Agreement, or the application thereof, becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Agreement will continue in full force and effect, and the application of such provision to other persons or circumstances will be interpreted so as reasonably to effect the intent of the parties hereto. The parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

---

20. Several Liability. The obligations and liabilities of each party under this Agreement are several, not joint.

**[Signatures on following page]**

---

**IN WITNESS** whereof this Agreement has been executed by duly authorised officers of the parties on the day first above written.

Signed \_\_\_\_\_  
by:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

For and on behalf of

**CANCER RESEARCH TECHNOLOGY LIMITED**

Signed \_\_\_\_\_  
by:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

For and on behalf of

**CANCER RESEARCH UK**

Signed \_\_\_\_\_  
by:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

For and on behalf of

**MONOPAR THERAPEUTICS LLC**

Signed \_\_\_\_\_  
by:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

For and on behalf of

**[ESCROW AGENT]**

*Signature Page to Escrow Agreement*

**Exhibit A**

Clinical Trial and Option Agreement

---

**Schedule 13**

**Technical Agreement (Standard Form)**

---

# TECHNICAL AGREEMENT

between

**Cancer Research UK**

and

**MONOPAR THERAPEUTICS LLC**

The Cancer Research UK Centre for Drug Development is the Sponsor of clinical trials where the investigational medicinal product (IMP, including the master cell bank and bulk drug substance where applicable) is manufactured, and/or analysed, and/or labelled, and/or stored, and/or shipped by Cancer Research UK. The Sponsor has obligations with respect to all aspects of the management of the IMP in the clinical trial. This document is a technical agreement that meets the requirements of European Good Manufacturing Practice (GMP) legislation 2003/94/EC. This document should also be interpreted with respect to the European Clinical Trials legislation 2001/20/EC and Eudralex Volume 4, Annex 13, paragraph 36 and 37 regarding reference and retention samples.

The technical agreement takes the form of a detailed check list of all the activities associated with manufacturing, packaging, storage and distribution of the huATN-658 master cell bank. It defines the individual responsibilities of **Monopar Therapeutics** and of **Cancer Research UK** and in particular defines who is responsible for the GMP aspects of the activities listed. Responsibility for each activity is assigned to either party in the appropriate tick box. If any element of the check list does not apply, it should be clearly crossed through not left blank. More detail may be added as necessary to clarify particular points to ensure that only one party is responsible for each point.

## Technical Agreement Signatures

### Contract Giver

Company Name	<b>Cancer Research UK Biotherapeutics Development Unit</b>
Address	<b>Clare Hall</b>

<b>Potters Bar</b>	
<b>Hertfordshire</b>	
<b>EN6 3LD</b>	
Position	<b>Qualified Person</b>
Name	<b>Dr Robert Scott</b>
Authorised signatory	
Date	
Company Name	<b>Cancer Research UK Centre of Drug Development (Contract Giver)</b>
Address	<b>Angel Building</b>
	<b>407 St John Street</b>
	<b>London EC1V 4AD</b>
Position	<b>Drug Supply Manager</b>
Name	<b>Dr Nigel Westwood</b>
Authorised signatory	
Date	

<b>CONTRACT ACCEPTOR</b>	
Company Name	<b>MONOPAR THERAPEUTICS LLC</b>
Address	<b>598 Rockefeller Road</b>
	<b>Lake Forest, Illinois</b>
	<b>U.S.A., 60045</b>
Position	
Name	
Authorised signatory	
Date	
Authorised signatory	
Date	

<b>Purpose</b>	This Technical Agreement assigns the responsibilities of Monopar Therapeutics and Cancer Research UK with respect to the huATN-658 master cell bank. Note: Monopar Therapeutics has outsourced the manufacture and storage of the master cell bank. Therefore, some aspects of these activities may be delegated by Monopar Therapeutics to third parties. However, Monopar Therapeutics remains responsible for oversight of those functions as outlined in the Technical Agreement.
----------------	---

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
 Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

### Definitions and Acronyms

BDU	Biotherapeutics Development Unit
CA	Contract Acceptor
CG	Contract Giver
GMP	Good Manufacturing Practice
EU	European Union
EU GMP	European Union current Good Manufacturing Practice as defined in directive 2003/94/EC
IMP	Investigational Medicinal Product = drug product (unless otherwise stated IMP means manufactured to EU cGMP or its equivalent)
MCB	[***]
QP	Qualified Person
Retention sample	A sample of a packaged unit from a batch of finished product for each packaging run/trial period. It is stored for identification purposes
Reference sample	A sample of a batch in its primary packaging or finished product container which is stored for the purpose of being analysed should the need arise

### Strikethrough text where responsibility is not applicable to either party

1.00	RESPONSIBILITIES Master Cell Bank (MCB)	Monopar (CA)	Cancer Research UK (CG)
1.01	Supply to the CG copies of audit reports plus associated corrective/preventative actions and close out documentation for the CA's GMP contract manufacturer used to manufacture and store the MCB	X	
1.02	Supply to the CG a statement from QA confirming what GMP standard the MCB was produced in compliance with including reference to EU GMP if appropriate	X	
1.03	Supply to the CG a Certificates of Analysis for the MCB approved, signed and dated by QA	X	
1.04	CA confirms that $\geq 200$ of sealed vials have been stored at $-140^{\circ}\text{C}$ (LN) that form the QA approved MCB CG provides documentation to confirm that the vials have been stored in an area dedicated to GMP appropriately documented and secure and completely separate from any non tested cell banks	X	
1.05	Supply copies of completed QA reviewed batch manufacturing records used in the manufacture of the MCB	X	
1.06	Supply copies to the CG of all deviations recorded during the manufacture and storage of the MCB and any associated corrective/preventative actions taken and documentation closing out the deviation	X	
1.07	Supply copies to CG of storage records for the MCB demonstrating that the MCB has been stored correctly at all times since it was frozen	X	



\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
 Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

1.08	Supply copies to the CG of all out of specifications reported either during the manufacture, testing or storage of the MCB and related corrective/preventative and/or close out documentation	X	
1.09	Supply to the CG a material Safety Data Sheet (if applicable) to the CG including biological safety classification of the ***]	X	
1.10	Shipment of packaged, MCB to sponsor's licenced facility as notified by the CG with temperature monitoring of the MCB using a suitably qualified shipper	X	
1.11	Supply to the CG data to confirm that the MCB is both mycoplasma free and sterile when tested using validated pharmacopoeial methods	X	
1.12	Supply to the CG data on the stability and recovery of the MCB. Trended stability data generated from the MCB shall be supplied to the CG if available	X	
1.13	Confirm receipt of the MCB on delivery to the CG and notify the CA immediately of any breakages, packaging issues, temperature alarms or documentation discrepancies		X
1.14	CG confirms that ≥100 of sealed vials received will be stored at -140°C (LN) which form the QA approved CA supplied MCB CG will store the vials in an area dedicated to GMP, which is appropriately documented and secure and completely separate from any non tested cell banks		X
1.15	CA will notify the CG of any Competent Authority inspection findings directly related to the MCB when stored at the CA's contractor	X	

**Distribution List  
 Cancer Research UK Formulation Unit**

Name/Title/Duties
Dr Robert Scott - QA/QC Manager Cancer Research UK Biotherapeutics Development Unit, Responsible for quality assurance at the BDU and quality control of biologicals QP certification and release of IMP
Dr Heike Lentfer - Head of BDU. Responsible for delivering the development and manufacture of biological IMPs
Dr Nigel Westwood - Drug Supply Manager Accountable for ensuring API and IMP are available for the clinical trials Sponsored by Cancer Research UK

**Monopar Therapeutics**

Name/Title/Duties
Please add names here

\*\*\* = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

## AMENDED AND RESTATED LICENSE AGREEMENT

THIS AMENDED AND RESTATED LICENSE AGREEMENT (this "Agreement"), effective as of September 24, 2014 (the "Effective Date"), is entered into between Tactic Pharma, LLC, a limited liability company ("TACTIC"), having offices at 1062 Princeton Avenue, Highland Park, IL 60035 and XOMA (US) LLC, a Delaware limited liability company ("XOMA"), having offices at 2910 Seventh Street, Berkeley, California 94710. Each of XOMA and TACTIC are sometimes referred to herein separately as a "Party" and together as "Parties."

WHEREAS TACTIC was formed upon the dissolution of Attenuon, LLC, San Diego, California, 92121 ("ATTENUON"), such that TACTIC can be considered a successor of ATTENUON;

WHEREAS TACTIC is the successor and rightful owner of certain IP rights developed by ATTENUON, including, but not limited to, ATN-658;

WHEREAS ATTENUON and XOMA had entered into a certain HUMAN ENGINEERING™ LICENSE AGREEMENT, effective September 29, 2006, (the "Prior Agreement") in which, among other things, Attenuon, LLC obtained a license to certain HUMAN ENGINEERING PATENT RIGHTS as described in the Prior Agreement for the purposes of developing and commercializing human engineered ATN-658;

WHEREAS for the good and valuable consideration set forth in this agreement, the Parties agree that all rights, claims, and obligations under the Prior Agreement between Attenuon, LLC, its successors, and XOMA are now null and void unless expressly restated herein. Accordingly, the Parties agree that there are no outstanding payments, liabilities, or other obligations owed by TACTIC to XOMA under the Prior Agreement.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

### ARTICLE 1

#### DEFINITIONS

For purposes of this Agreement, the terms defined in this Article 1 shall have the respective meanings set forth below:

1.1 "Affiliate" shall mean, with respect to any Person, any other Person which, presently or in the future, directly or indirectly controls, is controlled by, or is under common control with, such Person.

1.2 "Antibody" shall mean any immunoglobulin molecule (such as IgG), whether in monospecific or any other form, and shall include, without limitation, any immunoglobulin fragment (such as Fv, Fab, F(ab') or F(ab')<sub>2</sub>), any fusion protein of an immunoglobulin or immunoglobulin fragment and any single chain antibody (such as scFv), as well as any derivative of any of the foregoing.

---

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

1.3 “TACTIC Antibody” shall mean the non-human Antibody directed to the TACTIC Target, referred to by TACTIC as “ATN-658”

1.4 “TACTIC Patent Rights” shall have the meaning set forth in Section 1.6.

1.5 “TACTIC Program Inventions” shall have the meaning set forth in Section 1.6.

1.6 “TACTIC Program Inventions and Patent Rights” shall mean any and all (a) Program Inventions, whether or not patentable, that (i) comprise or embody (A) [\*\*\*], (B) [\*\*\*], (C) [\*\*\*], (D) [\*\*\*], (E) [\*\*\*] and (F) any uses of any and all of the foregoing, or (ii) do not meet the definition of [\*\*\*] by virtue of the preceding clause (i) or the definition of [\*\*\*] by virtue of clause (i) thereof and were [\*\*\*] (collectively, the “TACTIC Program Inventions”); and (b) Patent Rights arising out of the conduct of activities under the Prior Agreement that claim or cover such TACTIC Program Inventions (the “TACTIC Patent Rights”). Notwithstanding the foregoing, TACTIC Program Inventions and Patent Rights do not include any [\*\*\*] and Patent Rights; *provided* that the foregoing shall not apply to [\*\*\*] (I) [\*\*\*] (II) [\*\*\*] (III) [\*\*\*] (IV) [\*\*\*] (V) [\*\*\*] and (VI) any uses of any and all of the foregoing, each of which shall be included in the [\*\*\*] and [\*\*\*].

1.7 “TACTIC Target” shall mean the target antigen known as urokinase-type plasminogen activator receptor (uPAR).

1.8 “Combination Product” shall have the meaning set forth in Section 1.22.

1.9 “Composition of Matter” shall mean any composition of matter or article of manufacture.

1.10 “Confidential Information” shall mean any proprietary or confidential information or material disclosed by a Party to the other Party pursuant to the Prior Agreement or this Agreement which is (a) disclosed in tangible form and is designated thereon as “Confidential” at the time it is delivered to the receiving Party, or (b) disclosed orally and identified as confidential or proprietary when disclosed and such disclosure of confidential information is confirmed in writing within thirty (30) days by the disclosing Party. Notwithstanding the foregoing, Confidential Information shall not include information which the receiving Party can establish by written documentation (i) to have been publicly known prior to disclosure of such information by the disclosing Party to the receiving Party, (ii) to have become publicly known, without fault on the part of the receiving Party, subsequent to disclosure of such information by the disclosing Party to the receiving Party, (iii) to have been received by the receiving Party at any time from a source, other than the disclosing Party, rightfully having possession of and the right to disclose such information, other than under an obligation of

---

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

confidentiality, (iv) to have been otherwise rightfully known by the receiving Party prior to disclosure of such information by the disclosing Party to the receiving Party, other than under an obligation of confidentiality, or (v) to have been independently developed by employees or agents of the receiving Party without access to or use of such information disclosed by the disclosing Party to the receiving Party without violating any obligation of confidentiality or non-use.

1.11 "Control," "Controls" and "Controlled" shall mean, with respect to a particular item of information or Intellectual Property Right, that the applicable Party or any of its Affiliates owns (whether solely or jointly with the other Party or any Third Party), or has a license to, such item or right and has the ability to grant to the other Party access to, and a license or sublicense (as applicable) under, such item or right as provided for herein without violating the terms of any agreement with any Third Party.

1.12 "CPR" shall have the meaning set forth in Section 9.2.

1.13 "Dispute" shall have the meaning set forth in Section 9.1.

1.14 "Human Engineer<sup>TM</sup>," "Human Engineered<sup>TM</sup>" and "Human Engineering<sup>TM</sup>" shall mean, for purposes of this Agreement, with respect to a particular Antibody, resulting from, or otherwise practicing, the methods of the Human Engineering<sup>TM</sup> Patent Rights or any other proprietary protein engineering methods used by XOMA for modifying non-human Antibodies with the intended purpose of making them suitable for medical purposes in humans.

1.15 "Human Engineered<sup>TM</sup> TACTIC Antibodies" shall mean the Human Engineered<sup>TM</sup> versions of the TACTIC Antibodies provided by XOMA under the Prior Agreement.

1.16 "Human Engineering<sup>TM</sup> Patent Rights" shall mean the Patent Rights listed on Schedule 1.16 hereto and all patents issuing on any of the applications so listed, including extensions, reissues and re-examinations.

1.17 "Indemnitee" shall have the meaning set forth in Section 8.2.

1.18 "Indemnitor" shall have the meaning set forth in Section 8.2.

1.19 "Intellectual Property Rights" shall mean Patent Rights, copyrights, trademarks, service marks, know-how, trade secrets, and applications and registrations for the foregoing, in any country, supranational organization or territory of the world.

1.20 "Joint Program Inventions" shall mean any and all Program Inventions, whether or not patentable, that are invented jointly by employees, agents, consultants or contractors of both [\*\*\*], but [\*\*\*].

1.21 "Major Market Country" shall mean any of the United States of America, Japan or any of the top five (5) countries (measured by pharmaceutical sales for the most recently completed calendar year for which such information is available at the time of determination) of the European Union.

---

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

1.22 "Milestone Payment" shall have the meaning set forth in Section 3.1.

1.23 "Net Sales" shall mean the gross amount invoiced by TACTIC, its Affiliates, assignees or sublicensees for sales of Products to Third Parties, less the following items, as allocable to such Products:

- (a) trade discounts, rebates or allowances actually allowed and taken directly with respect to such sales;
- (b) credits or allowances additionally granted upon returns, rejections, recalls or retroactive price reductions;
- (c) freight, shipping and insurance charges;
- (d) [\*\*\*];
- (e) taxes, duties or other governmental tariffs (other than income taxes); and
- (f) government mandated rebates.

In the event that a Product is sold as part of a Combination Product (as defined below) in any country, the Net Sales of the Product as part of a Combination Product in that country for the purposes of determining royalty payments shall be determined by multiplying the Net Sales of the Combination Product in that country by the fraction  $(A/A+B)$  where A is the average sale price in the relevant quarterly period of the Product in that country when sold separately in finished form and B is the average sale price in the relevant quarterly period of the Other Element (as defined below) in that country sold separately in finished form. In the event that the average sale price of the Product in that country can be determined but the average sale price of the Other Element in that country cannot be determined, Net Sales of the Product in that country for the purposes of determining royalty payments shall be calculated by multiplying the Net Sales of the Combination Product in that country by the fraction  $(C/D)$  where C is the selling Party's average sales price in the relevant quarterly period of the Product and D is the average selling price in the relevant quarterly period of the Combination Product in that country. If the average sale price of the Other Element in that quarterly period can be determined but the average price of the Product in that country cannot be determined, Net Sales of the Combination Product in that country for the purposes of determining royalty payments shall be calculated by multiplying the Net Sales of the Combination Product in that country by the following formula: one (1) minus  $E/D$  where E is the average selling price in the relevant quarterly period of the Other Element in that country and D is the average selling price of the Combination Product in that country in the relevant quarterly period. If the average sale price of both the Product and the Other Element cannot be determined, the Net Sales of the Product shall be reasonably agreed upon by the Parties. As used herein, the term "Combination Product" shall mean a product which contains or comprises a Product as an active component and at least one other active compound (an "Other Element").

Provision of Products free of charge for clinical trials, for promotional or sampling purposes or as donations (for example to non-profit institutions or government agencies for a non-commercial purpose) at levels not in excess of industry norms, shall not be considered in determining Net Sales.

---

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

1.24 "Patent Prosecution" shall mean, with respect to particular Patent Rights, (a) preparing, filing and prosecuting patent applications (including, but not limited to, provisional, non-provisional, reissue, reexamination, continuing, continuation, continuation-in-part, divisional, and substitute applications and any foreign counterparts thereof) of such Patent Rights; (b) maintaining such Patent Rights; and (c) managing or conducting any interference or opposition or similar proceedings relating to the foregoing.

1.25 "Patent Rights" shall mean any of the following, whether existing now or in the future anywhere in the world: (a) patents and patent applications; (b) continuations, continuations-in-part, divisionals and substitute applications with respect to any such patent application; (c) any patents issued based on or claiming priority to any such patent applications; (d) any reissue, reexamination, renewal or extension (including any supplemental patent certificate) of any such patents; and (e) any confirmation patent or registration patent or patent of addition based on any such patents.

1.26 "Person" shall mean an individual, corporation, partnership, limited liability company, trust, business trust, association, joint stock company, joint venture, pool, syndicate, sole proprietorship, unincorporated organization, governmental authority or any other form of entity or organization not specifically listed herein.

1.27 "Product" shall mean any Composition of Matter that comprises or contains the Human Engineered™ Tactic Antibodies or any derivatives, conjugates and/or fragments thereof.

1.28 "Program Invention" shall mean any invention (whether or not patentable), discovery, Composition of Matter, improvement, enhancement, technology, data or information made or conceived in connection with the conduct of activities pursuant to the Prior Agreement.

1.29 "PTO" shall have the meaning set forth in Section 5.4(c).

1.30 "Term" shall have the meaning set forth in Section 7.1.

1.31 "Third Party" shall mean any Person other than XOMA or TACTIC or their Affiliates.

1.32 "Title XI" shall have the meaning set forth in Section 11.2.

1.33 "Valid Claim" shall mean (a) a claim of an issued and unexpired patent which has not been held permanently revoked, unenforceable or invalid by a decision of a court or other governmental agency of competent jurisdiction, unappealable or unappealed within the time allowed for appeal and that is not admitted to be invalid or unenforceable through reissue, disclaimer or otherwise, or (b) a claim (including amendments) of a pending patent application that has neither (i) been abandoned or finally rejected without the possibility of appeal or refiling nor (ii) been pending for more than [\*\*\*], *provided* that any claim excluded from this definition in reliance on this clause (b)(ii) that subsequently issues shall constitute a Valid Claim so long as it meets the requirements of clause (a) above.

---

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

1.34 "XOMA Deliverables" shall mean the XOMA materials and information delivered to ATTENUON under the Prior Agreement.

1.35 "XOMA Patent Rights" shall have the meaning set forth in Section 1.37.

1.36 "XOMA Program Inventions" shall have the meaning set forth in Section 1.37.

1.37 "XOMA Program Inventions and Patent Rights" shall mean any and all (a) Program Inventions, whether or not patentable, that (i) comprise or embody (A) [\*\*\*] (B) methods that are generally applicable to the [\*\*\*] or (ii) do not [\*\*\*] and were invented solely by employees, agents, consultants or contractors of [\*\*\*] (collectively, the "XOMA Program Inventions"); and (b) all Patent Rights arising out of the conduct of activities under the Prior Agreement that claim or cover such XOMA Program Inventions (the "XOMA Patent Rights").

## ARTICLE 2

### INTELLECTUAL PROPERTY RIGHTS

2.1 License Grants to TACTIC. XOMA hereby grants to TACTIC:

(a) a worldwide, non-exclusive license, with the right to sublicense in its sole discretion, under any and all Intellectual Property Rights Controlled by XOMA at any time during the Term covering, claiming or relating to Program Inventions, and/or XOMA's Human Engineering™ technology utilized in XOMA's performance of work under the Prior Agreement including, without limitation, the Human Engineering™ Patent Rights), to make, have made, use, offer for sale, sell and import Human Engineered™ TACTIC Antibodies and any Product.

2.2 Ownership of Intellectual Property.

2.2.1 Inventorship for Program Inventions shall be determined in accordance with U.S. patent laws.

2.2.2 TACTIC reserves and shall retain all right, title and interest in and to the TACTIC Antibody and all Intellectual Property Rights therein.

2.2.3 Subject to the rights and licenses granted under this Agreement, ownership of all Program Inventions, irrespective of inventorship, shall be as follows: (a) TACTIC shall own TACTIC Program Inventions and Patent Rights; (b) XOMA shall own all XOMA Program Inventions and Patent Rights; and (c) TACTIC and XOMA shall jointly own, in equal undivided shares, any Joint Program Inventions.

---

\*\*\* = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

2.2.4 XOMA hereby assigns, and agrees to assign, to TACTIC all of XOMA's right, title and interest in and to any and all TACTIC Program Inventions and Patent Rights, including, without limitation, the right to sue for past, present and future infringement. XOMA agrees, without further consideration, to execute all documents, certificates and other instruments, and to do all acts reasonably necessary to vest and confirm in TACTIC, its successors and assigns, the legal title to all such Program Inventions and Patent Rights; *provided* that, if such requests require more than *de minimis* out-of-pocket expenditures by XOMA, TACTIC will reimburse XOMA for such expenditures, to the extent previously approved by TACTIC in writing (which approval shall not be unreasonably withheld or delayed).

2.2.5 TACTIC hereby assigns, and agrees to assign, to XOMA all of TACTIC's right, title and interest in and to any and all XOMA Program Inventions and Patent Rights, including, without limitation, the right to sue for past, present and future infringement. TACTIC agrees, without further consideration, to execute all documents, certificates and other instruments, and to do all acts reasonably necessary to vest and confirm in XOMA, its successors and assigns, the legal title to all such Program Inventions and Patent Rights; *provided* that, if such requests require more than *de minimis* out-of-pocket expenditures by TACTIC, XOMA will reimburse TACTIC for such expenditures, to the extent previously approved by XOMA in writing (which approval shall not be unreasonably withheld or delayed).

2.3 No Implied Rights. Only the rights and licenses granted pursuant to the express terms of this Agreement shall be of any legal force. Without limiting the foregoing and subject to the license granted by XOMA in Section 2.1, neither the grants provided in Section 2.1 nor the assignment from XOMA to TACTIC provided in Section 2.2.4 provide TACTIC with any right to practice the methods of the Human Engineering™ technology (including, without limitation, the Human Engineering™ Patent Rights) or, subject to the grants made in Section 2.1, to receive from XOMA or use information received from XOMA related to its Human Engineering™ technology, and in no event shall XOMA be required to disclose such methods or information.

2.4 Sublicenses. Any sublicense permitted hereunder shall be set forth in a written agreement containing provisions relating to ownership of intellectual property that are substantially consistent with, and with respect to audits and confidentiality that are substantially consistent with, and at least as stringent as, those contained herein and shall be subject and subordinate to the terms and conditions of this Agreement.

### ARTICLE 3

#### FINANCIAL TERMS

3.1 Milestone Payments. In full consideration of the rights and licenses granted to TACTIC herein, TACTIC shall pay to XOMA the applicable payments below (each, a "Milestone Payment")

Event	Payment
1. ***	***



[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

- 2. [\*\*\*] [\*\*\*]
- 3. [\*\*\*] [\*\*\*]
- 4. [\*\*\*] [\*\*\*]
- 5. [\*\*\*] [\*\*\*]
- 6. [\*\*\*] [\*\*\*]

Each Milestone Payment shall be due [\*\*\*] days from the achievement of the corresponding milestone event. Each Milestone Payment [\*\*\*], and [\*\*\*] (a) [\*\*\*] or (b) [\*\*\*].

3.2 Third Party Payments. TACTIC will be responsible for all financial obligations due Third Parties.

3.3 Payments; Currency. All payments due under this Article 3 shall be paid in United States dollars in immediately available funds to an account designated by XOMA.

3.4 Payment Reports and Timing

3.4.1 TACTIC shall make a written report to XOMA within thirty (30) days of the achievement of each of the milestones set forth in Section 3.1 with respect to Product

3.5 Payment Records and Audits.

3.5.1 TACTIC shall, and shall contractually require all Third Parties selling Products on its behalf to, keep complete and accurate books of account for, and records of Net Sales of, Product in sufficient detail to enable the milestone payments payable under this Agreement to be determined

3.5.2 Upon the written request of XOMA, TACTIC shall permit an independent auditor appointed by XOMA and reasonably acceptable to TACTIC to have access during normal business hours to such of the records of TACTIC and its Affiliates as may be reasonably necessary to verify the accuracy of the Net Sales under this Agreement. The auditor shall only disclose to XOMA whether the Net Sales reported are correct or incorrect and the amount of any discrepancy. No other information shall be provided to XOMA without the prior consent of TACTIC unless disclosure is required by law, regulation or judicial order. If XOMA determines that disclosure is required by law, regulation or judicial order, it shall give TACTIC reasonable prior notice thereof in order for TACTIC to seek a protective order against or limiting such disclosure. TACTIC is entitled to require the auditor to execute a reasonable confidentiality agreement prior to commencing any such audit. Any agreement between TACTIC and/or any of its Affiliates, on the one hand, and one or more Third Parties, on the other hand, pursuant to which such Third Party may market and/or sell Product shall contain provisions for access and inspection of records substantially similar to the foregoing.

---

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

3.5.3 Audits conducted under this Section 3.5 shall be at the expense of XOMA unless an unpaid amount for the full period covered by the audit is identified, in which case all reasonable out-of-pocket costs incurred by the auditor to perform the audit will be paid promptly by TACTIC. Any unpaid amounts discovered by such inspections or otherwise will be paid promptly by TACTIC, with interest on such amounts from the date(s) such amount(s) were due, at a rate equal to the lesser of the prime rate reported by the Bank of America plus [\*\*\*] per annum, or the highest interest rate permitted under applicable New York law.

#### ARTICLE 4

##### CONFIDENTIALITY

4.1 Confidential Information. Except as expressly provided herein, the Parties agree that, for the Term and for [\*\*\*] thereafter, each of them shall keep completely confidential and shall not publish or otherwise disclose and shall not use for any purpose except for the purposes contemplated by this Agreement any Confidential Information furnished to it by the other Party. Each Party also agrees to cause its Affiliates with access to any Confidential Information to comply with all terms of this Agreement relating to such Confidential Information and the treatment thereof, and each Party shall remain primarily liable for any breach of any such provision by any of its Affiliates.

4.2 Permitted Use and Disclosures. The receiving Party may use or disclose Confidential Information to the extent such use or disclosure is reasonably necessary in complying with any applicable law, regulation or court order or in conducting clinical trials or in connection with seeking, enforcing or defending Patent Rights covering Program Inventions; *provided* that if the receiving Party is required to make any such disclosure of Confidential Information, other than pursuant to a confidentiality agreement, it will give reasonable advance notice to the disclosing Party of such disclosure and will use its reasonable efforts to secure confidential treatment of such Confidential Information prior to its disclosure (whether through protective orders or otherwise). Notwithstanding the foregoing, TACTIC may use and disclose the Confidential Information of XOMA as reasonably necessary in connection with the exercise of TACTIC's rights under Section 2.1(a) and otherwise with respect to the development or exploitation of TACTIC Program Inventions and Patent Rights, including, without limitation, to actual or prospective business partners, investors, contractors, and sublicensees of TACTIC, in each case, pursuant to a confidentiality agreement with terms substantially consistent with, and at least as stringent as, those set forth in this Agreement.

4.3 Confidential Terms. Except as expressly provided herein, each Party agrees not to disclose any terms of this Agreement to any Third Party without the consent of the other Party; *provided* that disclosures may be made as required by securities or other applicable laws, or as reasonably necessary to actual or prospective business partners, investors and Tactic's sublicensees under this Agreement pursuant to a confidentiality agreement with terms at least as stringent as those in this Agreement, or to a Party's accountants, attorneys and other professional advisors owing a contractual or other duty of confidentiality to such Party. Upon the reasonable written request of the disclosing Party, the receiving Party shall promptly return or destroy, and certify the same in writing, all Confidential Information of the other Party; *provided* that the receiving Party may retain one (1) copy of any such Confidential Information in its files for purposes of maintaining appropriate records of its activities in connection with this Agreement.

---

4.4 Use of Name. Neither Party shall use the name or trademarks of the other Party, except to the extent that a Party is permitted to use the Confidential Information of the other Party or required to do so pursuant to this Article 4, without the prior written consent of such other Party, such consent not to be unreasonably withheld or delayed.

4.5 Previous Agreements. The parties acknowledge and understand that the Prior Agreement is now void and superseded by this Agreement.

## ARTICLE 5

### PATENT RIGHTS

5.1 Prosecution and Maintenance of TACTIC and XOMA Patent Rights. TACTIC shall have sole and exclusive responsibility for Patent Prosecution of all TACTIC Patent Rights. XOMA shall have sole and exclusive responsibility for Patent Prosecution of XOMA Patent Rights. In each such case, the non-prosecuting Party will provide the prosecuting Party with such assistance and execute such documents as are reasonably necessary to permit or continue such Patent Prosecution by the prosecuting Party. The prosecuting Party shall bear all Patent Prosecution expenses, including attorneys' fees, incurred by such Party, or by the other Party at the request of the prosecuting Party, in the performance of Patent Prosecution.

#### 5.2 Enforcement of TACTIC and XOMA Patent Rights.

5.2.1 Notifications. Each Party shall provide to the other Party copies of (a) any written notices it receives from any Third Party regarding any patent nullity action, declaratory judgment action, alleged invalidity, unenforceability, infringement or non-infringement with respect to or alleged misappropriation of intellectual property with respect to Program Inventions, or the TACTIC Patent Rights, and (b) any written allegations it receives from a Third Party that the manufacture, use, sale, offer for sale or import of Product infringes the Intellectual Property Rights of such Third Party, in each case promptly following receipt thereof.

5.2.2 Infringement Proceedings Against Third Parties. TACTIC shall have the sole and exclusive right, but not the obligation, to institute and direct legal proceedings against any Third Party believed to be infringing the TACTIC Patent Rights. XOMA shall have the sole and exclusive right, but not the obligation, to institute and direct legal proceedings against any Third Party believed to be infringing any XOMA Patent Rights. Each Party will bear all of its own costs, including attorneys' fees, relating to such legal proceedings; *provided* that the Party directing such legal proceedings shall bear the other Party's out-of-pocket expenses, including attorneys' fees, incurred in complying with requests for cooperation made by the directing Party. Without limiting the foregoing, any recovery in connection with such suit or proceeding will be retained solely by the Party directing such suit or proceeding.

---

5.3 Infringement Proceedings by Third Parties. In the event that a Party receives written notice that it or any of its Affiliates have been individually named as a defendant in a legal proceeding by a Third Party alleging infringement or misappropriation of a Third Party Intellectual Property Right as a result of the manufacture, use, sale, offer for sale or import of a Product or the XOMA Materials, such Party shall promptly notify the other Party in writing. Such written notice shall include a copy of any summons or complaint (or the equivalent thereof) received regarding the foregoing.

5.4 Cooperation. Each Party hereby agrees:

- (a) to cooperate in the Patent Prosecution of any inventions within the Program Inventions ;
- (b) to take all reasonable additional actions and execute such agreements, instruments and documents as may be reasonably required to perfect the other Party's ownership interest in the XOMA Materials and the Program Inventions in accordance with the intent of this Agreement;
- (c) to provide comments and suggestions, as reasonably requested by the other Party, with respect to copies of drafts of material filings with or other submissions to the U.S. Patent and Trademark Office or any foreign counterpart (the "PTO") relating to Patent Prosecution, or the court or other tribunal relating to any infringement claims against Third Parties under the TACTIC Patent Rights or the defense of infringement or misappropriation claims by Third Parties relating to Product;
- (d) to cooperate, as reasonably necessary, with the other Party in gaining patent term extensions, supplemental protection certificates or their equivalents wherever applicable to TACTIC Patent Rights;

5.5 No Other Technology Rights. Except as otherwise provided in this Agreement, under no circumstances shall a Party, as a result of this Agreement, obtain any ownership interest or other right in any invention, discovery, Composition of Matter or other technology, or in any other Intellectual Property Right, of the other Party (including without limitation those owned, controlled or developed by the other Party at any time pursuant to this Agreement).

## ARTICLE 6

### REPRESENTATIONS AND WARRANTIES

6.1 Each Party hereby represents and warrants to the other Party as follows:

6.1.1 Existence. Such Party is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized.

6.1.2 Authorization and Enforcement of Obligations. Such Party (a) has the requisite power and authority and the legal right to enter into this Agreement and to perform its obligations hereunder, and (b) has taken all necessary action on its part to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder. This Agreement has been duly executed and delivered on behalf of such Party, and constitutes a legal, valid, binding obligation, enforceable against such Party in accordance with its terms.

---

6.1.3 Consents. All necessary consents, approvals and authorizations of all governmental authorities and other Persons required to be obtained by such Party in connection with this Agreement have been obtained.

6.1.4 No Conflict. The execution and delivery of this Agreement and the performance of such Party's obligations hereunder (a) do not conflict with or violate any requirement of applicable laws or regulations and (b) do not conflict with, or constitute a default under, any contractual obligation of such Party.

6.1.5 Additional Representations of TACTIC. TACTIC further represents and warrants that (a) TACTIC was formed upon the dissolution of ATTENUON, such that TACTIC can be considered a lawful successor of ATTENUON; (b) TACTIC is the successor and rightful owner of certain IP rights developed by ATTENUON, including, but not limited to, ATN-658; (c) TACTIC will have in place by the start of a Phase I clinical trial general liability and product liability insurance with respect to the research, development and commercialization of the TACTIC Target, the TACTIC Antibody and Human Engineered™ TACTIC Antibodies in such amounts as are reasonable and customary in the biopharmaceutical industry and covenants that it shall maintain appropriate general liability and product liability insurance with respect thereto in such amounts for so long as such research, development and commercialization continues and thereafter for so long as is reasonable and customary in the biopharmaceutical industry, and (d) TACTIC and its Affiliates will have in place by the start of a Phase I clinical trial appropriate policies and procedures intended to assure that Confidential Information of XOMA, or other material non-public information of XOMA, delivered or otherwise made available to TACTIC will not be used by TACTIC or its officers, directors, employees or agents in connection with any activity that would constitute a criminal or civil violation of United States securities laws and/or the regulations of the U.S. Securities and Exchange Commission and, for so long as any provision of this Agreement remains in effect, TACTIC covenants that it shall maintain and enforce such policies and procedures and shall not disclose any such Confidential Information of XOMA, or other material non-public information of XOMA, to TACTIC's Affiliates who do not then maintain and enforce such policies.

6.2 DISCLAIMER OF WARRANTIES. EXCEPT AS OTHERWISE SET FORTH IN SECTION 6.1 OF THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE ANTIBODIES AND OTHER INFORMATION DELIVERED OR TO BE DELIVERED PURSUANT TO THE PRIOR AGREEMENT OR THE PROGRAM INVENTIONS, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT OF THE PATENT RIGHTS OR OTHER INTELLECTUAL PROPERTY RIGHTS OF ANY OTHER PERSON.

---

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

## ARTICLE 7

### TERM AND TERMINATION

7.1 Term. Subject to Sections 7.5 and 7.6 hereof, the term of this Agreement will commence on the Effective Date and shall remain in full force and effect until the expiration of all obligations of TACTIC under Article 3, unless earlier terminated pursuant to 7.2 or 7.3 (the period from the Effective Date through such expiration or earlier termination being referred to herein as the "Term"). Upon such expiration, TACTIC shall be deemed to have a fully paid-up license to the rights set forth in Section 2.1.

7.2 Termination for Material Breach. This Agreement may be terminated by the non-breaching Party if the other Party is in breach of its material obligations under this Agreement and after receiving notice describing such breach in reasonable detail and requesting its cure has not cured such breach within [\*\*\*] days (in the case of a payment breach with respect to any amount not being disputed in good faith) or [\*\*\*] days (in the case of a non-payment breach). Notwithstanding the foregoing sentence of this Section 7.2: (a) if such breach is cured or shown to be non-existent within the aforesaid [\*\*\*] days or [\*\*\*] day period, the notice shall be deemed automatically withdrawn and of no effect and the notifying Party shall provide written notice to the breaching Party of the withdrawal; and (b) without limiting the effects of the following sentence of this Section 7.2, in the event of a good faith dispute with respect to the existence of a material breach, the [\*\*\*] day or [\*\*\*] day cure period shall be tolled until such time as the dispute is resolved pursuant to Article 10. The Parties acknowledge that any failure by XOMA to provide a Human Engineered™ TACTIC Antibody that meets the Success Criteria or that meets any other technical objectives shall not in and of itself be deemed a material breach of this Agreement.

7.3 Termination For Convenience. This Agreement may be terminated without cause at any time upon sixty (60) days prior written notice by TACTIC to XOMA, at TACTIC's discretion.

7.4 Contested Validity. If TACTIC, a TACTIC successor, a TACTIC sublicensee of the rights granted hereunder, or a person or entity Controlled by any of the preceding entities, intends to challenge the validity or enforceability of any of the XOMA Patent Rights, whether through a declaratory judgment action, opposition, post-grant proceeding or otherwise, then such entity shall: (a) [\*\*\*] and (b) [\*\*\*].

#### 7.5 Effect of Termination.

7.5.1 Termination of this Agreement shall not release either Party hereto from any liability (including, without limitation, any payment obligation) which, at the time of such termination, has already accrued to the other Party or which is attributable to a period prior to such termination nor preclude either Party from pursuing any rights and remedies it may have hereunder or at law or in equity with respect to any breach of this Agreement.

---

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

7.5.2 Upon any termination of this Agreement, TACTIC and XOMA shall (a) promptly return to the other Party all Confidential Information received from the other Party (except that each Party may retain one copy for its files solely for the purpose of determining its rights and obligations hereunder) or (b) destroy all such Confidential Information with the other Party's consent.

Notwithstanding the survival of Article 2 as set forth in Section 7.6 below, (a) the rights and licenses of TACTIC under Section 2.1 shall terminate and be of no further force or effect, and (b) TACTIC (on behalf of itself, its Affiliates, and its successors and assigns) shall not (i) practice or exercise any invention claimed in, or license, authorize or otherwise allow any Third Party to practice or exercise such invention claimed in, any XOMA Patent Rights or (ii) except as reasonably necessary to comply with applicable law, regulation or court order as provided in Section 4.2, use or disclose, or authorize or otherwise allow the use or disclosure of, the XOMA Deliverables, upon (A) termination of this Agreement by TACTIC pursuant to Section 7.3; (B) termination of this Agreement by XOMA pursuant to Section 7.2 based on TACTIC's failure to pay any amount due under Article 3 hereof and not being disputed in good faith; or (C) TACTIC's failure to pay a sum that had been disputed in good faith by the Parties (together with all accrued interest due thereon under this Agreement) within [\*\*\*] days after a final determination by an arbitrator pursuant to Section 9.3 that such amount is due under this Agreement.

7.5.3 Nothing herein shall in any way limit or restrict XOMA's ability to seek and obtain money damages, injunctive relief or any other remedy, whether at law or in equity, that may be available from or awarded by a court of competent jurisdiction based on, arising out of or relating to any breach of this Agreement by TACTIC.

7.5.4 Notwithstanding anything to the contrary herein, XOMA shall not, at any time during the Term or thereafter, use, or authorize or otherwise allow the use of any Human Engineered™ TACTIC Antibody.

7.6 Survival. Sections 3.5, 7.5 and 7.6, and Articles 1, 2 (including, subject to Section 7.5.2, all rights and licenses therein), 4, 5, 6, 8, 9, 10 and 11 of this Agreement shall survive any termination hereof.

## ARTICLE 8

### INDEMNITY

#### 8.1 Indemnity.

8.1.1 By XOMA. XOMA shall indemnify and hold TACTIC harmless, and hereby forever releases and discharges TACTIC, from and against all losses, liabilities, damages and expenses (including reasonable attorneys' fees and costs) resulting from all claims, demands, actions and other proceedings by any Third Party to the extent arising from (a) the breach of any representation, warranty or covenant of XOMA under this or the Prior Agreement, (b) a claim that the processes or technologies used by XOMA in the performance of its activities under the Prior Agreement (other than any such claim with respect to the CMV promoter), including, without limitation, Human Engineering™ activities, infringe the Intellectual Property Rights of such Third Party (other than Intellectual Property Rights to the TACTIC Target, any Antibody to the TACTIC Target (including any Product), or (c) the gross negligence or willful misconduct of XOMA, its Affiliates or sublicensees in the performance of its obligations, and its permitted activities, under this or the Prior Agreement; in each case except to the extent arising from the gross negligence or willful misconduct of ATTENUON or TACTIC

---

8.1.2 By TACTIC. TACTIC shall indemnify and hold XOMA harmless, and hereby forever releases and discharges XOMA, from and against all losses, liabilities, damages and expenses (including reasonable attorneys' fees and costs) resulting from all claims, demands, actions and other proceedings by any Third Party to the extent arising from (a) the breach of any representation, warranty or covenant of ATTENUON or TACTIC under this or the Prior Agreement, (b) excluding losses, liabilities, damages and expenses covered by XOMA pursuant to Section 8.1.1(b), the making, having made, using, offering for sale, selling or importing of any Antibody to the TACTIC Target (including without limitation any Human Engineered™ TACTIC Antibody or Product) by ATTENUON, TACTIC, its Affiliates or licensees or by XOMA pursuant to the terms of this Agreement, (c) the use of the TACTIC Target or the ATTENUON Deliverables by XOMA pursuant to the terms of the Prior Agreement or (d) the gross negligence or willful misconduct of ATTENUON, TACTIC, their Affiliates or licensees in the performance of its obligations, and its permitted activities, under this or the Prior Agreement; in each case except to the extent arising from (i) a claim that the processes used by XOMA in the performance of Human Engineering™ infringe the Intellectual Property Rights of such Third Party (other than Intellectual Property Rights to the TACTIC Target, any Antibody to the TACTIC Target, or (ii) the gross negligence or willful misconduct of XOMA.

8.2 Procedure. A Party (the "Indemnitee") that intends to claim indemnification under this Article 8 shall promptly notify the other Party (the "Indemnitor") of any claim, demand, action or other proceeding for which the Indemnitee intends to claim such indemnification. The Indemnitor shall have the right to participate in, and to the extent the Indemnitor so desires, to assume the defense thereof with counsel selected by the Indemnitor; *provided, however*, that the Indemnitee shall have the right to retain its own counsel, with the fees and expenses to be paid by the Indemnitor, if representation of the Indemnitee by the counsel retained by the Indemnitor would be inappropriate due to actual or potential differing interests between the Indemnitee and any other Party represented by such counsel in such proceeding. The indemnity obligations under this Article 8 shall not apply to amounts paid in settlement of any claim, demand, action or other proceeding if such settlement is effected without the prior express written consent of the Indemnitor, which consent shall not be unreasonably withheld or delayed. The failure to deliver notice to the Indemnitor within a reasonable time after notice of any such claim or demand, or the commencement of any such action or other proceeding, if prejudicial to its ability to defend such claim, demand, action or other proceeding, shall relieve such Indemnitor of any liability to the Indemnitee under this Article 8 with respect thereto, but the omission so to deliver notice to the Indemnitor shall not relieve it of any liability that it may have to the Indemnitee otherwise than under this Article 8. The Indemnitor may not settle or otherwise consent to an adverse judgment in any such claim, demand, action or other proceeding that diminishes the rights or interests of the Indemnitee without the prior express written consent of the Indemnitee, which consent shall not be unreasonably withheld or delayed. The Indemnitee, its employees and agents shall reasonably cooperate with the Indemnitor and its legal representatives in the investigation and defense of any claim, demand, action or other proceeding covered by this Article 8.

---



[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

## ARTICLE 9

### DISPUTE RESOLUTION

9.1 Attempts to Amicably Resolve Disputes. If any dispute, controversy or claim is initiated by either Party arising out of, resulting from or relating in any way to this Agreement, the performance by either Party of its obligations under this Agreement or the subject matter of this Agreement (a "Dispute"), then the Parties shall attempt to resolve such Dispute as follows. The Party initiating the Dispute shall give written notice to the other Party specifying in reasonably specific detail the basis for such Dispute. Following receipt of such notice, the Parties shall refer the Dispute to their respective chief executive officers (or their designees) for resolution. The Parties' respective chief executive officers (or their designees) shall meet (in person, by videoconference or by telephone as mutually agreed upon by the Parties) to attempt to reach a mutually acceptable resolution of the Dispute.

9.2 Mediation. Subject to Section 9.4, if a Dispute is not resolved in the manner set forth in Section 9.1 within [\*\*\*] days after receipt of notice under Section 9.1, the Parties agree to try in good faith to resolve such dispute in an expeditious manner by mediation administered by the CPR Institute for Dispute Resolution or its successor organization ("CPR") in accordance with its mediation procedure. The mediation proceeding shall be conducted at the location of the Party not originally requesting the resolution of the Dispute. The Parties agree that they shall share equally the cost of the mediation filing and hearing fees and the cost of the mediator. Each Party must bear its own attorney's fees and associated costs and expenses. For the avoidance of doubt, nothing in connection with such mediation shall be binding on either Party, except for the provisions regarding sharing of costs set forth in this Section 9.2.

#### 9.3 Arbitration.

9.3.1 Subject to Section 9.4, any Dispute that is not resolved in the manner set forth in Section 9.2 within [\*\*\*] days after referral to mediation under Section 9.2 shall be finally resolved by binding arbitration, as set forth in this Section 9.3.

9.3.2 Whenever a Party shall decide to institute arbitration proceedings, it shall give written notice to that effect to the other Party. Any such arbitration shall be conducted under the Commercial Arbitration Rules of the American Arbitration Association by a panel of one (1) arbitrator appointed in accordance with such rules to be appointed within [\*\*\*] days of such notice. Such arbitrator shall have no less than [\*\*\*] of experience directly in the field of biotechnology licensing, and shall be available to serve under the geographic and time constraints set forth herein and in Section 9.3.3. Any such arbitration shall be held in New York, New York.

---

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

9.3.3 The arbitrator shall be jointly instructed by the Parties in writing to set a schedule that will enable them to complete all proceedings and render their award within [\*\*\*] days from the date of appointment of the arbitrator in accordance with Section 9.3.2. For good cause shown, the arbitrator may extend this schedule for up to, but in no event more than, [\*\*\*] additional days. The failure of the arbitrator to render a final award within the foregoing time frame shall not give rise to a jurisdictional defect, but this fact shall not be disclosed to the arbitrators until after the expiration of such [\*\*\*] day period. The arbitrator shall have the authority to grant specific performance in such equitable manner as they determine. The prevailing Party in any such arbitration (as determined by the arbitrator) shall be entitled to recover its reasonable attorneys' fees and expenses incurred in connection with such arbitration. Judgment upon the award so rendered may be entered in any court having jurisdiction as provided in Section 9.5 or application may be made to such court for judicial acceptance of any award and an order of enforcement, as the case may be.

9.3.4 In no event shall a demand for arbitration be made after the date when institution of a legal or equitable proceeding based upon such claim, dispute or other matter in question would be barred by the applicable statute of limitations.

9.3.5 Notwithstanding the foregoing, either Party shall have the right, without waiving any right or remedy available to such Party under this Agreement or otherwise, to seek and obtain from any court of competent jurisdiction any interim or provisional relief that is necessary or desirable to protect the rights or property of such Party, pending, the selection of the arbitrators hereunder or pending the arbitrators' determination of any dispute, controversy or claim hereunder.

9.4 Disputes Regarding Patents. Notwithstanding any provision hereof to the contrary, any Dispute relating to the determination of ownership, validity, enforceability or infringement by the other Party of a Party's patents shall, if not resolved in the manner set forth in Section 9.1 within [\*\*\*] days after receipt of notice under Section 9.1, be submitted exclusively to the federal courts located in New York, New York, and the Parties hereby consent to the jurisdiction and venue of such court.

#### 9.5 Venue; Jurisdiction.

9.5.1 Any action or proceeding brought by either Party seeking to enforce any provision of, or based on any right arising out of, this Agreement must be brought against either Party in the courts of the State of New York. Each Party (i) hereby irrevocably submits to the jurisdiction of the state courts of the State of New York and to the jurisdiction of any United States District Court in the State of New York, for the purpose of any suit, action, or other proceeding arising out of or based upon this Agreement or the subject matter hereof brought by any Party or its successors or assigns, (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, 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 that may be called upon to grant an enforcement of the judgment of any such Illinois state or federal court.

---

9.5.2 Process in any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement may be served on any Party anywhere in the world. Each Party consents to service of process by registered mail at the address to which notices are to be given pursuant to Section 11.4. Nothing herein shall affect the right of a Party to serve process in any other manner permitted by applicable law. Each Party further agrees that final judgment against it in any such action or proceeding arising out of or relating to this Agreement shall be conclusive and may be enforced in any other jurisdiction within or outside the United States of America by suit on the judgment, a certified or exemplified copy of which shall be conclusive evidence of the fact and of the amount of its liability.

9.5.3 Each Party agrees that it shall not, and that it shall instruct those in its control not to, take any action to frustrate or prevent the enforcement of any writ, decree, final judgment, award (arbitral or otherwise) or order entered against it with respect to this Agreement, and shall agree to be bound thereby as if issued or executed by a competent judicial tribunal having personal jurisdiction situated in its country of residence or domicile.

## ARTICLE 10

### SUCCESSORS AND ASSIGNS

10.1 Limited Right to Assign. Neither TACTIC nor XOMA may transfer or assign this Agreement or any of its rights hereunder without the written consent of the other; *provided, however*, that (a) XOMA may, without such consent, assign this Agreement and its rights and obligations hereunder to a Third Party only in connection with the transfer or sale of all or substantially all of its business relating to Human Engineering™, or in the event of a merger, consolidation or other transaction resulting in a change in control of XOMA, and (b) TACTIC may, without such consent, assign this Agreement and its rights and obligations hereunder to a Third Party only in connection with the transfer or sale of a Human Engineered™ version of a TACTIC Antibody or all or substantially all of its assets relating to its anti-uPAR monoclonal antibodies or in the event of a merger, consolidation or other transaction resulting in a change in control of TACTIC. Any attempted transfer or assignment in violation of this Section 10.1 shall be void. Nothing herein shall prohibit any transfer or assignment by either TACTIC or XOMA to or among any of their respective Affiliates.

10.2 Permitted Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties and their successors and assigns as permitted in Section 10.1.

## ARTICLE 11

### MISCELLANEOUS

11.1 Governing Law. This Agreement and any dispute arising from the performance or breach hereof shall be governed by and construed and enforced in accordance with the laws of the State of New York, without reference to conflicts of laws principles.

---

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

11.2 Bankruptcy. All rights and licenses granted under or pursuant to this Agreement by one Party to the other are, for all purposes of Section 365(n) of Title XI of the United States Code (“Title XI”), licenses of rights to “intellectual property” as defined in Title XI. During the Term each Party shall create and maintain current copies to the extent practicable of all such intellectual property. If a bankruptcy proceeding is commenced by or against one Party under Title XI, the other Party shall be entitled to a copy of any and all such intellectual property and all embodiments of such intellectual property, and the same, if not in the possession of such other Party, shall be promptly delivered to it (a) upon such Party’s written request following the commencement of such bankruptcy proceeding, unless the Party subject to such bankruptcy proceeding, or its trustee or receiver, elects within [\*\*\*] days to continue to perform all of its obligations under this Agreement, or (b) if not delivered as provided under clause (a) above, upon such other Party’s request following the rejection of this Agreement by or on behalf of the Party subject to such bankruptcy proceeding. If a Party has taken possession of all applicable embodiments of the intellectual property of the other Party pursuant to this Section 11.2 and the trustee in bankruptcy of the other Party does not reject this Agreement, the Party in possession of such intellectual property shall return such embodiments upon request. If a Party seeks or involuntarily is placed under Title XI and the trustee rejects this Agreement as contemplated under 11 U.S.C. 365(n)(1), the other Party hereby elects, pursuant to Section 365(n) of Title XI, to retain all rights granted to it under this Agreement to the extent permitted by law.

11.3 Waiver. No waiver of any rights shall be effective unless consented to in writing by the Party to be charged and the waiver of any breach or default shall not constitute a waiver of any other right hereunder or any subsequent breach or default.

11.4 Notices. All invoices, notices, requests and other communications hereunder shall be in writing and shall be delivered or sent in each case to the respective address specified below, or such other address as may be specified in writing to the other Party hereto, and shall be effective on receipt.

If to TACTIC:	Tactic Pharma, LLC [***] Attention: Andrew Mazar, CSO.
With a copy to:	Baker & Hostetler, LLP 2929 Arch Street Cira Centre – 12 <sup>th</sup> Floor Philadelphia, PA 19004 Attention: Tactic Pharma Legal Counsel, Dr. Jeffrey H. Rosedale
If to XOMA:	XOMA (US) LLC 2910 Seventh Street Berkeley, California 94710 Attention: Legal Department

---

with a copy to:

XOMA (US) LLC  
2910 Seventh Street  
Berkeley, California 94710  
Attention: Legal Department

11.5 Independent Contractors. The Parties are independent contractors under this Agreement. Nothing contained in this Agreement is intended nor is to be construed so as to constitute TACTIC or XOMA as partners or joint venturers with respect to this Agreement. Except as expressly provided for by this Agreement, no Party shall have any express or implied right or authority to assume or create any obligations on behalf of or in the name of any other Party or to bind any other Party to any other contract, agreement or undertaking with any Third Party.

11.6 Force Majeure. A Party shall neither be held liable or responsible to the other Party, nor be deemed to have defaulted under or breached this Agreement, for failure or delay in fulfilling or performing any obligation under this Agreement (other than an obligation for the payment of money) to the extent, and for so long as, such failure or delay is caused by or results from causes beyond the reasonable control of such Party, including but not limited to fire, floods, embargoes, war, acts of war (whether war be declared or not), insurrections, riots, civil commotions, strikes, lockouts or other labor disturbances, acts of God or acts, omissions or delays in acting by any governmental authority or other Party.

11.7 Other Activities. Except as otherwise expressly provided in this Agreement, nothing in this Agreement shall preclude either Party from conducting other programs (either for its own benefit or with or for the benefit of any other Person) to conduct research, or to develop or commercialize products or services, for use in any field.

11.8 Headings. The captions to the several sections hereof are not a part of this Agreement, but are included merely for convenience of reference only and shall not affect its meaning or interpretation.

11.9 Entire Agreement; Amendment.

11.9.1 This Agreement constitutes the entire and exclusive agreement between the Parties with respect to the subject matter hereof and supersedes and cancels all previous discussions, agreements, representations, commitments and writing in respect thereof.

11.9.2 No amendment or addition to this Agreement shall be effective unless reduced to writing and executed by the authorized representatives of the Parties.

11.10 Illegality; Unenforceability. In the event that any provision of this Agreement shall be determined to be illegal or unenforceable, that provision will be limited or eliminated to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect and enforceable.

11.11 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and together shall be deemed to be one and the same agreement.

[SIGNATURE PAGE FOLLOWS ]

---

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

TACTIC PHARMA, LLC

XOMA (US) LLC

By: /s/ Andrew Mazar  
Andrew Mazar  
Chief Scientific Officer

By: /s/ James Neal  
James R. Neal  
VP, Business Development & Program Leadership

---

---

\*\*\* = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

Schedule 1.16

**Human Engineering™ Patent Rights**

**Title:** \*\*\*

**Inventors:** Studnicka, Little, Fishwild, Kohn

Based on \*\*\*.

<b>COUNTRY</b>	<b>SERIAL NO.</b>	<b>PATENT NO.</b>	<b>EXPIRES</b>
***	***	***	***
***			

\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

**VALIDIVE® OPTION AND LICENSE AGREEMENT**

**BY AND BETWEEN**

**MONOPAR THERAPEUTICS INC.**

**AND**

**ONXEO S.A.**

The logo for ONXEO S.A. features the word "ONXEO" in a blue, sans-serif font. The letter "X" is stylized with a multi-colored design, incorporating shades of red, green, and blue.

**Monopar Therapeutics**

---



**TABLE OF CONTENTS**

1.	<u>DEFINITIONS AND INTERPRETATION</u>	2
2,	MONOPAR VALIDIVE OPTION; MONOPAR DEVELOPMENT AND COMMERCIALIZATION	11
3	LICENSES; TECHNOLOGY TRANSFER; EXCLUSIVITY	16
4	FINANCIAL TERMS	18
5	INTELLECTUAL PROPERTY	22
6	WARRANTIES AND LIMITATION OF LIABILITY	25
7	INDEMNITY AND INSURANCE	27
8	CONFIDENTIALITY	29
9	TERM AND TERMINATION	31
10	DISPUTE RESOLUTION	37
11	MISCELLANEOUS	38

SCHEDULE Licensed Patents

1

SCHEDULE Licensed Know-How

2

SCHEDULE Licensed Trademarks

3

SCHEDULE Validive Materials

4

SCHEDULE Confirmatory Patent License

5

---

## OPTION AND LICENSE AGREEMENT

**THIS OPTION AND LICENSE AGREEMENT** (together with any Schedules attached hereto, this “**Agreement**”) is made and entered into as of June 17, 2016 (the “**Effective Date**”), by and between Monopar Therapeutics Inc., a Delaware corporation located at 598 Rockefeller Rd, Lake Forest, Illinois 60201, United States of America (“**Monopar**”), and Onxeo S.A., a French *société anonyme à Conseil d’administration* located at 49, boulevard du Général Martial Valin, 75015 Paris, France (“**Onxeo**”). Monopar and Onxeo are sometimes referred to herein individually as a “Party” and collectively as the “Parties.”

### RECITALS

#### WHEREAS:

- (A) Onxeo owns Patents, Trademark registrations and other proprietary rights relating to Validive® (as defined below). At this time, Onxeo does not intend to undertake any further development of Validive®.
  - (B) Monopar has expertise in research, development, and commercialization of pharmaceutical products.
  - (C) Onxeo desires to grant, and Monopar desires to obtain, an exclusive option to take a license to research, develop, and commercialize Validive® on an exclusive basis for any and all uses in the Field in the Territory (each, as defined below), all on the terms and conditions set forth herein.
  - (D) Upon exercise by Monopar of the option for the license for Validive®, Onxeo desires to grant Monopar, and Monopar desires to obtain, an exclusive license in the Field in the Territory to use, sell, offer for sale, import, and make or have made Licensed Products (as defined below) in the Field in the Territory on the terms and conditions set forth herein.
-

## AGREEMENT

NOW IT IS HEREBY AGREED as follows:

### 1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement the words and phrases set out below shall, unless the context requires otherwise, have the corresponding meaning attributed to them below.

“**Active Party**” has the meaning set forth in Section [5.3.5](#).

“**Affiliate**” means with respect to a given entity, any person, corporation, partnership or other entity, that Controls, is Controlled by, or is under common Control with such entity.

“**Agreement**” means this agreement and each of the Schedules as amended from time to time in accordance with Section [11.3](#).

“**Arising Intellectual Property**” means all Intellectual Property, including Know-How, conceived, created or invented after the Effective Date by or on behalf of either Party; and any Patents which claim any inventions described or comprised in such Know-How, but excluding Intellectual Property, including Know-How, comprised in the Licensed Intellectual Property.

“**Audit for Cause**” has the meaning set forth in Section [2.2.3](#).

“**Bankruptcy Code**” has the meaning set forth in Section [9.4](#).

“**Breaching Party**” has the meaning set forth in Section [9.2.1](#).

“**Business Day**” means a day other than a Saturday, Sunday or any public holiday in Paris, France or New York, New York, United States.

“**Clinical Data**” means any Know-How that is included in, or supports, a regulatory submission for approval of the testing of drugs in man or for approval for the placing of medicinal products on the market (including submissions to the FDA, the EMA or other competent Regulatory Authorities).

“**Combination Product**” means any product that comprises a Licensed Product sold in conjunction with another active component so as to be a combination product (whether packaged together or in the same therapeutic formulation).

---

**“Commencement”** means, in relation to a clinical trial, the date upon which a Licensed Product is first administered to a human subject, whether such subject is a healthy volunteer or a patient.

**“Commercialization”** or **“Commercialize”** means activities directed to obtaining pricing and reimbursement approvals, marketing, promoting, distributing, offering for sale, or selling a Licensed Product. For clarity, “Commercialization” shall not include manufacturing activities, but shall include importation, exportation and use related to offering for sale or selling a Licensed Product.

**“Commercially Reasonable Efforts”** means efforts of a Party to carry out its obligations in a diligent and sustained manner using such effort and employing such resources normally used by an established biopharmaceutical company in the exercise of its reasonable business discretion relating to the research, development or commercialization of a similar product owned by such Party or to which such Party has exclusive rights, with similar product characteristics, that is of similar market potential at a similar stage in its development or product life, taking into account issues of market exclusivity (including Patent coverage and Regulatory Exclusivity), safety and efficacy, product profile, the competitiveness of the marketplace, the proprietary position of the compound or product, the regulatory structure involved, the profitability of the applicable products (including pricing and reimbursement status achieved), and other relevant factors, including technical, legal, scientific, and/or medical factors.

**“Confidential Information”** means any information, in tangible or non-tangible form (including oral disclosure) including Know-How, research and development plans, information relating to the customers, suppliers, business partners, clients, finances, business plans and products (in each case actual or prospective) of a Party, the terms of this Agreement, and any other technical or business information, which is obtained by either Party from the other (or its representatives) pursuant to this Agreement and is marked as confidential, or indicated by notice as being confidential no more than five (5) Business Days after its disclosure. Licensed Know-How shall be deemed the Confidential Information of Onxeo.

**“Control”** means:

- (a) the possession (directly or indirectly) of fifty per cent (50%) or more of the voting stock or other equity interest of a subject entity with the power to vote, or the power in fact to control the management decisions of such entity through the ownership of securities or by contract or otherwise;
  - (b) in respect of any Patent Rights, Know-How or other Intellectual Property whether owned by or licensed to an entity, the possession of the legal right and ability to grant the respective licenses or sublicenses as provided in this Agreement without violating the terms of any agreement or other arrangement with any Third Party;
-

and “**Controlling**” and “**Controlled by**” shall be construed accordingly.

“**Cure Period**” has the meaning set forth in Section [9.2.1](#).

“**Development**” means pre-clinical and clinical drug development activities reasonably relating to the discovery and development of pharmaceutical compounds and submission of information to a Regulatory Authority, including toxicology, pharmacology, and other discovery and pre-clinical studies, test method development and stability testing, manufacturing process development (including validation test methods and procedures), formulation development, delivery system development, quality assurance and quality control development, statistical analysis, clinical trials and activities relating to obtaining Regulatory Approval, but excluding Commercialization activities. When used as a verb, “Develop” means to engage in Development.

“**Disclosing Party**” has the meaning set forth in Section [8.1](#).

“**Effective Date**” means the date this Agreement is made.

“**EMA**” means the European Medicines Agency or any successor to it.

“**Executive Officers**” means a representative of Onxeo authorized by notice to Monopar, and the Chief Executive Officer of Monopar or such other authorized senior manager of a Party as may be substituted from time to time upon the giving of written notice to the other Party.

“**Extended Exclusivity Period**” means any period during which one of the following subsists in respect of a Licensed Product: orphan drug designation or exclusivity, pediatric designation or exclusivity, new chemical entity exclusivity, or other exclusivity (excluding a Patent) granted by a Regulatory Authority beyond the expiry of the relevant Patent.

“**FDA**” means the United States Food and Drug Administration or any successor to it.

“**Field**” means any and all uses.

“**First Commercial Sale**” means the first transfer of a Licensed Product by Monopar to the first Third Party (other than a Sublicensee or a distributor) in any country in the Territory, in exchange for cash or some equivalent to which value can be assigned for the purpose of determining Net Sales, after Regulatory Approval of such Licensed Product has been granted, or such marketing and sale is otherwise permitted, by the Regulatory Authority of such country, excluding registration samples, compassionate use, and use in Phase IV Trials.

---

**“Force Majeure”** means in relation to either Party any event or circumstance which is beyond the reasonable control of that Party, which event or circumstance that Party could not reasonably be expected to have taken into account at the Effective Date and which results in or causes the failure of that Party to perform any or all of its obligations under this Agreement including an act of God, lightning, fire, storm, flood, earthquake, strike, lockout or other industrial disturbance, war, a terrorist act, blockade, revolution, riot, insurrection, civil commotion, public demonstration, sabotage, act of vandalism, explosion, provided that lack of funds shall not be interpreted as a cause beyond the reasonable control of that Party.

**“GAAP”** shall mean generally accepted accounting principles as applicable in the United States, consistently applied; provided that, to the extent that a Party adopts International Financial Reporting Standards (IFRS), then “GAAP” means International Financial Reporting Standards (IFRS), consistently applied.

**“Inactive Party”** has the meaning set forth in Section [5.3.5](#).

**“IND”** means an investigational new drug application filed with the FDA, or an application filed with any Regulatory Authority outside the United States of America (including any supranational agency such as the EMA) necessary to commence human clinical trials in such jurisdiction.

**“Indemnified Party”** has the meaning set forth in Section [7.1.3](#).

**“Indemnifying Party”** has the meaning set forth in Section [7.1.3](#).

**“Indication”** means a disease classification block as defined within the International Statistical Classification of Diseases and Related Health Problems as published from time to time by the World Health Organization (e.g. “C50 Malignant neoplasm of Breast”, “C92 Myeloid leukemia”, “B20 Human immunodeficiency virus [HIV] disease resulting in infectious and parasitic diseases”, “M34 Systemic sclerosis”). For the avoidance of doubt, therapeutic indications having the same histology (such as first-line to second-line therapies) do not constitute a different Indication.

**“Intellectual Property”** means Patents, Know-How and Trademarks.

**“Intellectual Property Rights”** means all Patent Rights, rights to Know-How, copyrights, database rights, design rights, rights in Trademarks and domain names, and all rights or forms of protection of a similar nature or having equivalent or similar effect to any of them which may subsist anywhere in the world, whether or not any of them are registered including any application for registration of any of them.

---

**“Know-How”** means any unpatented, technical and other information which is not in the public domain including, ideas, concepts, inventions (whether or not patentable), discoveries, data, designs, formulae, algorithms, methods, models, specifications, clinical data, information relating to biological and chemical structures, properties and functions as well as methods for synthesizing chemical compounds, procedures for experiments and tests (including diagnostic tests), results of experimentation and testing, results of research and development including laboratory records and data analyses. Information in a compilation or a compilation of information may be Know-How notwithstanding that some or all of its individual elements are in the public domain.

**“Laws”** means all applicable laws, statutes, rules, regulations, ordinances and other pronouncements having the effect of law in any federation, nation, multinational governmental entity, state, province, county, city or other political subdivision, domestic or foreign.

**“License Fee”** has the meaning set forth in Section [4.2](#).

**“Licensed Intellectual Property”** means the Licensed Know-How, Licensed Patents and Licensed Trademarks.

**“Licensed Know-How”** means the Know-How directly and solely relating to the Licensed Product that is Controlled by Onxeo or its Affiliates at the Effective Date as further described in [SCHEDULE 2](#).

**“Licensed Patents”** means Patents further described in [SCHEDULE 1](#).

**“Licensed Product”** means all products containing clonidine or its analogues, salts, prodrugs, and any derivatives thereof, formulated using Onxeo’s Lauriad® technology, including the product referred to as Validive® or Clonidine Lauriad®.

**“Licensed Trademarks”** means Trademarks further described in SCHEDULE 3.

**“Losses”** means any cost, expense or loss actually suffered resulting from any or all claims, causes of action or demands made by a Third Party, including reasonable attorneys’ fees.

**“Material”** means any chemical or biological material and any property rights relating to any of the foregoing other than Intellectual Property Rights.

**“Milestone Event”** has the meaning given in Section [4.3.1](#).

**“Milestone Payment”** has the meaning given in Section [4.3.1](#).

**“Monopar Indemnified Parties”** means Monopar and its Affiliates and their respective directors, officers, employees and agents.

---

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

“**Monopar Validive Option**” has the meaning specified in Section [2.1](#).

“**Monopar Validive Option Period**” has the meaning specified in Section [2.1.1](#).

“**NDA**” means an application for approval to market a product commercially such as a New Drug Application filed pursuant to the requirements of the FDA, as more fully defined in 21 CFR § 314.3 et seq, or a Biologics License Application filed pursuant to the requirements of the FDA, as more fully defined in 21 CFR § 601, or a marketing authorization application filed pursuant to the requirements of European Directive 2001/83/EC, or any equivalent or similar application filed with any other Regulatory Authority in any country or region in the Territory, together, in each case, with all additions, deletions or supplements thereto.

“**Net Sales**” means the aggregate gross invoice prices of all Licensed Products sold by Monopar, its Affiliates or its Sublicensees to Third Parties (that are not Sublicensees) anywhere within the Territory, including wholesale distributors, less deductions from such amounts calculated in accordance with GAAP so as to arrive at net sales under GAAP, and further reduced by [\*\*\*] or increased for [\*\*\*].

Any and all set-offs against gross invoice prices shall be calculated in accordance with GAAP. Sales or other commercial dispositions of Licensed Products between Monopar and its Affiliates and its Sublicensees, and Licensed Products provided to Third Parties without charge, in connection with research and development, clinical trials, compassionate use, humanitarian and charitable donations, or indigent programs or for use as samples shall be excluded from the computation of Net Sales, and no payments will be payable on such sales or such other commercial dispositions, except where such an Affiliate or Sublicensee is an end user of the Licensed Product.

If a Licensed Product is sold or otherwise commercially disposed of for consideration other than cash or in a transaction that is not at arm’s length between the buyer and the seller, then the gross amount to be included in the calculation of Net Sales shall be the amount that would have been invoiced had the transaction been conducted at arm’s length and for cash. Such amount that would have been invoiced shall be determined, wherever possible, by reference to the average selling price of the relevant Licensed Product in arm’s length transactions in the relevant country.

Notwithstanding the foregoing, in the event a Licensed Product is sold as a Combination Product, Net Sales shall be calculated by multiplying the Net Sales of the Combination Product by the fraction  $A/(A+B)$ , where A is the gross invoice price of the Licensed Product if sold separately in a country and B is the gross invoice price of the other product(s) included in the Combination Product if sold separately in such country. If no such separate sales are made by Monopar, its Affiliates or Sublicensees in a country, Net Sales of the Combination Product shall be calculated in a manner to be negotiated and agreed upon by the Parties, reasonably and in good faith, prior to any sale of such Combination Product, which shall be based upon the respective cost of goods sold of the active components of such Combination Product. In the event that the Parties are not able to so agree on the calculation of Net Sales of the Combination Product within three (3) months after commencement of such negotiations, the dispute shall be submitted to final and binding arbitration, as provided in Section [10.3](#).

---



**“Non-Breaching Party”** has the meaning set forth in Section [9.2.1](#).

**“Onxeo Indemnified Parties”** means Onxeo and its Affiliates and their respective directors, officers, employees and agents.

**“Parties”** means Monopar and Onxeo and **“Party”** shall mean any of them.

**“Patents” and “Patent Rights”** means any patent applications, patents, author certificates, inventor certificates, utility models, and all foreign counterparts of them and includes all divisionals, renewals, continuations, continuations-in-part, extensions, reissues, reexaminations, substitutions, confirmations, registrations, revalidations and additions of or to them, as well as any Supplementary Protection Certificate, or any like form of protection.

**“Person”** means any individual, firm, corporation, partnership, limited liability company, trust, business trust, joint venture, Regulatory Authority, association, or other entity.

**“Phase III Trial”** means a human clinical trial of a Licensed Product, which trial is designed: (a) to establish that the Licensed Product is safe and efficacious for its intended use; (b) to define warnings, precautions and adverse reactions that are associated with the Licensed Product in the dosage range to be prescribed; and (c) consistent with 21 CFR § 312.21(c).

**“Phase III Clinical Trial Report”** means a full clinical study report in relation to a Phase III Trial which is written by or on behalf of Monopar.

**“Phase IV Trial”** means (i) any clinical trial in humans conducted to satisfy a requirement of a Regulatory Authority in order to maintain a Regulatory Approval and (ii) any clinical trial in humans conducted after the first Regulatory Approval in the same disease state for which the Licensed Product received Regulatory Approval in the Territory.

---

**“Price Approval”** means, in those countries in the Territory where a Regulatory Authority may approve or determine pricing and/or pricing reimbursement for pharmaceutical products, such approval or determination.

**“Progress Report”** means a written report produced by Monopar setting out brief details of: (i) the progress of development of the Licensed Product; (ii) the progress of any applications for Regulatory Authorization and (where relevant) Price Approvals; and (iii) the progress of and plans for marketing and sale of the Licensed Product.

**“Prosecution”** means the preparation, filing, procuring, and maintenance of Patents, such as before national, international, and regional patent offices, including any interferences, derivation proceedings, reissue proceedings, reexaminations, and post-grant proceedings (such as inter partes reviews, post-grant reviews, and oppositions). When used as a verb, “Prosecute” means to engage in Prosecution.

**“Quarter”** means any of the three (3) monthly periods commencing on the first day of any of the months of January, April, July, and October in any year and **“Quarterly”** has a corresponding meaning.

**“Receiving Party”** has the meaning set forth in Section [8.1](#).

**“Regulatory Approval”** means, with respect to any Licensed Product in any jurisdiction, all approvals (including Pricing Approvals) from any Regulatory Authority necessary for the development, commercial manufacture, marketing and sale of the Licensed Product in such jurisdiction in accordance with Laws.

**“Regulatory Authority”** means any national or supranational governmental authority, including the FDA, EMEA, or Koseisho (i.e., the Japanese Ministry of Health and Welfare, or any successor agency thereto), that has responsibility in countries in the Territory over the Development and/or Commercialization of a Licensed Product.

**“Regulatory Filings”** means any and all regulatory applications and filings and associated correspondence made in order to obtain Regulatory Approvals.

**“Sublicensee”** means a person to whom a sublicense is granted in accordance with Section [3.2](#) in respect of the whole or any part of the rights granted under this Agreement or any person to whom such Sublicensee grants a sublicense in accordance with Section [3.2](#).

**“Supplementary Protection Certificate”** means a right based on a patent pursuant to which the holder of the right is entitled to exclude Third Parties from using, making, having made, selling or otherwise disposing or offering to dispose of, importing or keeping the product to which the right relates, such as supplementary protection certificates in Europe, and any similar right anywhere in the world.

---

“**Term**” means the term of this Agreement determined in accordance with Section [9.1.4](#).

“**Territory**” means any and all countries in the world.

“**Third Party**” means any Person other than Monopar, Onxeo and their respective Affiliates and Sublicensees.

“**Trademark**” means any word, name, symbol, color, designation, or device or any combination thereof, whether registered or unregistered, including any trademark, trade dress, service mark, service name, brand mark, trade name, brand name, logo, or business symbol.

“**United States**” or “**U.S.**” means the United States of America and all its territories and possessions.

“**Valid Claim**” means a claim within an issued United States Patent or any foreign Patent that has not expired, lapsed, or been cancelled or abandoned, and that has not been dedicated to the public, disclaimed, or held unenforceable, invalid, or been cancelled by a court or administrative agency of competent jurisdiction in an order or decision from which no appeal has been or can be taken, including, without limitation, through opposition, reexamination, reissue or disclaimer; provided that, on a country- by-country basis, a patent application or subject matter of a claim thereof pending for more than five (5) years from the earliest filing date to which such patent application or claim is entitled shall not be considered to have any Valid Claim for purposes of this Agreement unless and until a patent with respect to such application issues with such claim.

“**Validive**” or “**Validive®**” means the Licensed Product when used in association with the Trademark “Validive®” or “Clonidine Lauriad®.”

“**Validive Materials**” means the Materials further described in [SCHEDULE 4](#).

“**Year**” means a calendar year.

**1.2 In this Agreement:**

1.2.1 unless the context requires otherwise, all references to a particular Article, Section or Schedule shall be references to that article, section or schedule, of or to this Agreement;

1.2.2 the table of contents and headings are inserted for convenience only and shall be ignored in construing this Agreement;

---

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

- 1.2.3 unless the contrary intention appears, words importing the masculine gender shall include the feminine and vice versa and words in the singular include the plural and vice versa;
- 1.2.4 unless the contrary intention appears, words denoting persons shall include any individual, partnership, company, corporation, joint venture, trust, association, organization or other entity, in each case whether or not having separate legal personality;
- 1.2.5 reference to any statute or regulation includes any modification or re-enactment of that statute or regulation, provided that the modification or re-enactment does not diminish the rights or extend the obligations of any Party;
- 1.2.6 references to the words “include” or “including” shall be construed without limitation to the generality of the preceding words;
- 1.2.7 where either Party’s approval or consent is required hereunder, except as otherwise specified herein, such Party’s approval or consent shall be a prior written consent which may be granted or withheld in such Party’s discretion, but shall not be unreasonably conditioned, delayed or denied; and
- 1.2.8 all references to “dollars” shall be to the lawful currency of the United States of America.

## 2. **MONOPAR VALIDIVE OPTION; MONOPAR DEVELOPMENT AND COMMERCIALIZATION**

2.1 **Monopar Validive Option.** Subject to the terms and conditions of this Agreement, including the payment of amounts to Onxeo as and when such amounts become due under this Agreement, Onxeo hereby grants to Monopar the exclusive right, exercisable at Monopar’s sole discretion, in accordance with Sections 2.1.1 through 2.1.7, to elect to obtain an exclusive worldwide license under Section [3.1](#) to Develop, Commercialize, and manufacture Licensed Products under the terms and conditions set forth in this Agreement (the “**Monopar Validive Option**”).

2.1.1 **Monopar Validive Option Period.** As from the Effective Date, Monopar shall:

- (a) have [\*\*\*] to submit a new application for orphan drug designation in the United States;
-

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

- (b) from the time of receiving feedback from the orphan drug office of the FDA, have [\*\*\*] to prepare the materials for and request a meeting with the FDA;
- (c) from the date of the FDA meeting, have [\*\*\*] to exercise the Monopar Validive Option.

The periods described in Sections [2.1.1\(a\)](#), [2.1.1\(b\)](#), and [2.1.1\(c\)](#) shall together be known as the “**Monopar Validive Option Period**”.

2.1.2 **Monopar Validive Option Termination; Expiration.** The Monopar Validive Option shall terminate or expire if:

- (a) Monopar fails timely to achieve 2.1.1(a), 2.1.1(b), or 2.1.1(c) without first having exercised the Monopar Validive Option, and with Onxeo having promptly responded to information requests during the Monopar Validive Option Period (any such period of delay by Onxeo shall cause an automatic equivalent time period extension to the Monopar Validive Option Period); or
- (b) Monopar voluntarily terminates the Monopar Validive Option at any time and for any reason;

If one of 2.1.1(a), 2.1.1(b), or 2.1.1(c) is not satisfied, or if Monopar voluntarily terminates the Monopar Validive Option at any time and for any reason:

- (c) the Monopar Validive Option shall terminate, and all rights to the Licensed Product shall remain with Onxeo unencumbered by Monopar’s option; and
- (d) Onxeo shall have the right to request from Monopar a copy of all documents and correspondence exchanged with the FDA, at no cost. Such documents shall be delivered within thirty (30) days of such request.

2.1.3 **Monopar Validive Option Exercise.** The Monopar Validive Option shall only be exercisable during the Monopar Validive Option Period. Monopar shall exercise its Monopar Validive Option, if at all, by written notice to Onxeo, which notice shall make reference to this Agreement and Validive.

2.1.4 **Monopar Rights on Exercise of the Monopar Validive Option.** Following exercise of the Monopar Validive Option, Monopar shall have responsibility for Development and Commercialization of Licensed Products, subject to its obligations under this Agreement. Upon Monopar’s exercise of the Monopar Validive Option, Onxeo shall provide Monopar with all information and data for Licensed Products and the Validive Materials, and Onxeo shall cooperate with Monopar to provide a smooth transfer of such information and data and the Validive Materials as soon as reasonably practical after exercise of the Monopar Validive Option.

---

- 2.1.5 **Early Exercise of Monopar Validive Option.** Monopar may exercise the Monopar Validive Option at any time during the Monopar Validive Option Period upon written notice to Onxeo.
- 2.1.6 **Onxeo's obligations during the Monopar Validive Option Period.** Onxeo shall authorize Monopar to reference Onxeo's Validive IND as filed with the FDA, to submit a new orphan designation dossier for Validive, and to organize a meeting with the FDA regarding Validive, all in Monopar's Name. Onxeo shall provide Monopar with all authorizations, consents and rights of reference that Monopar may reasonably request in order to (a) facilitate the submission of the new orphan designation dossier for Validive, and (b) request for and conduct a meeting with the FDA regarding Validive in Monopar's name. Onxeo shall provide reasonable support to Monopar in connection with the meeting with the FDA, without (except as the Parties may otherwise agree) any obligation for Onxeo to incur any expenses. Onxeo shall not initiate any further Development efforts during this Monopar Validive Option Period.
- 2.1.7 **Monopar's obligations during the Monopar Validive Option Period.** Monopar shall, at its own cost and expense, re-file for orphan drug designation for Validive, and prepare all required materials, request and lead a meeting with the FDA regarding development of Validive in the Field and Territory as specifically related to the treatment of oral mucositis. Without Onxeo's permission, or unless required by applicable law, rules or regulations or request from a stock exchange on which shares are listed, Monopar shall make no public statement mentioning Onxeo and/or Validive until the results of the FDA meeting are known.
- 2.1.8 **Monopar's Failure to Exercise the Monopar Validive Option.** If Monopar does not exercise the Monopar Validive Option during the Monopar Validive Option Period, then the Monopar Validive Option shall expire. All rights granted to Monopar hereunder shall terminate, and Onxeo will thereafter have all such rights previously granted to Monopar, for Onxeo to Develop and Commercialize Validive at Onxeo's sole expense. Monopar's rights and licenses granted hereunder to Validive shall terminate.
-

## 2.2 Monopar Development and Regulatory Responsibilities.

- 2.2.1 **Development Responsibilities and Costs.** Monopar, at its sole cost and expense, shall have responsibility for conducting, and shall use Commercially Reasonable Efforts to conduct, all Development activities with respect to Licensed Products following exercise of the Monopar Validive Option.
- 2.2.2 **Regulatory Responsibilities and Costs.** Promptly after Monopar's exercise of the Monopar Validive Option, Onxeo shall (a) assign to Monopar all Regulatory Filings for Licensed Products and, (b) upon Monopar's request, assign to Monopar all clinical trial or other subcontractor agreements relating solely to Licensed Products. Following exercise of the Monopar Validive Option, Monopar shall prepare, file, maintain, and own all Regulatory Filings and related submissions relating to Licensed Products. Monopar shall have responsibility for, and shall prepare, all Regulatory Filings and related submissions with respect to Licensed Products. At Monopar's election, following exercise of the Monopar Validive Option, Monopar shall be responsible for all safety reporting obligations globally with respect to such Licensed Products, and to take over and maintain the global safety database for Licensed Products.
- 2.2.3 **Record Keeping; Audit for Cause.** Each Party shall maintain, or cause to be maintained, records of its respective Development and regulatory activities with respect to the Licensed Product in the Field in the Territory in sufficient detail and in good scientific manner appropriate for patent and regulatory purposes, which shall be complete and accurate and shall fully and properly reflect all work done and results achieved in the performance of its respective development activities, and which shall be retained by such Party for at least ten (10) years after the termination of this Agreement, or for such longer period as may be required by applicable law. Each Party shall have the right, during normal business hours, upon at least ten (10) Business Days prior notice and without charge, to inspect and copy any such records, except in the event of an audit for safety reason; provided, however, that, except in the event of an "audit for cause," neither Party shall have the right to conduct more than one such inspection in any twelve (12) month period. "**Audit for cause**" shall mean any audit conducted by Onxeo in reason of any material deficiencies of Monopar or its Affiliates or Sublicensees relating to the activities contemplated hereunder.
-

- 2.3 Monopar Commercialization Responsibilities and Costs.** Monopar, at its sole cost and expense, shall have responsibility for conducting, and shall use Commercially Reasonable Efforts to conduct, all Commercialization activities with respect to Licensed Products following exercise of the Monopar Validive Option.
- 2.4 Manufacture and Supply.** Monopar, at its sole option and expense, may choose to continue with Onxeo's current contract manufacturing partners for part or all presently sourced manufacturing or manufacturing related activities, including API and Licensed Product manufacture, for part or all of the Term. In such event, Monopar shall be solely responsible for negotiating agreements with such manufacturing partners, it being understood and agreed that Onxeo's sole obligation in this respect shall be to introduce Monopar to such manufacturing partners. Under all circumstances, Monopar reserves the exclusive right to manufacture and supply any and all Licensed Products.
- 2.5 Reporting and Right of Inspection.**
- 2.5.1 Monopar shall provide Onxeo upon Monopar's exercise of the Monopar Validive Option with a copy of an initial Development and Commercialization plan for the Licensed Products. Thereafter, Monopar shall provide Onxeo with an updated Development and Commercialization plan for each Year no later than December 1 of the Year for each Year. Additionally, every Year within thirty (30) days after Monopar's annual financial reports have been completed, but in no event later than April 1, the Parties shall meet by teleconference to discuss the progress in and results of the Development and Commercialization of the Licensed Products during the previous year.
- 2.5.2 During the Term, Monopar shall also keep (and shall cause its Affiliates and Sublicensees to keep), and shall make available to Onxeo for inspection on Onxeo's reasonable demand once per year complete and accurate records pertaining to the progress in and results of the Development and Commercialization activities in the Territory, in sufficient detail to permit Onxeo to ensure the satisfaction of Monopar's contractual obligations hereunder.
-



## 2.6 Subcontracting

Monopar may have performed by subcontractors any activities required of Monopar hereunder. Monopar shall be solely responsible for the performance by any of its subcontractors of Monopar's obligations hereunder.

## 2.7 No Onxeo Financial Obligation

Except as expressly provided herein, all costs relating to the Development and Commercialization of the Licensed Product after Monopar's exercise of the Monopar Validive Option shall be borne solely by Monopar, and Onxeo shall not be obligated to take any action which may subject Onxeo to any cost, expense or liability with respect to other matters.

## 3. LICENSES; TECHNOLOGY TRANSFER; EXCLUSIVITY

### 3.1 License to Monopar for Validive and Licensed Products.

- 3.1.1 **Licensed Intellectual Property.** Subject to the terms and conditions of this Agreement, Onxeo hereby grants to Monopar and its Affiliates the exclusive (even as to Onxeo and its Affiliates), worldwide license, with the right to grant sublicenses under the Licensed Intellectual Property as described in Section [3.2](#) below, to use, sell, offer to sell, import, make and have made, and otherwise Develop, Commercialize or manufacture Licensed Products during the Term, in the Territory and in the Field, and to apply for Regulatory Approval in its own name for Licensed Products in any jurisdiction, such license to be effective upon Monopar's exercise of the Monopar Validive Option and payment of the License Fee.
- 3.1.2 **License to Trademark.** Subject to the terms and conditions of this Agreement, and at no additional cost to Monopar or its Affiliates, Onxeo hereby grants to Monopar and its Affiliates an exclusive right and license during the Term, with the right to grant sublicenses as described in Section [3.2](#) below, to the Licensed Trademarks, such Licensed Trademarks to be used by Monopar solely in connection with the Development and Commercialization of Licensed Products and in Monopar's corporate communications with respect thereto. A complete list of such Licensed Trademarks, and existing registrations thereof, is attached as [SCHEDULE 3](#). Monopar shall be in charge of securing and maintaining the registration(s) of the Licensed Trademarks in the Territory in the name of Monopar and at its sole cost and expense. Onxeo shall provide upon request, and at no cost to Onxeo, any assistance reasonably required by Monopar.
-

- 3.2 **Sublicenses.** Monopar shall have the right to grant sublicenses to Third Parties without the prior written consent of Onxeo. Monopar shall ensure that there are included in the terms of any sublicense substantially equivalent obligations and undertakings on the part of the Sublicensee to those applying to Monopar in this Agreement. Any such sublicenses shall be without limitation on Monopar's obligations hereunder and Monopar shall be solely responsible for the performance by any of its Sub-Licenses of Monopar's obligations hereunder.
- 3.3 **Use of Names; Logo.** Monopar, at its sole cost and expense, shall be responsible for the selection, registration, and maintenance of all Trademarks which it employs in connection with its activities conducted pursuant to this Agreement, including those licensed hereunder.
- 3.4 **No other licenses.** No license to use any Intellectual Property is granted to Monopar, or any Sublicensee, except the rights expressly granted in this Agreement.
- 3.5 **Technology Transfer by Onxeo after Exercise by Monopar of the Monopar Validive Option.** As soon as reasonably practical after Monopar exercises its Monopar Validive Option, Onxeo shall transfer to Monopar, at no cost to Monopar, all Onxeo Licensed Know-How and other information in Onxeo's possession and Control or reasonably available to Onxeo that are necessary or useful for the exercise by Monopar and its Affiliates of the rights granted under Section 3.1 with respect to Licensed Products and the Validive Materials. Onxeo shall provide all reasonable assistance, including making its personnel reasonably available for meetings or teleconferences, to support and assist Monopar, at no cost to Onxeo, in the Development and Commercialization of Licensed Products, for a period of one (1) year after Monopar exercises its Monopar Validive Option. Within thirty (30) days of receiving the License Fee, Onxeo shall:
- 3.5.1 transfer title to all IND's for Licensed Products to Monopar;
  - 3.5.2 assign Licensed Patents to Monopar;
  - 3.5.3 assign Licensed Trademarks to Monopar;
  - 3.5.4 submit to the appropriate authorities the necessary paperwork to transfer title to all orphan drug designations for Licensed Products to Monopar;
  - 3.5.5 transfer title in the Validive Materials to Monopar. Such materials are purchased 'as is' and "where is" and it shall be Monopar's responsibility to check the quality of such materials and that they are suitable for Monopar's use thereof; and
-

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

3.5.6 provide Monopar with such information and Know-How relating to the manufacture of Validive as is relevant to the efficient production of a sufficient quantity of Validive for clinical trials.

3.6 **Exclusivity.** During the Term, Onxeo will not engage in the research, discovery, optimization, development or commercialization of any products that would be considered a Licensed Product. Notwithstanding the foregoing, following termination of this Agreement, Onxeo shall be free to research, optimize, develop or commercialize, either on its own or with or through a Third Party, any Licensed Product.

3.7 **Acquisition of Rights.** Should Monopar wish, at any time during the Term, to acquire all right, title, and interest in and to the Licensed Intellectual Property, then held by Onxeo or any successor or permitted assignee, it may by giving notice to Onxeo request that Onxeo enter into negotiations in this regard. Any such acquisition on terms and conditions (including financial terms and conditions) acceptable to each Party in its sole discretion.

#### 4. FINANCIAL TERMS

4.1 **Option Fee.** [\*\*\*] for entering into this Agreement.

##### 4.2 License Fee.

4.2.1 Monopar shall pay to Onxeo within ten (10) Business Days of exercising the Monopar Validive Option the sum of one million dollars (\$1,000,000.00), the “**License Fee**”. The License Fee is a one-time, non-refundable, non-creditable payment.

##### 4.3 Development and Sales Milestones.

4.3.1 Monopar shall pay the following payments (each, a “**Milestone Payment**”) to Onxeo upon the first occurrence only of the following events (each, a “**Milestone Event**”) in relation to Licensed Product:

- (a) [\*\*\*] upon [\*\*\*] for a Licensed Product;
-

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

- (b) t[\*\*\*] upon [\*\*\*] for a Licensed Product;
- (c) [\*\*\*] upon [\*\*\*] for a Licensed Product;
- (d) [\*\*\*] upon [\*\*\*] for a Licensed Product;
- (e) [\*\*\*] upon [\*\*\*];
- (f) [\*\*\*] upon [\*\*\*];
- (g) [\*\*\*] upon [\*\*\*];
- (h) [\*\*\*] upon [\*\*\*];
- (i) [\*\*\*] upon [\*\*\*]; and
- (j) [\*\*\*] upon [\*\*\*].

4.4 **Royalty.** Monopar shall pay royalties to Onxeo on a Licensed Product-by-Licensed Product and country-by-country basis until the later of (1) the date when the Licensed Product is no longer within the scope of a Valid Claim of a Licensed Patent in the country of sale or manufacture, (2) the expiry of any Extended Exclusivity Period in the relevant country, or [\*\*\*] after the First Commercial Sale of the Licensed Product in such country. The rate shall be [\*\*\*] of Net Sales ex-US. For the United States, the rate shall be [\*\*\*] of Net Sales for the [\*\*\*] starting from the First Commercial Sale of Licensed Product [\*\*\*] of Net Sales for [\*\*\*] after the First Commercial Sale of Licensed Product, and [\*\*\*] of Net Sales from [\*\*\*] onward after the First Commercial Sale of Licensed Product. The otherwise applicable rate shall be reduced by [\*\*\*] on a Licensed Product-by-Licensed Product and country-by-country basis if a royalty payment is due solely by reason of subparagraph (3) above.

---

- 4.5 **Payments.** All payments due to Onxeo under this Agreement shall be made in dollars by bank wire transfer of immediately available funds, with fees of the transmitting bank paid by Monopar, to such bank account as Onxeo may notify to Monopar in writing from time to time.
- 4.6 **Timings of Payments.**
- 4.6.1 The payments due under Section [4.3](#) shall be payable within sixty (60) Business Days after when they are due.
  - 4.6.2 Any royalties due pursuant to Section [4.4](#) shall be paid Quarterly within sixty (60) days of the end of each Quarter with respect to Net Sales in such Quarter; and
  - 4.6.3 After Monopar exercises the Monopar Validive Option, any costs or expenses related to the Prosecution, registration or maintenance of Licensed Patents or Licensed Trademarks shall be paid by Monopar.
- 4.7 **Taxes.** All payments to Onxeo under this Agreement are expressed to be inclusive of value added tax (or any other sale goods tax) howsoever arising.
- 4.8 **Withholding.** In the event that Monopar is required by law to withhold or pay to any government authority any taxes on behalf of Onxeo, with respect to any payments to it hereunder, the amount payable to Onxeo shall not be increased such that the amount that Onxeo actually receives is equal to the amount that Onxeo would have received had no withholding been made. Monopar shall furnish Onxeo with proper evidence of the taxes so paid and Onxeo shall be responsible for reclaiming such tax. Each Party shall furnish the other Party with appropriate documents to secure application of the most favorable rate of withholding tax under applicable Law. Notwithstanding the above, in the event that Monopar, by reason of an assignment of its rights hereunder or other actions, causes Onxeo to be subject to withholding to which Onxeo is not subject as of the Effective Date, if Onxeo is unable to reclaim such withholding tax payments, Monopar shall increase such payments made hereunder such that the amount that Onxeo actually receives is equal to the amount that Onxeo would have received had no withholding been made.
-

- 4.9 **Quarterly Report.** Within forty-five (45) days after the end of each Quarter, Monopar shall send to Onxeo a written statement detailing in respect of that Quarter (including a nil report if appropriate):
- 4.9.1 any Milestone Event achieved by it or any Sublicensee and any Milestone Payment which became due to Onxeo;
  - 4.9.2 the quantity of Licensed Products sold or otherwise disposed of by Monopar at the wholesale and retail levels, its Affiliates or any Sublicensees in the Territory;
  - 4.9.3 the Net Sales in respect of Licensed Products in each country of the Territory in sufficient detail to allow Onxeo to calculate all payments due under Section [4.3](#) and Section [4.4](#), including, without limitation, the numbers of units of Licensed Products sold, the aggregate gross sales price for such units (in its native currency), and a description of the amount and justification for any deductions made to such aggregate gross sales in determining the reported Net Sales;
  - 4.9.4 the aggregate Net Sales in respect of that Quarter for Licensed Product;
  - 4.9.5 any currency conversions, showing the rates used; and
  - 4.9.6 the amount of the royalties due to Onxeo in respect of that Quarter.
- 4.10 **Interest.** Where the payee does not receive payment within the relevant period of any sums that are finally determined to be due and payable to it under this Agreement, interest shall accrue on the sum due and payable from the date payment was first due to the date payment is made at the rate equivalent to an annual rate of two percent (2%) over the then current base rate of one (1) month LIBOR, calculated on a daily basis, without prejudice to payee's right to receive payment within the relevant period, provided always the provisions of this Section [4.10](#) shall not apply to the extent and for the period that a Force Majeure event prevents payment.
- 4.11 **Accounts.**
- 4.11.1 Monopar shall:
    - (a) keep and, notwithstanding the expiry or termination of this Agreement, maintain for at least six (6) years, true and accurate accounts and records (including any underlying documents supporting such accounts and records) in sufficient detail to enable the amount of all sums payable under this Agreement to be determined; and
-

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

- (b) during the Term and thereafter until the said period of six (6) years relevant to the accounts and records has expired, at the reasonable request of Onxeo and (subject to Section [4.11.2](#)) at the expense of Onxeo from time to time, permit or procure permission for a qualified accountant nominated by Onxeo and reasonably acceptable to Monopar to inspect and audit those accounts and records.
- 4.11.2 If, following any inspection pursuant to Section [4.11.1\(b\)](#), Onxeo's nominated accountant confirms to Onxeo that the payments in respect of any Year fall short of the sums which were properly payable in respect of that Year under this Agreement, Onxeo shall send a copy of the certificate to Monopar and Monopar shall (subject to Section [4.11.3](#)) within [\*\*\*] of the date of receipt of the certificate pay the shortfall to Onxeo and, if the shortfall exceeds the greater of [\*\*\*] of the sum properly payable or [\*\*\*], Monopar shall also reimburse to Onxeo the reasonable costs and expenses of Onxeo in making the inspection, provided that costs and expenses so reimbursed shall not exceed [\*\*\*] of the shortfall so determined.
- 4.11.3 If within thirty (30) days of the date of receipt by Monopar of any certificate produced pursuant to Section [4.11.2](#) Monopar notifies Onxeo in writing that it disputes the certificate, the dispute shall be referred for resolution by an independent expert jointly appointed by the Parties. If the Parties fail to jointly appoint an independent expert, shall be finally resolved as provided in Article [10](#) (Dispute Resolution).

## 5. INTELLECTUAL PROPERTY

- 5.1 **Ownership of Arising Intellectual Property.** All right, title and interest in and to any data, Patents, and extensions thereof, Know-How and other information created, developed, or arising on or after the Effective Date and pertaining to Licensed Products shall be solely owned by Monopar. For the avoidance of doubt, Arising Intellectual Property generated through CMC, Quality, data, or clinical observations will be owned by Monopar. As of the Effective Date, at its own cost, Monopar shall have the full and exclusive benefit of, and right to apply for and obtain, patents or other similar forms of protection in respect of any part or parts of the subject-matter of the Licensed Patents throughout the world, and the right to claim priority from the Licensed Patents.
  - 5.2 **Ownership of Clinical Data.** Any Clinical Data generated by or on behalf of Monopar will be owned by Monopar.
-

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

### **5.3 Intellectual Property Management.**

- 5.3.1 Upon Monopar exercising its Monopar Validive Option, Monopar shall be responsible for, and shall bear or pay all costs and expenses related to, the Prosecution and maintenance, of the Licensed Patents and Patents claiming any Arising Intellectual Property, and the registration, renewal and maintenance of the Licensed Trademarks, until the termination of this agreement. The Parties shall hold all information they know or acquire under this Section [5.3.1](#) that is related to all such Patents as confidential, subject to the provisions of this Agreement.
- 5.3.2 Monopar shall keep Onxeo reasonably informed in writing as to the Prosecution, registration and/or maintenance status of the Licensed Patents and Licensed Trademarks, and shall at Onxeo's request promptly provide Onxeo with a copy of all submissions made to or responses received from the relevant patent and trademark offices and all correspondence to and responses received from the relevant patent and trademark agents in relation to the Licensed Patents and Licensed Trademarks in each country of the Territory.
- 5.3.3 If Monopar elects not to file an application or otherwise not prosecute, register and/or maintain a Licensed Patent or Licensed Trademark in any country of the Territory, Monopar shall notify Onxeo in writing promptly of its decision and shall use its reasonable efforts to provide Onxeo with at least [\*\*\*] notice prior to the expiration of any applicable time bars. During the aforementioned [\*\*\*] notice period, Monopar shall retain the responsibility for the Prosecution, registration and maintenance of the relevant Licensed Patent or Licensed Trademark. On the expiry of such notice period:
- (a) the license granted pursuant to Section [3.1.1](#) shall terminate in respect of that country and that relevant Licensed Product for any relevant Licensed Patent or Licensed Trademark which is the subject of such a notice;
  - (b) Monopar shall, at Onxeo's request, promptly transfer to Onxeo (or any person nominated by Onxeo) any and all documents and information in Monopar's control relating to such relevant Licensed Patent or Licensed Trademark; and
  - (c) Onxeo shall be free to Prosecute, register or abandon such relevant Licensed Patent or Licensed Trademark at its sole discretion and to grant rights thereunder to any Person without further reference to Monopar, and Onxeo shall thereafter be responsible for the expense of filing, prosecuting, registering and maintaining the relevant Patents and Trademarks.
-



[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

5.3.4 **Infringement.** Each Party will promptly notify the other Party in writing within [\*\*\*] of it becoming aware of any infringement or suspected infringement by a Third Party of any of the Licensed Patents or Licensed Trademarks, or any unauthorized use of the Licensed Know-How. In respect of the Licensed Patents, Patents claiming Arising Intellectual Property or Licensed Trademarks, Monopar may (a) at its own cost and expense and subject to Section [5.3.5](#), bring proceedings in its own name or, if required by law, jointly with Onxeo, for infringement of the Licensed Patents, Patents claiming Arising Intellectual Property or Licensed Trademarks; and (b) in any such proceedings settle any claim for infringement of the Licensed Patents, Patents claiming Arising Intellectual Property or Licensed Trademarks, provided that Monopar shall not, without the consent of Onxeo (which consent shall not be unreasonably withheld, conditioned or delayed), enter into any settlement that (a) imposes any liability or obligation on Onxeo, or (b) unreasonably reduces (i) the scope of the subject matter claimed in any Licensed Patent or (ii) the right to use any Licensed Trademark. Should Monopar fail to initiate such infringement proceedings within ten (10) Business Days of a demand therefor from Onxeo, Onxeo may do so at its own cost and subject to Section [5.3.5](#).

Monopar shall be solely responsible for the defense of any claims that its activities with respect to Licensed Products infringe the Intellectual Property Rights of any Third Parties and shall bear and pay the costs and expenses thereof.

5.3.5 **Entitlement to Proceeds.** Any damages, profits and awards of whatever nature recovered by a Party in any proceedings referred to in this Section [5.3](#) shall be retained solely by the Party directing or defending such suit or proceeding. In any such proceedings, the Party bringing or defending the proceedings (the “**Active Party**”) and the other Party (the “**Inactive Party**”) will bear all of its own costs, including attorneys’ fees, relating to such legal proceedings; provided that the Active Party shall bear the Inactive Party’s out-of-pocket expenses, including attorneys’ fees, incurred in complying with requests for cooperation made by the Active Party. The Inactive Party shall promptly provide the Active Party with all documents and assistance as the Active Party may reasonably require. The Active Party shall promptly provide the Inactive Party with notice of such proceedings and keep the Inactive Party regularly informed of progress and promptly provide the Inactive Party with such information as the Inactive Party may reasonably require including copies of all documents filed at court in the proceedings.

---

5.3.6 **Confirmatory Patent Licenses.** The Parties shall, at the request of either of them and at the expense of the requesting Party but for no further consideration, enter into such confirmatory patent licenses relating to the Licensed Patents, substantially in the form set out in [SCHEDULE 5](#), as may be necessary or desirable in accordance with the relevant Law and practice in each country in the Territory for registration at the relevant patent offices so that this Agreement need not be registered or recorded unless the Parties are required to do so by law. If there are any inconsistencies between the terms of any such confirmatory patent license and the provisions of this Agreement, this Agreement shall prevail.

5.3.7 **Patent Term Extension.** With respect to Licensed Products, Onxeo grants Monopar the exclusive right to apply for, in its own name where possible, a Supplementary Protection Certificate, patent term extension and/or any other exclusivity in respect of any Licensed Product. At Monopar's reasonable request, Onxeo shall provide, at no cost to itself, reasonable assistance to Monopar in connection with any such applications.

## 6. WARRANTIES AND LIMITATION OF LIABILITY

### 6.1 Warranty.

6.1.1 **No reliance on warranties not in the Agreement.** Each Party acknowledges that, in entering into this Agreement, it does not do so in reliance on any warranty or other provision except as expressly provided in this Agreement, and all conditions, warranties, terms and undertakings implied by statute or otherwise are excluded from this Agreement to the fullest extent permissible by law.

6.1.2 **Warranties.** Each Party hereby warrants to the other Party that, as of the Effective Date:

- (a) it is duly organized and validly existing under the laws of its place of incorporation;
-

- (b) it has legal power, authority and right to enter into this Agreement;
- (c) the execution and performance by it of its obligations hereunder will not constitute a breach of, or conflict with, its organizational documents nor any other material agreement or arrangement, whether written or oral, by which it is bound;
- (d) it has full corporate power and authority and has taken all corporate action necessary to enter into and perform this Agreement, and that this Agreement has been duly authorized, executed, and delivered by that Party; and
- (e) that this Agreement is a valid, binding, and legally enforceable obligation of that Party (subject to applicable Laws of insolvency and bankruptcy and customary conditions and limitations as concerns equitable remedies).

6.1.3 **Additional Warranties of Onxeo.** Onxeo warrants to Monopar at the Effective Date that:

- (a) it does not Control any Intellectual Property which is required for the use, import, development or sale of the Licensed Product in the Territory which is not included in the licenses granted under this Agreement;
  - (b) as far as it is aware there is no pending or existing, nor has Onxeo received notice of any threatened, litigation, actions, suits or claims against it before any court or governmental agency or other tribunal with regard to the Licensed Intellectual Property;
  - (c) as far as it is aware there are no oppositions, inter partes reviews, post grant reviews, derivation proceedings, or interferences concerning the Licensed Patents pending before any governmental agency or other tribunal;
  - (d) as far as it is aware there are no inventors of the Licensed Patents other than the inventors named therein;
  - (e) it is the legal and beneficial owner of the Licensed Intellectual Property free of any third party rights or encumbrances,
  - (f) as far as it is aware all maintenance fees and annual payments due in respect of the Licensed Patents have been paid;
-

- (g) as far as it is aware the use and possession of Validive or Validive Materials by Monopar shall not infringe the rights (including without limitation any Intellectual Property Rights) of any third party;
- (h) it has not done anything whereby the whole or any part of the rights assigned or licensed under the Agreement might be invalidated or registration of them refused;
- (i) it has not and will not enter into any agreement which prevents it fulfilling its obligations under this Agreement; and
- (j) as far as it is aware there is no material Know-How that is necessary or useful to the Development, Commercialization or manufacturing of the Product that is not included in the Licensed Know-How.

6.1.4 **No Further Representations or Warranties.** No director, officer, employee or agent of any Party or its Affiliates is authorized to make any further representation or warranty to the other Party which is not contained in this Agreement, and each Party acknowledges that it has not relied on any such oral or written representations or warranties.

**6.2 Limitation of Liability.** Neither Party, nor any Onxeo Indemnified Party, nor any Monopar Indemnified Party, nor their respective directors, officers, employees and agents shall have any liability under or in connection with this Agreement whether under statute or in tort (including but not limited to negligence), contract or otherwise in respect of: (i) any consequential or indirect loss; and/or (ii) any loss of goodwill, profit, opportunity or contract, in either case even if advised in advance of the possibility of such losses. However, nothing in this Agreement shall be construed as excluding or limiting the liability of any person for any liability which cannot be limited or excluded by law, such as for personal injury or death. This Section 6.2 in no way shall be construed to limit the liability of one Party to the other Party for milestones and royalties payable under the terms of this Agreement.

## 7. INDEMNITY AND INSURANCE

### 7.1 Indemnity.

7.1.1 **Indemnification by Monopar.** Monopar shall indemnify, defend and hold harmless the Onxeo Indemnified Parties against any and all Losses incurred or suffered by the Onxeo Indemnified Parties to the extent any Loss arises out of or was caused by an act or omission of Monopar arising from or in connection with: (a) the exercise of the rights granted in Section [3.1](#) or the actions of Monopar in relation to its Development, Commercialization or manufacture of a Licensed Product; or (b) in the performance of its obligations under this Agreement; except, in all cases, to the extent that such Loss arises out of or was caused by the violation by Onxeo of a legal or contractual duty owed to Monopar.

---

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

- 7.1.2 **Indemnification by Onxeo.** Onxeo shall indemnify, defend and hold harmless the Monopar Indemnified Parties against any and all Losses incurred or suffered by the Monopar Indemnified Parties to the extent such Loss arises out of or was caused by an act or omission of Onxeo in the performance of its obligations under this Agreement except, in all cases, to the extent that such Loss arises out of or was caused by the violation by Monopar of a legal or contractual duty owed to Onxeo.
- 7.1.3 **Notification of Liabilities/Losses.** A person or entity entitled to indemnification under this Section [7.1](#) (an “**Indemnified Party**”) shall give prompt written notification [\*\*\*] to the Party from whom indemnification is sought (the “**Indemnifying Party**”) of the commencement or notice of any claim or proceeding relating to a Loss for which indemnification may be sought or, if earlier, upon the assertion of any such Loss, (it being understood and agreed that the failure by an Indemnified Party to give notice of a Loss of which it has knowledge as provided in this Section [7.1.3](#) within [\*\*\*] shall relieve the Indemnifying Party of its indemnification obligation under this Agreement). The Indemnifying Party shall be liable for any reasonable legal fees and expenses subsequently incurred in connection with the defense of such Loss after receiving such notice. The Parties shall thereafter keep the other Party informed of any Losses.
- (a) In the case of a Loss for which Onxeo seeks indemnification under Section [7.1.1](#), Onxeo shall permit Monopar to direct and control the defense of the Loss and shall provide such reasonable assistance as is reasonably requested by Monopar (at Monopar’s cost) in the defense of the Loss; provided that nothing in this Section [7.1.3\(a\)](#) shall permit Monopar to make any admission on behalf of Onxeo, or to settle any claim or litigation which would impose any financial obligations on Onxeo without the prior written consent of Onxeo, such consent not to be unreasonably conditioned, withheld, or delayed.
-

- (b) In the case of a Loss for which Monopar seeks indemnification under Section [7.1.2](#), Monopar shall permit Onxeo to direct and control the defense of the Loss and shall provide such reasonable assistance as is reasonably requested by Onxeo (at Onxeo's cost) in the defense of the Loss, provided always that nothing in this Section [7.1.3\(b\)](#) shall permit Onxeo to make any admission on behalf of Monopar, to settle any claim or litigation which would impose any financial obligations on Monopar without the prior written consent of Monopar, such consent not to be unreasonably conditioned, withheld or delayed.

7.2 **Insurance.** Each Party, at its own expense, and reasonably prior to Commencement of any human being dosed with the Licensed Product, shall put in place and thereafter maintain, at its own cost, insurance through a reputable insurance company. For clarification, such insurance shall be maintained for an amount within the range that is customary for similar products in the Territory, on a country-by-country basis, where they are sold.

## 8. CONFIDENTIALITY

8.1 **Nondisclosure.** Each Party agrees that, during the Term and for a period of seven (7) years thereafter, a Party (the “**Receiving Party**”) receiving Confidential Information of the other Party (the “**Disclosing Party**”) (or that has received any such Confidential Information from the other Party prior to the Effective Date) shall (a) maintain in confidence such Confidential Information using not less than the efforts such Receiving Party uses to maintain in confidence its own proprietary industrial information of similar kind and value, (b) not disclose such Confidential Information to any Third Party without the prior written consent of the Disclosing Party, except for disclosures expressly permitted below, and (c) not use such Confidential Information for any purpose except those permitted by this Agreement (it being understood that this clause (c) shall not create or imply any rights or licenses not expressly granted under this Agreement).

8.2 **Exceptions.** The obligations in Section [8.1](#) shall not apply with respect to any portion of the Confidential Information that the Receiving Party can show by competent written proof:

- 8.2.1 is publicly disclosed by the Disclosing Party, either before or after it is disclosed to the Receiving Party hereunder;
-

- 8.2.2 was known to the Receiving Party or any of its Affiliates, without any obligation to keep it confidential or any restriction on its use, prior to disclosure by the Disclosing Party;
- 8.2.3 is subsequently disclosed to the Receiving Party or any of its Affiliates by a Third Party lawfully in possession thereof and without any obligation to keep it confidential or any restriction on its use;
- 8.2.4 is published by a Third Party or otherwise becomes publicly available or enters the public domain, either before or after it is disclosed to the Receiving Party; or
- 8.2.5 is independently developed by or for the Receiving Party or its Affiliates without reference to or reliance upon the Disclosing Party's Confidential Information.
- 8.3 **Authorized Disclosure.** The Receiving Party may disclose Confidential Information belonging to the Disclosing Party, and Confidential Information deemed to belong to both Parties under the terms of this Agreement, to the extent (and only to the extent) such disclosure is reasonably necessary in the following instances:
- (a) Prosecuting Patents;
  - (b) Regulatory Filings and obtaining Regulatory Approvals;
  - (c) Prosecuting or defending litigation, including responding to a subpoena in a third party litigation;
  - (d) Subject to Section [8.4](#), complying with Laws (including the rules and regulations of the Securities and Exchange Commission or any securities exchange) and with judicial process, if in the reasonable opinion of the Receiving Party's counsel, such disclosure is necessary for such compliance; and
  - (e) Disclosure, solely on a "need to know basis," to Affiliates.
- 8.4 **Securities Filings.** In the event either Party proposes to file with the Securities and Exchange Commission or the securities regulators of any state or other jurisdiction a registration statement or any other disclosure document which describes or refers to the terms and conditions of this Agreement under the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or any other applicable securities Law, the Party shall notify the other Party of such intention and shall provide such other Party with a copy of relevant portions of the proposed filing prior to such filing (and any revisions to such portions of the proposed filing a reasonable time prior to the filing thereof), including any exhibits thereto relating to the terms and conditions of this Agreement, and shall use reasonable and diligent efforts to obtain confidential treatment of the terms and conditions of this Agreement that such other Party requests be kept confidential, and shall only disclose Confidential Information that it is advised by counsel that it legally is required to disclose. No such notice shall be required under this Section [8.4](#) if the description of or reference to this Agreement contained in the proposed filing has been included in any previous filing made by either Party hereunder or otherwise approved by the other Party.
-

- 8.5 **Publications.** After exercise of the Monopar Validive Option, Monopar shall have the exclusive right to publish or present data and/or results relating to Licensed Products.
- 8.6 **Effect of Disclosure.** The Receiving Party agrees that the disclosure of the Disclosing Party's Confidential Information without the express written consent of the Disclosing Party may cause irreparable harm to the Disclosing Party, and that any breach or threatened breach of this Agreement by the Receiving Party may entitle the Disclosing Party to injunctive relief, in addition to any other legal remedies available to it, in any court of competent jurisdiction.
- 8.7 **Relationship to Confidentiality Agreement.** This Agreement supersedes the Mutual Confidential Disclosure Agreement between the Parties executed as of January 19, 2016; provided that all "Confidential Information" disclosed or received by the Parties thereunder shall be deemed "Confidential Information" hereunder and shall be subject to the terms and conditions of this Agreement.

## 9. TERM AND TERMINATION

- 9.1 **Term; Expiration.** This Agreement shall become effective as of the Effective Date and shall continue in force and effect until expiration as described in this Section [9.1](#), unless earlier terminated pursuant to Section [9.2](#), [9.3](#), or [9.4](#), and shall expire as follows:
- 9.1.1 on a Licensed Product-by-Licensed Product and country-by-country basis, on the date of expiration of all payment obligations of Monopar under this Agreement with respect to each Licensed Product in each country, as applicable;
  - 9.1.2 in its entirety upon the expiration of all payment obligations under this Agreement with respect to the last Licensed Product Commercialized in the last country in the Territory; or
-



[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

- 9.1.3 if Monopar does not exercise the Monopar Validive Option in accordance with Section [2.1](#), then this Agreement will terminate in its entirety upon the expiration of the Monopar Validive Option.
- 9.1.4 The period beginning on the Effective Date and ending on expiration or termination of this Agreement, or as the case may be, until the date of expiration or termination of a Licensed Product, shall be the “**Term**” of this Agreement in its entirety or with respect to a given Licensed Product, as applicable.

## 9.2 Termination for cause.

- 9.2.1 **Material Breach.** Either Party (the “**Non-Breaching Party**”) may, without prejudice to any other remedies available to it at law or in equity, terminate this Agreement in its entirety, or terminate any Licensed Product in any portion of the Territory that is affected by a material breach, in its sole discretion, in the event the other Party (the “**Breaching Party**”) has materially breached this Agreement, and such breach, if curable, has continued for [\*\*\*] (the “**Cure Period**”) after written notice thereof is provided to the Breaching Party by the Non-Breaching Party, such notice describing the alleged material breach in sufficient detail to put the Breaching Party on notice; provided that, if such breach is not susceptible to cure within the Cure Period, then, the Non-Breaching Party’s right to termination shall be suspended only if and for so long as the Breaching Party has provided to the Non-Breaching Party a written plan that is reasonably calculated to effect a cure and such plan is reasonably acceptable to the Non-Breaching Party, and the Breaching Party commits to and does carry out such plan. In all circumstances, if within the Cure Period the Breaching Party pays the Non-Breaching Party an amount equal to the costs, damages, expenses and losses incurred as a result of the material breach, the material breach shall be considered cured.
  - 9.2.2 **Disagreement as to Material Breach; Cure Period.** If the Parties reasonably and in good faith disagree as to whether there has been a material breach, the Party that disputes that there has been a material breach may contest the allegation in accordance with Article [10](#) (Dispute Resolution). Notwithstanding the preceding sentence, the Cure Period for any allegation made in good faith as to a material breach under this Agreement will run from the date that written notice thereof was first provided to the Breaching Party by the Non-Breaching Party. The right of either Party to terminate this Agreement, in whole or in part, as provided in this Section [9.2](#), shall not be affected in any way by such Party’s waiver or failure to take action with respect to any previous default. It is understood and acknowledged that, during the pendency of such a dispute, all of the terms and conditions of this Agreement shall remain in effect, and the Parties shall continue to perform all of their respective obligations under this Agreement.
-

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

### 9.3 **Monopar Unilateral Termination Rights.**

9.3.1 **Termination of Agreement in Its Entirety.** Monopar may, in its sole discretion, exercisable at any time during the Term, terminate this Agreement in its entirety for any reason or no reason at all, upon [\*\*\*] written notice to Onxeo.

9.3.2 **Termination on a Licensed Product-by-Licensed Product basis.** Monopar may, in its sole discretion, exercisable at any time during the Term, terminate this Agreement on a Licensed Product-by-Licensed Product basis for any reason or no reason at all, upon [\*\*\*] written notice to Onxeo.

9.4 **Termination for Insolvency.** To the extent permitted under Law, either Party may terminate this Agreement, (a) if, at any time, the other Party files in any court or agency pursuant to any statute or regulation of any state or country, a petition in bankruptcy or insolvency or for reorganization or for an arrangement or for the appointment of a receiver or trustee of the Party or of substantially all of its assets, or (b) if the other Party is served with an involuntary petition against it, filed in any insolvency proceeding, and such petition shall not be dismissed within [\*\*\*] after the filing thereof, or (c) if the other Party shall propose or be a party to any dissolution or liquidation, or (d) if the other Party shall make an assignment of substantially all of its assets for the benefit of creditors. Each Party agrees to give the other Party prompt notice of the foregoing events giving rise to termination under this Section 9.4. All rights and licenses granted under or pursuant to any section of this Agreement are and shall otherwise be deemed to be for purposes of Section 365(n) of Title 11, United States Code (the “**Bankruptcy Code**”) licenses of rights to “intellectual property” as defined in Section 101(35A) of the Bankruptcy Code. The Parties shall retain and may fully exercise all of their respective rights and elections under the Bankruptcy Code. All materials required to be delivered by the non-bankrupt Party under this Agreement (including all manufacturing information), and all materials relating to the Licensed Intellectual Property that, in the course of dealing between the Parties under this Agreement, are or would be customarily delivered, shall be considered to be “embodiments” of such intellectual property for purposes of Section 365(n) of the Bankruptcy Code. Upon the bankruptcy of any Party, the non-bankrupt Party shall further be entitled to a complete duplicate of, or complete access to, any Intellectual Property licensed to the non-bankrupt Party, and such, if not already in its possession, shall be promptly delivered to the non-bankrupt Party, unless the bankrupt Party elects to continue, and continues, to perform all of its obligations under this Agreement. All written agreements entered into in connection with the Parties’ performance under this Agreement from time to time shall be considered agreements “supplementary” to this Agreement for purposes of Section 365(n) of the Bankruptcy Code.

---

9.5 **Consequences of Expiration or Termination.** All of the following effects of expiration or termination, as applicable, are in addition to the other rights and remedies that may be available to the Parties at law or in equity.

9.5.1 **Consequences of Expiration of the Term.** Upon expiration of the Term, as determined on a Licensed Product-by-Licensed Product and country-by-country basis, Monopar shall have an exclusive, fully-paid, royalty-free, perpetual right and license, with the right to grant sublicenses, under all Licensed Patents and Licensed Know-How to use, sell, offer to sell, import, make and have made any Licensed Product in the Field and in the Territory.

9.5.2 **Consequences of Termination of this Agreement by Monopar Pursuant to Section [9.3.1](#) or by Onxeo Pursuant to Section [9.1.3](#), [9.2.1](#), or [9.4](#).** In the event of a termination of this Agreement in its entirety by Monopar pursuant to Section [9.3.1](#) or a termination of this Agreement in its entirety by Onxeo pursuant to Section [9.1.3](#) (failure to exercise the Monopar Validive Option) or [9.2.1](#) (for cause) or [9.4](#) (insolvency):

- (a) notwithstanding anything contained in this Agreement to the contrary, all rights and licenses granted herein to Monopar with respect to any Licensed Products shall terminate;
  - (b) all payment obligations hereunder shall terminate, other than those that are accrued and unpaid as of the effective date of such termination;
  - (c) should Onxeo so demand, Monopar shall assign to Onxeo any Patents or Know-How (other than the Licensed Patents and Licensed Know-How) Controlled by Monopar that Monopar both actually uses and are necessary to Develop or Commercialize Licensed Products and shall negotiate in good faith with Onxeo the amount of contingent milestone and/or royalty payments which shall be the sole consideration for such assignment. The transfer of such rights to Onxeo shall be automatically effective upon Onxeo's demand even if the amount of each milestone and/or royalty payments are not determined. In the event that the Parties are not able to agree amount of milestone and/or royalty payments within three (3) months after commencement of such negotiations, the dispute shall be submitted to final and binding arbitration, as provided in Section [10.3](#)
-

- (d) Monopar shall promptly either, at Onxeo's election, return to Onxeo or destroy, at no cost to Onxeo, all Onxeo Licensed Know-How, Materials, and other data and information transferred by Onxeo to Monopar, including all Onxeo Licensed Know-How, Validive Materials, and other information transferred to Monopar pursuant to Section [3.5](#); and Onxeo, except as provided in Section [9.5.2\(e\)](#) or [9.5.2\(f\)](#) shall promptly either, at Monopar's election, return to Monopar or destroy, at no cost to Monopar, all Monopar Confidential Information;
  - (e) Monopar will provide, as soon as reasonably practical after Monopar's notice of such termination, to Onxeo, to the extent permitted under any applicable Third Party contract, (i) any information, Validive Materials, and data for, including copies of all clinical study data and results, and all other information, and the like developed by or for the benefit of Monopar directly and solely relating to Licensed Products, and (ii) other documents to the extent directly and solely related to the Licensed Products that are necessary in the continued Development and Commercialization of Licensed Products throughout the Territory. Notwithstanding the foregoing, this Section [9.5.2\(e\)](#) shall not apply in the case of a termination of this Agreement in its entirety by Onxeo pursuant to Section [9.1.3](#) (failure to exercise the Monopar Validive Option); and
  - (f) should Onxeo so demand, Monopar shall assign to Onxeo any and all title to Regulatory Approvals directly and solely related to Licensed Products (including orphan drug designations), all title to Licensed Intellectual Property or registrations thereof, and Regulatory Filings directly and solely related to Licensed Products; provided that this Section [9.5.2\(f\)](#) shall also apply in the case of a termination of this Agreement in its entirety by Onxeo pursuant to Section [9.1.3](#) (failure to exercise the Monopar Validive Option).
-

9.5.3 **Consequences of Termination by Monopar Pursuant to Section 9.2.1 or 9.4.** In the event of termination by Monopar of this Agreement in its entirety or with respect to a Licensed Product pursuant to Section 9.2 (for cause) or pursuant to Section 9.4 (insolvency):

- (a) all licenses granted to Monopar with respect to Licensed Products shall continue in full force in perpetuity;
- (b) all future milestones and royalties payable by Monopar under this Agreement shall be reduced by a percentage agreed to by Monopar and Onxeo. In the event the Parties are not able to agree on the percentage amount within three (3) months after commencement of such negotiations, the dispute shall be submitted to final and binding arbitration as provided in Section 10.3; and
- (c) Onxeo shall promptly either, at Monopar's election, return to Monopar or destroy, at no cost to Monopar, all Monopar Confidential Information, materials, and other data and information transferred by Monopar to Onxeo.

9.5.4 **Sell-Down.** If Monopar, its Affiliates or Sublicensees at termination of this Agreement possess Licensed Product, have started the manufacture thereof or have accepted orders therefor, Monopar, its Affiliates or Sublicensees shall have the right, for up to one (1) year following the date of termination, to sell their inventories thereof, complete the manufacture thereof and Commercialize such fully-manufactured Licensed Product, in order to fulfill such accepted orders or distribute such fully-manufactured Licensed Product, but only in the ordinary course of business and on the same terms and conditions of sale as previously applied and subject to the obligation of Monopar to pay Onxeo any and all payments as provided in this Agreement.

9.6 **Provisions to continue on termination.** The termination of this Agreement howsoever arising will be without prejudice to the rights and duties of either Party accrued prior to termination. The following Articles will continue to be enforceable notwithstanding termination: Articles 6, 8, 10 and 11 and Sections 4.5, 4.6, 4.7, 4.8, 4.9, 4.10, 4.11, 5.1, 5.2, 7.1 and 9.5 inclusive.

---

## 10. DISPUTE RESOLUTION

- 10.1 The Parties recognize that disputes as to certain matters arising under this Agreement may arise from time-to-time. It is the objective of the Parties to seek to resolve any disputes arising under this Agreement in an expedient manner and, if at all possible, without resort to litigation, and to that end the Parties agree to abide by the procedures set forth in this Section [10](#) to resolve any such disputes. The Parties initially shall attempt to resolve any issues through good faith negotiations in the spirit of mutual cooperation between senior managers of the Parties with authority to resolve the dispute, for a period of thirty (30) days after receipt of the first notice by either Party requesting negotiations. Should any issue not be timely resolved by good faith negotiations, any dispute with respect thereto shall be submitted to final and binding arbitration, as provided below.
- 10.2 Any controversy or claim arising out of or relating to this Agreement, or the interpretation or breach thereof, shall be resolved by final and binding arbitration administered by the International Centre for Dispute Resolution in accordance with its International Arbitration Rules as then in force. The number of arbitrators shall be three (3), or one (1) if the amount in controversy is less than one million dollars (\$1,000,000), and the place of arbitration shall be New York County, New York. When three (3) arbitrators are required based on the amount in controversy, each Party shall appoint an arbitrator and the Parties shall mutually agree on the appointment of the third arbitrator. When one (1) arbitrator is required based on the amount in the controversy, the Parties shall mutually agree on the appointment of an arbitrator within one (1) month of submission of the request for arbitration, failing which the sole arbitrator shall be selected by the International Centre for Dispute Resolution. The language of the arbitration shall be English. The arbitrator(s) shall be entitled to award interim and conservatory relief to the fullest extent permitted by New York law, shall apply the International Bar Association Rules on the Taking of Evidence in International Commercial Arbitration as now in effect, and shall otherwise apply New York procedural law.
- 10.3 In the event that the Parties are unable to complete negotiations as described in the definition of “Net Sales”, in Section [9.5.2\(c\)](#) or in Section [9.5.3\(b\)](#) within the time period there indicated, each Party shall, no later than the last day of such period, submit its final and best offer to the other Party, and a single arbitrator appointed pursuant to Section [10.2](#) (and without further negotiations as provided in Section [10.1](#)), whose sole authority shall be to select one of the final offers so submitted.
-

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

## 11. MISCELLANEOUS

- 11.1 **Severability.** If any one or more of the provisions of this Agreement is held to be invalid or unenforceable, the provision shall be considered severed from this Agreement and shall not serve to invalidate any remaining provisions hereof. The Parties shall make a good faith effort to replace any invalid or unenforceable provision with a valid and enforceable one such that the objectives contemplated by the Parties when entering this Agreement may be realized.
- 11.2 **Notices.** All notices shall be in writing and sent by hand, email, or recorded delivery and shall be deemed to be properly served: (i) if sent by hand, when delivered at the relevant address; (ii) if sent by recorded delivery, three (3) Business Days after posting; (iii) if sent by email, when transmitted, provided a confirmatory copy is sent by post within twenty four (24) hours of transmission, and shall be sent to the following addresses or email address as may be amended by the relevant Party in writing:
- If to Onxeo:
- Onxeo S.A.  
49, boulevard du Général Martial Valin, 1<sup>st</sup> Floor  
75015 Paris, France  
Attention: Judith Greciet  
email: [\*\*\*]
- If to Monopar:
- Monopar Therapeutics Inc.  
598 Rockefeller Rd  
Lake Forest, IL 60045  
Attention: Chandler Robinson  
email: [\*\*\*]
- 11.3 **Variation.** No variation, modification, amendment, extension or release from any provision of this Agreement shall be effective unless it is in writing, signed by both Parties.
- 11.4 **Force Majeure.** Except for the payment of money, neither Party shall be liable for delay or failure in the performance of any of its obligations hereunder if such delay or failure is due to causes beyond its reasonable control, including acts of God, fires, earthquakes, acts of war, terrorism, or civil unrest (“**Force Majeure**”); provided, however, that the affected Party promptly notifies the other Party and further provided that the affected Party shall use its Commercially Reasonable Efforts to avoid or remove such causes of non-performance and to mitigate the effect of such occurrence, and shall continue performance with the utmost dispatch whenever such causes are removed. When such circumstances arise, the Parties shall negotiate in good faith any modifications of the terms of this Agreement that may be necessary or appropriate in order to arrive at an equitable solution.
-

- 11.5 **Entire Agreement.** This Agreement and the attached Schedules constitutes the entire agreement between the Parties as to the subject matter of this Agreement, and supersedes and merges all prior and contemporaneous negotiations, representations, agreements and understandings regarding the same.
- 11.6 **Further Assurance.** Each Party hereby undertakes to do all such other acts and things, and execute and provide all such documents at the other Party's request and cost as may be necessary or desirable to give effect to the purposes of this Agreement.
- 11.7 **Waiver.** No relaxation, forbearance, waiver or indulgence by either Party in enforcing any of the terms or conditions of this Agreement or the granting of time by either Party to the other shall prejudice, affect or restrict the rights and powers of such Party, unless contained in a writing signed by the Party charged with such waiver. The waiver of any breach of any term or any condition of this Agreement shall not be construed as a waiver of any subsequent breach of a term or condition of the same or of a different nature.
- 11.8 **Relationship of the Parties.** Each Party is an independent contractor under this Agreement. Nothing contained herein is intended or is to be construed so as to constitute Onxeo and Monopar as partners, agents or joint venturers. Neither Party shall have any express or implied right or authority to assume or create any obligations on behalf of or in the name of the other Party or to bind the other Party to any contract, agreement or undertaking with any Third Party. There are no express or implied third party beneficiaries hereunder.
- 11.9 **Execution.** This Agreement may be executed in any one or more number of counterpart agreements, and as scanned email attachments, and all signatures and counterparts so exchanged shall be considered as original and shall be deemed to form part of and together constitute this Agreement.
- 11.10 **Assignment.** Neither Party may, without the consent of the other Party, assign or transfer any of its rights and obligations hereunder; provided that no such consent is required for an assignment or transfer to an Affiliate of or to a successor in interest by reason of merger or consolidation or sale of all or substantially all of the assets of such Party relating to the subject matter of this Agreement; provided further that (a) with respect to an assignment to a successor in interest, such assignment includes all rights and obligations under this Agreement, (b) such successor in interest or Affiliate shall have agreed as of such assignment or transfer to be bound by the terms of this Agreement in a writing provided to the non-assigning Party, and (c) where this Agreement is assigned or transferred to an Affiliate, the assigning Party remains responsible for the performance of this Agreement. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding on the Parties' successors and assigns. Any assignment or transfer in violation of the foregoing shall be null and void and wholly invalid, the assignee or transferee in any such assignment or transfer shall acquire no rights whatsoever, and the non-assigning, non-transferring Party shall not recognize, nor shall it be required to recognize, such assignment or transfer.
-



- 11.11 **Public Announcements.** The text of any press release, shareholders' report or other communication to be published or disclosed in any way naming the other Party or this Agreement, other than as required by law or by any regulatory or government authority, shall be submitted to the other Party at least seven (7) days in advance of publication or disclosure for approval, such approval not to be unreasonably withheld; provided that insofar as a disclosure repeats or restates a prior public disclosure permitted by this Agreement, such disclosure need not be submitted to the other Party for approval.
- 11.12 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York without giving effect to the principles of conflicts of laws (other than Section 5-1401 of the New York General Obligations Law).

*[Signature Page Follows]*

---

**IN WITNESS** whereof this Agreement has been executed by duly authorized officers of the Parties on the day first above written.

For and on behalf of **ONXEO S.A.**

Signed by: /s/ Judith Greciet

Name: Judith Greciet

Title: CEO

For and on behalf of **MONOPAR THERAPEUTICS INC.**

Signed by: /s/ Chandler D. Robinson

Name: Chandler D. Robinson

Title: CEO

---

\*\*\* = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

**SCHEDULE 1**  
**LICENSED PATENTS**

Validive patent status 26/04/20

Onxeo's Reference	Country/Region	Application Number	Grant Date	Patent Number	Status
***	***	***	***	***	***
Onxeo's Reference	Country/Region	Application Number	Grant Date	Patent Number	Status
***	***	***	***	***	***

---

## **SCHEDULE 2**

### **LICENSED KNOW-HOW**

The Licensed Know-How shall include all regulatory and technical documents that the personnel of Onxeo responsible for Development and Commercialization of Onxeo's products maintain in the ordinary course of business with respect to the Licensed Products, including:

- (1) a copy of the submissions to and correspondence to and from the regulatory authorities;
  - (2) the list of the composition thereof;
  - (3) reports and filings concerning complaints and adverse incidents not otherwise provided; and
  - (4) marketing and promotional materials, if any.
-

\*\*\* = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

**SCHEDULE 3**

**LICENSED TRADEMARKS**

<b>ONXEO-Ref</b>	<b>Title</b>	<b>Jurisdiction</b>	<b>Filing Number</b>	<b>Filing Date</b>	<b>Registration Number</b>	<b>Registration Date</b>
***	***	***	***	***	***	***

---

\*\*\* = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

#### SCHEDULE 4

#### VALIDIVE MATERIALS

***	***	***	***
-----	-----	-----	-----

#### Raw materials

Description	Expiry
***	***
*** (development)	***

#### Stability Study

Description	Study point ongoing	Location
<b>Clinical Batches</b>		
***	***	***
<b>Technical Batches</b>		
***	***	***

**SCHEDULE 5**

**CONFIRMATORY PATENT LICENSE**

**THIS DEED is made the \_\_\_\_\_ day of \_\_\_\_\_, 201[●]**

- 1) **MONOPAR THERAPEUTICS INC**, whose principal office is 598 Rockefeller Road, Lake Forest, Illinois, USA, 60045 (“**Monopar**”); and
- 2) **ONXEO S.A.**, with its principal place of business located at 49, boulevard du Général Martial Valin, 75015 Paris, France (hereinafter “**Onxeo**”).

**RECITALS:**

By an agreement (the “**Main Agreement**”) dated \_\_\_\_\_ and made between Monopar and Onxeo. Onxeo agreed for the consideration therein contained, among other things, to grant to Monopar a license under [Country/region Patent No. \_\_\_\_\_] (the “**Patent**”) of which this Agreement is a confirmatory license.

**OPERATIVE PROVISIONS:**

1. In pursuance of the Main Agreement and for the consideration referred to in the Main Agreement Onxeo hereby grants to Monopar the exclusive license from the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ to research, develop, use, keep, make, have made, import, sell and otherwise dispose of Licensed Products (as defined in the Main Agreement) in the Field (as defined in the Main Agreement) in the Territory (as defined in the Main Agreement) for the life of the Patent and subject to the provisions of the Main Agreement.
2. Subject to the provisions of the Main Agreement this Agreement shall terminate without notice in the event of the termination of the Main Agreement in accordance with its terms.

IN WITNESS of which this Agreement has been executed as a deed and delivered the day and year first above written.

EXECUTED as a deed ) Name (PRINT):

For and on behalf of ) Title (PRINT):

**ONXEO S.A.** ) Signature:

) Date:

) Name (PRINT)

) Title (PRINT)

) Signature:

) Date:

acting by a Director and its Secretary / two Directors

EXECUTED as a deed ) Name (PRINT):

For and on behalf of ) Title (PRINT):

**MONOPAR THERAPEUTICS INC** ) Signature:

) Date:

) Name (PRINT)

) Title (PRINT)

) Signature:

) Date:

acting by a Director and its Secretary / two Directors

---

**AMENDMENT No. 1 to VALIDIVE OPTION AND LICENSE AGREEMENT**

This amendment number one (“**Amendment**”) to the Validive Option and License Agreement dated June 17, 2016 (the “**Agreement**”) is by and between Monopar Therapeutics Inc., a Delaware corporation having a place of business at 5 Revere Drive, Suite 200, Northbrook, Illinois 60062 (“**Monopar**”), and Onxeo S.A., a French société anonyme à Conseil d’administration located at 49, boulevard du Général Martial Valin, 75015 Paris, France (“**Onxeo**”). Monopar and Onxeo shall also hereinafter be referred to as a Party or collectively as the Parties.

**RECITALS**

WHEREAS, the Parties entered into the Agreement effective June 17, 2016 (“**Effective Date**”);

WHEREAS, Monopar has exercised the licensing option and paid the License Fee as provided in the Agreement; and

WHEREAS, the Parties now wish to amend the Agreement as more particularly set forth below.

NOW, THEREFORE, in consideration of the covenants contained herein the Parties hereto, intending to be legally bound hereby, agree to and hereby do amend the Agreement as follows:

1. All capitalized terms used herein and not otherwise defined shall have the same meaning as defined in the Agreement.
2. Schedule 3 of the Agreement is replaced in its entirety with the attached Schedule 3.
3. For the avoidance of doubt, the Trademarks added to Schedule 3 by this Amendment (“**Additional Trademarks**”) shall be deemed Licensed Trademarks under the Agreement as of the Effective Date and within the rights granted by Onxeo to Monopar including assignment upon Monopar’s exercise of the Monopar Validive Option.
4. Onexo agrees to execute and deliver documents as may be necessary or desirable to give effect to the assignment of the Additional Trademarks.
5. Except as otherwise amended hereby, the Agreement shall remain in full force and effect as presently written, and the rights, duties, liabilities and obligations of the Parties thereto will continue in full effect.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed by their duly authorized representatives, effective of the Effective Date.

MONOPAR THERAPEUTICS INC. Signature: <u>/s/ Chandler D. Robinson</u> Print Name: Chandler Robinson <input type="checkbox"/> <input type="checkbox"/> Title: CEO	ONXEO S.A. Signature: <u>/s/ Judith Greciet</u> Print Name: Judith Greciet <input type="checkbox"/> <input type="checkbox"/> Title: CEO
--	--

---



\*\*\* = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

**Schedule 3 Licensed Trademarks**

Title	Jurisdiction	Filing Number	Filing Date	Registration Number	Registration Date
***	***	***	***	***	***

---

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

### CONTRIBUTION AGREEMENT (351)

This Contribution Agreement (this “*Agreement*”) is entered into as of August 25, 2017 (the “*Effective Date*”), among TacticGem LLC, a Delaware limited liability company (the “*Company*”), Monopar Therapeutics Inc., a Delaware corporation (“*Monopar*”), Gem Pharmaceuticals, LLC, an Alabama limited liability company (“*Gem*”) and Tactic Pharma, LLC, an Illinois limited liability company (“*Tactic*”, and collectively with Gem, the owners of 100% of the issued and outstanding limited liability company interests of the Company). The Company, Monopar, Tactic, and Gem are sometimes hereinafter referred to collectively as the “*Parties*”, and each individually as a “*Party*”.

#### BACKGROUND INFORMATION

A. The parties have entered into that certain Contribution Agreement by and among the Company, Tactic, and Gem, dated as of August 24, 2017 (the “*721 Contribution Agreement*”) whereby Gem contributed to the Company all of Gem’s right, title and interest in and to the property and assets described on Exhibit A attached hereto (collectively, the “*Gem Contributed Assets*”) and Tactic contributed to the Company the Tactic Contributed Assets (as defined in the 721 Contribution Agreement).

B. Pursuant to this Agreement and subsequent to the contributions contemplated by the 721 Contribution Agreement, the Company will contribute (the “*Company Contribution*”) to Monopar all of the Company’s right, title and interest in and to the Gem Contributed Assets in exchange for 3,055,394.12 shares of Monopar’s common stock. Subsequent to the transactions contemplated by the 721 Contribution Agreement and this Agreement, the Company will own 7,166,667 shares of Monopar common stock, which will constitute 79.70% of the total number of shares outstanding of Monopar. By a separate agreement (the “*Investor Contribution Agreement*”), entered into on or before this Agreement, between Monopar and a third party investor (the “*Investor*”), the Investor will contribute \$2,000,004 to Monopar in exchange for 333,334 shares of common stock (the “*Investor Contribution*”, and together with the Company Contribution, the “*351 Transaction*”). The Company and the Investor, collectively, will own at least 80% of the total combined voting power of all classes of stock entitled to vote and at least 80% of the total number of shares of all classes of stock of Monopar subsequent to the 351 Transaction.

C. It is the intent of the Parties hereto that the 351 Transaction constitutes a tax-free transfer pursuant to Section 351 of the Internal Revenue Code of 1986, as amended.

---

## STATEMENT OF AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

### ARTICLE I COMPANY CONTRIBUTION

§1.1 **Contribution.** As of the Effective Date, (a) the Company hereby contributes the Gem Contributed Assets to Monopar, and (b) Monopar hereby accepts the Gem Contributed Assets, and assumes and agrees to perform all obligations, restrictions and conditions which are applicable to the Gem Contributed Assets to the extent such obligations arise or accrue from and after the Effective Date (except as otherwise provided in this Agreement). Monopar does not assume or otherwise accept responsibility for any Liabilities (as defined in the 721 Agreement) or obligations of Gem, Tactic, or the Company, provided that Monopar will assume the obligations of Gem accruing or arising after the Effective Date under the agreements listed on the attached Exhibit B (the “*Assigned Contracts*”), with Gem being responsible for all such liabilities and obligations accruing or arising prior to the Effective Date.

§1.2 **Shares Issued.** In exchange for the Gem Contributed Assets, Monopar shall issue 3,055,394.12 shares of its common stock (the “*Issued Stock*”) to the Company. The Company shall hold such shares as a separate block of stock that may be specifically identified as separate from the other 4,111,272.88 shares of Monopar common stock held by the Company.

### ARTICLE II REPRESENTATIONS AND WARRANTIES

§2.1 **Representations and Warranties of the Company, Tactic, and Gem.** The representations and warranties of the Company, Tactic, and Gem set forth in Article 5 of the 721 Agreement are hereby made by them to Monopar and incorporated by reference in this Agreement as if fully rewritten herein.

§ 2.2 **Representations and Warranties of Monopar.** Monopar hereby represents and warrants to each of the other Parties hereto that the statements contained in this §2.2 are, except as would not be reasonably expected to have a material adverse effect, true and correct as of the Effective Date.

- (a) Organization; Authority; Enforceability. Monopar is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, and has full corporate power and authority to execute and deliver this Agreement and perform its obligations hereunder. This Agreement constitutes the legal, valid, and binding obligation of Monopar, enforceable against Monopar in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, and other similar laws relating to and/or affecting creditors’ rights generally and to general equitable principles. The Issued Stock, when issued pursuant to the terms and conditions of this Agreement, will be duly authorized, validly issued, fully paid, and non-assessable, and issued in compliance with all applicable federal and state securities laws.
-

(b) Non-Contravention. Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which Monopar is subject or any provision of Monopar's Organizational Documents or any other governing document of Monopar or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which any assets of Monopar are subject (or result in the imposition of any Encumbrance upon any assets of Monopar).

(c) Private Placement Memorandum of Monopar. The Private Placement Memorandum of Monopar dated August 22, 2017, which includes the private placement memorandum dated March 25, 2017 (the "**PPM**") contains information about Monopar. The PPM was prepared for an offering limited to accredited investors and does not contain all of the information that would be included in a registration statement filed with the SEC. Monopar is not aware of any inaccurate statements of fact in the PPM.

(d) Capitalization. (i) The authorized capital of Monopar as of July 31, 2017 consisted of 40,000,000 shares of common stock, \$0.001 par value per share, and 8,675,919.61 shares of common stock outstanding (non-dilutive); (ii) on a fully diluted basis, accounting for all issued options, there were 9,231,439.61 shares of common stock outstanding as of July 31, 2017; (iii) following the surrender of 2,888,727.12 shares of Tactic's Monopar common stock back to Monopar, Monopar would have shares outstanding of 5,787,192.5 shares of common stock (non-dilutive), and 6,342,712.5 shares of common stock on a fully-diluted basis; and (iv) 700,000 shares of Common Stock have been reserved for issuance under Monopar's 2016 Stock Incentive Plan, of which 555,520 shares are subject to issued and outstanding options. All outstanding shares of Monopar common stock have been duly authorized and validly issued, are fully paid and non-assessable, and to Monopar's knowledge, issued in compliance with all applicable federal and state securities laws.

(e) Disclosure. No representation or warranty or other statement made by Monopar in this Agreement, or otherwise in connection with the transactions contemplated hereby contains any material untrue statement or omits to state a material fact necessary to make any of them, in light of the circumstances in which it was made, not misleading in any adverse respect.

(f) No Other Representations and Warranties. Except for the representations and warranties set forth in this Agreement, each of the Company, Tactic, and Gem acknowledges and agrees that no representation or warranty of any kind whatsoever, express or implied, at law or in equity, is made or shall be deemed to have been made by or on behalf of Monopar to the Company, Tactic, or Gem, and Monopar hereby disclaims any such representation or warranty, whether by or on behalf of Monopar.

---

ARTICLE III  
POST-CLOSING MATTERS

§3.1 **Tax Matters.** Each Party shall cooperate fully, as and to the extent reasonably requested by any other Party, in connection with the preparation and filing of any Tax Return (as defined in the 721 Agreement) and any audit with respect to Tax (as defined in the 721 Agreement), with respect to the Gem Contributed Assets. Such cooperation shall include the retention and, upon request, the provision of records and information which are reasonably relevant to any such Tax Return or audit or any tax planning and shall also include making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Each Party further agrees, upon request, to use its commercially reasonable efforts to obtain any certificate or other document from any taxing authority or any other individual, corporation, partnership, limited liability company, association, trust or any other entity or organization as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed (including any sales, use, documentary, stamp, gross receipts, registration, transfer, conveyance, excise, recording, license, stock transfer stamps and other similar taxes and fees arising out of or in connection with or attributable to the transactions effected pursuant to this Agreement (collectively, “*Transfer Taxes*”; but for purposes of clarification, Transfer Taxes do not include any income taxes incurred by or allocable to any party in connection with or attributable to the transfer of the Gem Contributed Assets, and the transactions affected pursuant to this Agreement). The Company shall bear and be responsible for the timely payment of, and to such extent shall indemnify and hold harmless Monopar against any Transfer Taxes, and Gem and Tactic shall each in turn bear and be responsible for the timely payment of, and to such extent shall indemnify and hold harmless the Company against, fifty percent (50%) of such Transfer Taxes so paid.

§3.2 **Consulting Relationship with Gem Personnel.** Each of Gerald M. Walsh and Richard D. Olson shall become consultants of Monopar at the Effective Date and Monopar will execute a consulting agreement with such individuals in substantially the form of the attached Exhibit C.

§ 3.3 **Indemnification.**

(a) Notwithstanding any investigation conducted at any time with regard thereto, by or on behalf of the Company, Tactic, Gem or Monopar, all representations, warranties, covenants and agreements of the Parties in this Agreement (including those incorporated by reference) and in any other documents executed or delivered by any of them pursuant to this Agreement or in connection with the transactions contemplated by this Agreement (collectively, the “*Additional Documents*”) shall survive the execution, delivery, and performance of this Agreement and the Additional Documents.

---

(b) (i) Each Party shall defend, indemnify and hold harmless the other Parties, and their directors, officers, employees and representatives from and against any and all Damages asserted against, resulting to, imposed upon, or incurred or suffered by such Party, directly or indirectly, as a result of or arising from any Indemnifiable Claims as set forth in Sections 9.2, 9.3, 9.4, 9.5, 9.7, 9.8 and 9.9 of the 721 Contribution Agreement (the “**Indemnification Provisions**”), which are hereby incorporated by reference; and (ii) Monopar shall defend, indemnify and hold harmless each of the Parties from and against any and all Damages asserted against, resulting to, imposed upon, or incurred or suffered by Gem, directly or indirectly, as a result of or arising from any material breaches of the representations and warranties of Monopar in §2.2 pursuant to the Indemnification Provisions. Indemnification by any Party to this Agreement shall be governed by the Indemnification Provisions. References to the “Agreement” in such Sections shall be interpreted to refer to this Agreement in the context of Indemnifiable Claims under this Agreement.

§3.4. **Tax Treatment** . Each of the Parties acknowledges and agrees that the contribution of the Gem Contributed Assets to Monopar is intended to qualify for treatment as an exchange described in Section 351(a) of the Internal Revenue Code of 1986, as amended (the “Code”). All Parties agree to prepare or cause to be prepared their Tax Returns in accordance with the immediately preceding sentence, including complying with the record keeping requirements of Treasury Regulation Section 1.351-3.

#### ARTICLE IV REGISTRATION RIGHTS

##### § 4.1 **Registration Rights.**

(a) Monopar shall, upon direction by the Company at any time after Monopar has been subject to the reporting requirements of the Securities and Exchange Act of 1934 for at least 12 months (the “**Initial Holding Period**”), file with the U.S. Securities and Exchange Commission (“SEC”) a Form S-3 or other appropriate form of registration statement, covering the resale of any Monopar common stock by the Company, Gem, or Tactic and shall use its best efforts to have such registration statement declared effective as soon as practical thereafter. During the period that the registration statement is effective, Monopar shall make all public filings required in the normal course of its business and necessary to maintain the effectiveness of the registration statement during the period of resale of any Monopar common stock by the Company, Gem, or Tactic; provided that the Company, Gem, and Tactic agree that Monopar may, from time to time, inform the Company, Gem, and Tactic that it may not sell Monopar common stock until further notice if circumstances exist which have not been disclosed publicly and the omission of which, in the reasonable opinion of Monopar, would result in a material omission of fact in the registration statement. The Company, Gem, and Tactic agree that upon receipt of such notice and until otherwise informed by Monopar, the Company, Gem, and Tactic shall not sell, or permit to be

---

sold, the Monopar common stock. The Company, Gem, and Tactic acknowledge that Monopar cannot guarantee receipt of approval from the SEC, and in the event that approval is not granted, the Company, Gem, and/or Tactic, as applicable, must hold the Monopar common stock until such time as the Company, Gem, and/or Tactic may be permitted to sell the Monopar common stock pursuant to applicable securities laws or exemptions therefrom. Monopar shall pay the costs to prepare and file the registration statement, including the registration fee due to the SEC and all legal and accounting expenses and the cost of compliance with the securities or blue sky laws in the State of Delaware or any other state. The Company, Gem, or Tactic, as applicable (the party which is the seller of such Monopar common stock) shall pay all other costs of sale of the Monopar common stock, including any underwriting fees, commissions on sale or stock transfer taxes resulting from the sale of the Monopar common stock. In the event that a registration statement for the resale of the Monopar common stock is not approved by the SEC, Monopar shall, upon written request of the Company, prepare and file a registration statement on Form S-1 registering for sale any of the common stock and use its best efforts to have such registration statement declared effective as soon as practical thereafter. Monopar shall pay the costs to prepare and file such registration statement, including the registration fee due to the SEC and all legal and accounting expenses and the cost of compliance with the securities or blue sky laws in the State of Delaware or any other State. Additionally, the Company, Gem, and Tactic shall receive the piggyback registration rights set forth in (b) below.

(b) At any time following the Effective Date (but without obligation to do so) if Monopar proposes to register any of its common stock under the Securities Act of 1933, as amended (the “*Securities Act*”) in connection with the public offering of such securities solely for cash (other than a registration effected solely to implement an employee benefit plan or a transaction to which Rule 145 of the Securities Act is applicable or a registration using any form that does not permit secondary sales of securities), Monopar will give written notice to the Company, Gem, and Tactic of its intention to do so and, upon written request of the Company, Gem, or Tactic, delivered to Monopar within 15 days after receipt of notice, Monopar will use its best efforts at its own expense (but excluding any underwriting commissions and stock transfer taxes accruing to any common stock registered by the Company, Gem, or Tactic) to cause to be registered under the Securities Act the shares of common stock specified by the Company, Gem, or Tactic, subject to (1) the right of other holders of restricted stock to include their stock in any such registration prior to the inclusion of the common stock, including but not limited to rights of parties acquiring shares of common stock under any agreement that Monopar will register the resale thereof, (2) the Company’s acceptance of the terms of any underwriting agreement entered into or proposed to be entered into between Monopar and any underwriter of such offering, and (3) if the sole or managing underwriter of such offering determines that the aggregate number of shares of common stock which have been requested by the Company, Gem, or Tactic to be included in the registration should be limited to a lesser number or not included due to market conditions, then Monopar may only sell the lesser portion, if any. If a limitation is imposed on the number of common stock includable by Monopar in any such offering, Monopar shall give the Company, Gem, and Tactic, as applicable, prompt written notice thereof.

§4.2 **Form 10.** Monopar shall exert its commercially reasonable best efforts to cause to be filed with the Securities and Exchange Commission (the “*SEC*”), under the Securities Exchange Act of 1934 (the “*1934 Act*”), a registration statement on Form 10 (or another appropriate form), to register Monopar’s shares of common stock, \$0.001 par value per share, within ninety (90) days after the Effective Date.

#### ARTICLE V MISCELLANEOUS PROVISIONS

§5.1 **Severability.** Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction (as determined by a court) shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

---

§5.2 **Notices.** All notices, requests, demands, claims, and other communications hereunder shall be made as set forth in Section 11.1 of the 721 Contribution Agreement.

§5.3 **Construction.** The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise.

§5.4 **Entire Agreement; Amendment; Waivers, etc.** This Agreement (including its schedules and exhibits), along with the 721 Agreement and the Investor Contribution Agreement constitutes the entire agreement among the Parties and supersedes all prior agreements and understandings, agreements or representations by or among the Parties, written and oral, with respect to their subject matter. No amendment, supplement, waiver or termination of this Agreement is binding unless executed in writing by the Party to be bound thereby. No waiver of any of the provisions of this Agreement constitutes a waiver of any other provision of this Agreement, whether or not similar, unless otherwise expressly provided.

§5.5 **Successors and Assigns.** Except as otherwise expressly permitted in this Agreement, the Parties agree not to assign this Agreement or any of the rights, interests, or obligations hereunder to any other person or entity (whether in whole or in part, whether directly or indirectly, and whether voluntarily or, to the fullest extent permitted by applicable law, involuntarily), except with the prior written consent of the other Party, which consent such Party may grant or withhold in its sole discretion, and which consent, if granted, does not imply any other consent in the future. Any purported assignment in violation of this Section will be void and of no legal effect. This Agreement will inure to the benefit of and be binding upon each Party to this Agreement and each Party's successors, heirs, permitted assigns, and legal representatives.

§5.6 **Captions.** The headings of the Sections and Articles of this Agreement are inserted for convenience only and shall not constitute a part hereof or affect in any way the meaning or interpretation of this Agreement.

§5.7 **Counterparts.** This Agreement may be executed in any number of separate counterparts (including facsimile and electronic transmission), each of which upon execution and delivery will constitute an original and all of which taken together will constitute one agreement.

§5.8 **Governing Law; Consent to Jurisdiction and Venue.**

(a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICTING PROVISION OR RULE (WHETHER OF THE STATE OF DELAWARE OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF DELAWARE TO BE APPLIED.

---



(b) Each of the Parties hereto irrevocably submits itself to the exclusive jurisdiction of the United States District Court of the Northern District of Illinois (unless such court lacks jurisdiction under Applicable Law, in which case each Party submits itself exclusively to the jurisdiction of the state courts of Illinois sitting in Cook County) for the purpose of any Action arising out of or relating to this Agreement and/or the transactions contemplated hereby.

(c) Each of the Parties hereto irrevocably agrees that all claims with respect to any such Action arising out of or relating to this Agreement and/or the transactions contemplated hereby shall be heard and determined exclusively in United States District Court of the Northern District of Illinois (unless such court lacks jurisdiction under Applicable Law, in which case each Party submits itself exclusively to the jurisdiction of the state courts of Illinois sitting in Cook County).

§ 5.9 **WAIVER OF JURY TRIAL.** AS A SPECIFICALLY BARGAINED INDUCEMENT FOR EACH OF THE PARTIES TO ENTER INTO THIS AGREEMENT (EACH PARTY HAVING HAD OPPORTUNITY TO CONSULT COUNSEL), EACH PARTY EXPRESSLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY LAWSUIT, ACTION OR PROCEEDING RELATING TO OR ARISING IN ANY WAY FROM THIS AGREEMENT OR ANY TRANSACTIONS RELATED HERETO OR CONTEMPLATED HEREBY.

§ 5.10 **Defined Terms.** Any terms not defined in this Agreement shall have the meanings assigned to them in the 721 Agreement.

The Parties have duly executed this Agreement as of the date first above written.

MONOPAR THERAPEUTICS, INC.

TACTICGEM LLC

By: CDR Pharma LLC  
Its: Manager

By: /s/ Chandler Robinson  
Chandler Robinson, CEO

By: /s/ Chandler Robinson  
Its: Member of the Manager

TACTIC PHARMA, LLC

GEM PHARMACEUTICALS, LLC

By: /s/ Chandler Robinson  
Its: Manager

By: /s/ Arthur Klausner  
Arthur Klausner, CEO

---

EXHIBIT A

Gem Contributed Assets

See Attached.

---

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

“Gem Contributed Assets” means, collectively, the following (each as defined herein):

1. \$5,000,000 in cash.
2. All right, title and interest, tangible and intangible, in and to the following (individually and collectively, the “Compounds”):
  - a. GPX-100
  - b. GPX-150
  - c. GPX-160
  - d. GPX-170
  - e. GPX-180
3. The Related Assets
4. All of the Gem Contributed Intellectual Property
5. All of the Gem Contracts including:
  - a. License Agreements
  - b. Research and Collaboration Agreements
  - c. Manufacturing, Clinical Research and Compound Storage Agreements
6. All inventory of product, including raw materials, work in process and finished product
7. All works-made-for hire agreements relating to the Compounds.
8. After Closing, Gem will use reasonable good faith efforts to cause Monopar and the Company to be added as additional insureds to its product liability and comprehensive general liability insurance policies (the “Gem Insurance Policies”). Such rights as additional insureds shall be transferred to each of Monopar and the Company and shall be considered Gem Contributed Assets.

B. “GPX-150” means:

1. [\*\*\*]
2. [\*\*\*]
3. Any [\*\*\*]
4. [\*\*\*]
5. Any formulation of [\*\*\*]
6. Any uses of [\*\*\*]

C. “GPX-160” means:

1. [\*\*\*]
2. [\*\*\*]
3. [\*\*\*]
4. Any formulation of [\*\*\*]
5. Any uses of [\*\*\*]

D. “GPX-100” means:

1. [\*\*\*]
  2. [\*\*\*]
  3. [\*\*\*]
  4. [\*\*\*]
  5. Any formulation of [\*\*\*]
  6. Any uses of [\*\*\*]
-

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

E. “GPX-170” means:

1. [\*\*\*]
2. [\*\*\*]
3. Any [\*\*\*]
4. [\*\*\*]
5. Any formulation of [\*\*\*]
6. Any uses and formulations of [\*\*\*] and

F. “GPX-180” means:

1. [\*\*\*]
2. [\*\*\*] and [\*\*\*].
3. Any [\*\*\*]
4. [\*\*\*]
5. Any formulation of [\*\*\*]
6. Any uses and formulations of [\*\*\*]

G. “Related Assets” means:

1. All assets related to Gem’s use and development of the Compounds (including without limitation [\*\*\*] for any purpose, all assets used by Gem, and necessary or useful to Gem as of Closing, in conducting research, development, testing, marketing, selling, manufacturing and/or distributing the Compounds and any other analogs derived from them and their use (including without limitation [\*\*\*] or any other analogs derived from GPX-100, GPX-150, GPX-160, GPX-170, or GPX-180)) as such activity is presently conducted and as such activity is presently planned to be conducted, including, but not limited to, all inventory of Compounds, all other inventory, agreements, contracts, licenses, Intellectual Property related to or useful for the Business, intellectual property assignments, , orphan drug or other regulatory designations, pending orphan drug or other regulatory applications, trademarks, service marks and all goodwill associated therewith, pre-clinical and clinical data, manufacturing equipment; anthracycline molecules that, [\*\*\*].
  2. The [\*\*\*].
  3. Manufacturing agreements.
  4. Written reports, regulatory documents, case reports, and manufacturing methods.
  5. All FDA and other regulatory authorities filings and scientific studies relating to the Compounds and the Related Assets including the following:
    - a. Orphan drug designation [\*\*\*]
    - b. [\*\*\*] GPX-150 [\*\*\*]. All relevant filings and approvals in the US for GPX-150 have been made to this IND and are part of the IND record. [Date February 7, 2007]
-

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

H. "Gem Contributed Intellectual Property" has the meaning set forth in Section 10 of the Agreement. "Intellectual Property" means:

All domestic and foreign (1) patents and patent applications, and all patents issuing thereon, including without limitation utility, model and design patents and certificates of invention, together with all reissue patents, patents of addition, divisionals, provisional applications, renewals, continuations, continuations-in-part, substitutions, additions, extensions, confirmations, re-examinations, and all foreign counterparts of the foregoing which are in the process of being prepared, and all inventions and improvements disclosed therein including the right to claim priority benefit of or to any of the foregoing (collectively, "Patents"); (2) trademarks, service marks, trade dress, trade names, brand names, designs, logos, commercial symbols and corporate names, and all registrations, applications and goodwill associated therewith (collectively, "Trademarks"); (3) copyrights and all works of authorship, whether or not registered or copyrightable, and all applications, registrations, and renewals in connection therewith (collectively, "Copyrights"); (4) confidential and proprietary information, including without limitation, trade secrets, know-how, formulae, ideas, concepts, discoveries, innovations, improvements, results, reports, information and data, research, laboratory and programmer notebooks, methods, procedures, proprietary technology, operating and maintenance manuals, engineering and other drawings and sketches, customer lists, supplier lists, pricing information, cost information, business manufacturing and production processes and techniques, designs, specifications, and blueprints (collectively, "Trade Secrets"); and (5) all other intellectual property and proprietary rights in any form or medium known or later devised, all copies and tangible embodiments of the foregoing, and all goodwill associated with any of the foregoing; and (6) the right to bring suit, the right to claim and retain all damages and/or seek other remedies for the past, present, and future infringement and/or misappropriation of and the right to collect royalties and other payments under or on account of any of the foregoing; in each case whether registered or unregistered.

U.S. patents and patent applications within the Gem Contributed Intellectual Property:

1. [\*\*\*].
  2. [\*\*\*].
  3. [\*\*\*].
  4. [\*\*\*].
  5. [\*\*\*].
  6. [\*\*\*].
  7. [\*\*\*].
  8. Patent pending [\*\*\*], filed [\*\*\*]: covers the composition of [\*\*\*] and the [\*\*\*].
  9. [\*\*\*]
-

\*\*\* = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

Foreign patents and patent applications within the within the Gem Contributed Intellectual Property:

Country	Patent #	Based on U.S. Patent No.
***	***	***

\*\*\* = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

***	***	***
-----	-----	-----

Copyrights and Trade Secrets within the Gem Contributed Intellectual Property:

1. Analysis of \*\*\* for GPX-150
2. Analysis of \*\*\* for GPX-150
3. Analysis of \*\*\* for GPX-100

Unpatented inventions within the Gem Contributed Intellectual Property:

1. GPX-160, GPX-170 and GPX-180

Trademarks within the Gem Contributed Intellectual Property:

1. Gem Pharmaceuticals (unregistered)
2. On \*\*\*, Gem submitted an International Non-Proprietary Name (INN) request to the World Health Organization for GPX-150, \*\*\*

I. Gem Contracts

License Agreements (no active license agreements)

1. Non-binding term sheet with Vitel Laboratories, expired on August 1, 2017.
2. Coronado Biosciences agreement, expired on October 8, 2010.
3. [AOI, expired on February 5, 2003]

Assigned Research and Collaboration Agreements (no active agreements other than \*\*\*)

1. \*\*\*:

-- two Service Agreements, each expired April 30, 2016; fully completed and fully paid  
-- Service Agreement expired August 14, 2017; work complete but final report due to be delivered soon after Closing. Gem agrees to promptly deliver to Monopar said report upon receipt, to pay in full all amounts owed under said Agreement, and if requested, to use reasonable good faith efforts to obtain a consent from BSU in substantially the same form as Exhibit E to the Contribution Agreement.

---

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.

Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

--Service Agreement expiring August 31, 2017; work complete and final report has been delivered. Gem agrees to pay in full all amounts owed under said Agreement.

2. [\*\*\*], expired on June 24, 2015.

3. Agreements with [\*\*\*] as reflected in proposals of [\*\*\*] dated April 21, 2016, June 24, 2016, July 5, 2016, and December 6, 2016.

Assigned Manufacturing, Clinical Research and Compound Storage Agreements

1. Manufacturing (All manufacturing agreements other than [\*\*\*] have expired)

a. Tetrionics, expired January, 2005.

b. SAFC, expired August, 2015.

c. [\*\*\*], dated May 31, 2017.

d. Bioserv, expired January, 2016.

2. Clinical Research Organizations (no active agreements)

a. Premier Research , expired on May 14, 2014.

b. Clinical Trial Data Services, expired on March 26, 2017.

3. Compound Storage

a. Clinical Supplies Management, Inc., dated October 16, 2014.

---



\*\*\* = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

#### Other Gem Contracts

1. Renewal Service Agreement between Gem Pharmaceuticals, LLC and CPAGlobal dated August 31, 2016.
  - J. All inventory of product, including raw materials, work in process and finished product
    1. Inventory of GPX-150 and GPX-100 located in \*\*\*
      - 200 vials of GPX-150 product (about 50 mg/vial = about 10 grams of GPX-150 mixed with lactose)
      - 6.8 grams of GPX-150 from a batch made in 2006
    2. Inventory of clinical-grade GPX-150 located at CSM in \*\*\*
      - GPX-150 Powder 14.11 grams – expired 17 Nov 2016
      - GPX-150 50mg vial 406 vials – expired 31 Oct 2016
    3. Inventory of GPX-150 (approximately 15 grams) located at \*\*\*
-

EXHIBIT B

Assigned Contracts

1. Master Services Agreement by and between Gem and Clinical Supplies Management, Inc., dated October 1, 2014
  2. Renewal Service Agreement between Gem Pharmaceuticals, LLC and CPA Global dated August 31, 2016
-

EXHIBIT C

Form of Consulting Agreement

See attached.

---

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

## CONSULTING AGREEMENT

This Consulting Agreement (herein referred to as “**Agreement**”) is made and entered into as of this day of , 2017 (the “**Effective Date**”), by and between Monopar Therapeutics, Inc. (herein referred to as “**Monopar**”), a Delaware corporation, located at 5 Revere Dr., Suite 200, Northbrook, IL 60062, and Gerald M. Walsh (herein referred to as “**Jerry**”) who resides at [\*\*\*] (each herein referred to as “**Party**” and collectively as “**Parties**”).

### RECITALS

WHEREAS, Jerry specializes in the fields of pharmacology, toxicology, intellectual property, and pharmaceutical management.

WHEREAS, Monopar desires to contract with Jerry to provide certain consultation services, as requested by Monopar, and Jerry wishes to provide such services to Monopar, upon the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, the Parties agree as follows:

1. Consulting Arrangement. Jerry agrees to perform consulting services as described herein upon the terms and conditions herein set forth.
  2. Term of Agreement. Subject to the provision for early termination set forth below in **Section 5** of this Agreement, this Agreement shall commence as of the Effective Date and shall continue from the Effective Date through one year later (the “**Term**”).
  3. Duties of Jerry.
    - 3.1 Specific Duties. Jerry shall provide consulting services to Monopar, such duties to include: See Appendix A (herein referred to as the “**Services**”).
    - 3.2 Obligations. Jerry shall be diligent in the performance of Services, and be professional in his commitment to meeting his obligations hereunder. Jerry represents and warrants that he is not party to any other existing agreement, which would prevent him from entering into this Agreement or which would adversely affect this Agreement. Jerry may be engaged or employed in any other business, profession, or other activity but Jerry shall not perform Services for any other individuals or entities in direct competition with Monopar, within the scope of Services under this Agreement, during the Term of this Agreement, and for two years after its termination, except as provided for by mutual written agreement of the Parties. Jerry shall not perform services for any party which would require or facilitate the unauthorized disclosure of any confidential or proprietary information of Monopar.
-

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

3.3 Reporting. Jerry will report to Andrew P. Mazar, Ph.D. and liaise with Chandler Robinson, M.D., Patrice Rioux, M.D. and/or any other assigned Monopar employee or consultant as may be designated in writing by Monopar.

3.4 Compensation. Monopar shall pay Jerry as follows:

a. [\*\*\*] per month payable within thirty (30) days of the end of each month.

b. [\*\*\*] per hour for consulting work that exceeds fifteen (15) hours per month, and has been approved by Monopar. Jerry will document all hours, including the initial fifteen (15) hours, and invoice Monopar monthly for the hours above the first fifteen (15) hours.

Jerry shall not be reimbursed, and is responsible for the facilities and equipment necessary to perform Services required under this Agreement.

4. Reimbursement of Expenses. Monopar shall promptly reimburse Jerry for all direct expenses incurred in providing the Services to Monopar pursuant to this Agreement, including travel, meals and lodging as long as Monopar's prior approval has been obtained. Invoices submitted by Jerry pursuant to this **Section 4** shall also include a detail of all reimbursable expenses incurred during the period covered by such invoice as well as receipts. Per diem for food will be reimbursed as per IRS specified rates in effect at that time.

5. Termination of Agreement - Failure to perform. In the event that Jerry ceases to perform the Services or breaches his obligations as required hereunder for any reason and such cessation or breach remains uncured for ten (10) business days following Monopar's written notice thereof to Jerry, Monopar shall have the right to immediately terminate this Agreement upon notice to Jerry and to enforce such other rights and remedies under this Agreement as it may have as a result of said breach.

In the event that Monopar breaches its obligations under this Agreement and such breach remains uncured for ten (10) business days following Jerry's written notice thereof to Monopar, Jerry shall have the right to immediately terminate this Agreement upon notice to Monopar and to enforce such other rights and remedies under this Agreement as it may have as a result of said breach.

6. Certain Liabilities. It is understood and agreed that Jerry shall be acting as an independent contractor and not as an agent or employee of, or partner, joint venturer or in any other relationship with Monopar. Jerry will be solely responsible for all insurance, employment taxes, FICA taxes and all obligations to governments or other organizations for its employees arising out of this consulting assignment. Jerry acknowledges that no income, social security or other taxes shall be withheld or accrued by Monopar for Jerry's benefit. Jerry assumes all risks and hazards encountered in the performance of duties under this Agreement. Unless Monopar has provided prior written approval, Jerry shall not use any sub-contractors to perform obligations hereunder. Jerry shall be solely responsible for any and all injuries, including death, to all persons and any and all loss or damage to property, which may result from performance under this Agreement.

---

7. Indemnities. Jerry hereby agrees to indemnify Monopar and hold Monopar harmless from and against all claims (whether asserted by a person, firm, entity or governmental unit or otherwise), liabilities, losses, damages, expenses, charges and fees which Monopar may sustain or incur arising out of or attributable to any gross negligence or willful misconduct by Jerry, as applicable, in the performance under this Agreement. Monopar hereby agrees to indemnify Jerry and hold Jerry harmless from and against all liabilities, losses, damages, expenses, charges and fees which Jerry may sustain or incur by reason of any claim which may be asserted against Jerry by any person, firm, corporation or governmental unit and which may arise out of or be attributable to any gross negligence or willful misconduct by Monopar or its employees or contractors, as applicable, in the performance of this Agreement.
  8. Warranties. The Services shall be performed in a professional manner, consistent with industry standards. In performing the Services under this Agreement, Jerry shall not make any unauthorized use of any confidential or proprietary information of any other party or infringe the intellectual property rights of any other party. Monopar represents and warrants that it has full right, power, and authority to enter into this Agreement and to perform its obligations hereunder.
  9. Arbitration. Any controversy or claim between Monopar and Jerry arising out of or relating to this Agreement, or the breach thereof, shall be submitted to arbitration in accordance with the rules of the American Arbitration Association. The site of the arbitration shall be Chicago, IL, and except as provided herein the arbitration shall be conducted in accordance with the Rules of the American Arbitration Association prevailing at the time the demand for arbitration is made hereunder. At least one member of the arbitration panel shall be a financial expert knowledgeable in the area of biopharmaceutical corporate compliance. Judgment upon any award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction and shall be binding and final. The cost of arbitration shall be borne by the losing Party, as determined by the arbitrator(s).
  10. Confidential Information. Jerry has executed the attached confidential disclosure agreement referenced herein as **Appendix B** prior to commencement of the Services. Jerry hereby represents and warrants that the obligations thereunder shall be binding.
  11. Inventions. Jerry agrees that all ideas, developments, suggestions and inventions conceived or reduced to practice, as a result of Services provided by Jerry under this Agreement, shall be the exclusive property of Monopar and shall be promptly communicated and assigned to Monopar. Jerry shall require any other parties contracted by Jerry to disclose the same to Jerry and to be bound by the provisions of this paragraph. During the period of this Agreement and thereafter at any reasonable time when called upon to do so by Monopar, Jerry shall require any employees of or other parties contracted by Jerry to execute patent applications, assignments to Monopar (or any designee of Monopar) and other papers and to perform acts which Monopar believes necessary to secure to Monopar full protection and ownership of the rights in and to the services performed by Jerry and/or for the preparation, filing and prosecution of applications for patents or inventions made by any employees of or other parties contracted by Jerry hereunder. The decision to file patent applications on inventions made by any employees of or other parties contracted by Jerry shall be made by Monopar and shall be for such countries, as Monopar shall elect. Monopar agrees to bear all the expense in connection with the preparation, filing and prosecution of applications for patents and for all matters provided in this paragraph requiring the time and/or assistance of Jerry as to such inventions. Notwithstanding the foregoing, ideas, developments, suggestions, and inventions conceived or reduced to practice by Jerry that do not directly arise from Jerry's performance under this Agreement, shall be owned by Jerry.
-

\*\*\* = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

12. Miscellaneous.

12.1 Notice. Any notices to be given hereunder by either Party to the other may be effectuated, in writing, by personal delivery, by electronic mail, or by mail, registered or certified, postage prepaid, with return receipt requested or by Federal Express. Mailed notices shall be addressed to the parties at the following addresses:

If to Monopar:                      Monopar Therapeutics, Inc  
5 Revere Dr.  
Suite 200  
Northbrook, IL, 60062  
Attention: Chandler Robinson, M.D.  
Email: \*\*\*

If to                                      Gerald M. Walsh  
Jerry:                                      \*\*\*

or at such other addresses as either Monopar or Jerry may designate by written notice to each other. Notices delivered personally shall be deemed duly given on the date of actual receipt, mailed notices shall be deemed duly given as of the fourth day after the date so mailed, and electronic mail shall be deemed duly given upon confirmation of receipt by recipient.

12.2 Waiver of Breach. The waiver by either Party to a breach of any provision in this Agreement cannot operate or be construed as a waiver of any subsequent breach by either Party.

12.3 Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, that provision shall be deemed modified to the extent necessary to make it valid or enforceable, or if it cannot be so modified, then severed, and the remainder of the Agreement shall continue in full force and effect as if the Agreement had been signed with the invalid portion so modified or severed.

---

- 12.4 Choice of Law. This Agreement has been made and entered into in the State of Illinois, and the laws of such state, excluding its choice of law rules, shall govern the validity and interpretation of this Agreement and the performance due hereunder. The losing party in any dispute hereunder shall pay the attorneys' fees and disbursements of the prevailing party.
- 12.5 Integration. The drafting, execution and delivery of this Agreement by the Parties have been induced by no representations, statements, warranties or agreements other than those expressed herein. This Agreement embodies the entire understanding of the Parties, and there are no further or other agreements or understandings, written or oral, in effect between the Parties relating to the subject matter hereof unless expressly referred to herein.
- 12.6 Modification. This Agreement may not be modified unless such is in writing and signed by both Parties to this Agreement.
- 12.7 Assignment. Jerry shall not be permitted to assign this Agreement to any other person or entity without the prior written consent of Monopar. Jerry hereby agrees that Monopar shall be permitted to assign this Agreement to any affiliate of Monopar. This Agreement shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the parties.
- 12.8 Survival. The provisions of **Sections 7, 8, 9, 10, and 11** shall survive expiration or termination of this Agreement for any reason. Expiration or termination of this Agreement shall not affect Monopar's obligations to pay any amounts that may then be due to Jerry.
- 12.9 Force Majeure. If Jerry's performance of his obligations under this Agreement is prevented or delayed due to a flood, earthquake, war, terrorist act, revolution, riot, or insurrection, Jerry shall not be deemed in breach of his obligations under this Agreement or otherwise liable for any costs, charges or losses sustained or incurred by Monopar, to the extent arising directly from such force majeure event.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

ACCEPTED AND AGREED TO:

Gerald M. Walsh

Monopar Therapeutics Inc

\_\_\_\_\_  
By: Individual

\_\_\_\_\_  
By: Chandler Robinson

Its: Chief Executive Officer

---



## **APPENDIX A**

Services include, but are not limited to, assisting the Monopar Management team with the following:

1. Near and long term planning of product development for existing Monopar drugs such as Validive, ATN-658, GPX-150, GPX-160, GPX-170, and GPX-180.
  2. Developing near and long term budgets for product development programs: preclinical, clinical, manufacturing, and related regulatory affairs.
  3. Designing, managing, evaluating, and reporting for preclinical and clinical studies and for manufacturing API and drug product.
  4. Data storage and retrieval for preclinical, clinical, manufacturing, and regulatory programs.
  5. Identifying and evaluating suitable in-licensing drug products, including evaluation of strength and scope of patent protection.
  6. Identifying patentable IP based on data from Monopar's preclinical, clinical, and manufacturing programs.
  7. Creating presentation content for Board Meetings, fund raising, and M&A activities.
  8. Evaluating qualifications of employment candidates for Monopar.
  9. Any other Services required by Monopar.
-

Appendix B

See executed CDA attached

---

[\*\*\*] = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.

## **MONOPAR THERAPEUTICS INC. CONFIDENTIAL DISCLOSURE AGREEMENT**

AGREEMENT between the individual Gerald M. Walsh (“Recipient”) and Monopar Therapeutics Inc. (“Monopar”).

In consideration for the mutual agreements contained herein and the other provisions of this Agreement, the receipt of which is hereby acknowledged by the parties, the parties hereto agree as follows:

### **1. Scope of Confidential Information**

“Confidential Information” means, subject to the other provisions of this Section:

- (a) all information, whether oral or written, disclosed by Monopar that is described in Schedule A under “Description of Confidential Information”. Confidential Information may relate to the activities or property of Monopar or any of Monopar’s members, directors, officers, employees, consultants, agents, representatives or affiliated entities (collectively, “Associated Persons”); and
- (b) any written material prepared by Recipient or Recipient’s partners, directors, officers, employees, agents, representatives or affiliated entities (collectively, “Associated Persons”) containing any Monopar Confidential Information.

“Confidential Information” does not include information that: (i) was available to Recipient (free of any confidentiality obligation in favor of Monopar) prior to disclosure of such information by Monopar to Recipient; (ii) is made available to Recipient from a third party which (at the time of such availability) was not, to Recipient’s knowledge, subject to a confidentiality obligation with respect to such information; (iii) is made available to third parties by Monopar without restriction on the disclosure of such information, (iv) is or becomes available to the public on or after the date of this Agreement (other than as a result of disclosure prohibited by any confidentiality obligation contained herein); or (v) is developed independently by Recipient or its Associated Persons without reference to the Confidential Information.

Recipient agrees that it will not disclose to Monopar or to any of its employees or consultants any confidential, proprietary, or trade secret information, or any other form of confidential protectable intellectual property, regardless of whether such information is the property of Recipient itself or of some other individual or organization.

### **2. Use and Disclosure of Confidential Information**

- (a) Recipient agrees: (i) to preserve the confidentiality of Confidential Information for [\*\*\*] from the date of signing this Agreement; (ii) to use and/or permit the use of Confidential Information only for the purposes of, and to the extent necessary for, evaluating a business relationship between the parties and, if such a relationship is consummated, carrying out such relationship; (iii) to disclose Confidential Information to, and to permit the use of Confidential Information by, only such persons within Recipient who Recipient reasonably determines need to know such information in connection with the activities described in (ii) above; and (iv) to use reasonable care to maintain the confidentiality of Confidential Information, provided that such care shall be at least as great as the precautions taken by Recipient to protect its own confidential and/or proprietary information.
- (b) Notwithstanding anything to the contrary herein, Recipient is free to make (and this Agreement does not restrict) disclosure of any Confidential Information in a judicial, legislative, or administrative investigation or proceeding or to a government or other regulatory agency; provided that, to the extent permitted by, and practicable under, the circumstances, Recipient provides to Monopar (i) prior notice of the intended disclosure or (ii) if prior notice is not permitted or practicable under the circumstances, prompt notice of such disclosure.

### **3. Certain Rights and Limitations**

- (a) All Confidential Information shall remain the property of Monopar. The provision of Confidential Information hereunder shall not transfer any right, title or interest in such information to Recipient. Monopar does not grant any express or implied right to Recipient to or under Monopar’s patents, copyrights, trademarks, trade secret information or other proprietary rights.
- (b) Recipient agrees to adhere to all applicable laws and regulations relating to the export of technical data received hereunder.
- (c) This Agreement imposes no obligations on either party to purchase, sell, license, transfer or otherwise transact in any technology, services or products. This Agreement does not create any agency or partnership relationship between the parties hereto.
- (d) All information disclosed hereunder is without representation or warranty of any kind whatsoever, including without limitation, any representation or warranty as to accuracy or completeness, whether express or implied.

### **4. Remedies**

- (a) Upon Monopar’s reasonable request, Recipient agrees to return promptly to Monopar all Confidential Information that is in writing and in the possession of Recipient and, upon written request, to certify the return or destruction (at Monopar’s option) of all Confidential Information.
- (b) Recipient agrees that monetary damages may not be an adequate remedy for improper disclosure or use of Confidential Information, that Monopar, upon breach of this contract, shall be entitled to such injunctive or equitable relief as may be deemed proper by a court of competent jurisdiction, without waiving any other right or remedy, and that Recipient shall not resist an application for such relief on the ground that Monopar has an adequate remedy at law.

### **5. Miscellaneous**

(a) Except where expressly indicated otherwise, the words “written” or “in writing” shall include, but not be limited to, written or printed documents, electronic and facsimile transmissions and computer disks or tapes (whether machine or user readable).

(b) In the event that any one or more of the provisions of this Agreement will for any reason be held to be invalid, illegal or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement will be unimpaired, and the invalid, illegal or unenforceable provisions will be replaced by a mutually acceptable provision, which being valid, legal or enforceable, comes closest to the intention of the parties underlying the invalid, illegal or unenforceable provision.

(c) No amendment or alteration of the terms of this Agreement shall be effective unless made in writing and executed by both parties hereto.

(d) A failure or delay in exercising any right in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right will not be presumed to preclude any subsequent or further exercise of that right or the exercise of any other right. Any modification or waiver of any provision of this Agreement shall not be effective unless made in writing. Any such waiver shall be effective only in the specific instance and for the purpose given.

**(e) This Agreement and its enforcement shall be governed by, and construed in accordance with, the laws of the State of Illinois, without regard to conflicts-of-law principles.**

---

\*\*\* = Confidential Information has been omitted and filed separately with the Securities and Exchange Commission.  
Confidential treatment has been approved with respect to the omitted information, pursuant to an Order dated January 8, 2018.  
[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

“RECIPIENT”

“MONOPAR”

Monopar Therapeutics Inc.

By: \_\_\_\_\_  
Name: Gerald M. Walsh  
Title: Consultant

By: \_\_\_\_\_  
Name: Chandler D. Robinson  
Title: CEO

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Notices hereunder shall be sent to:  
Gerald M. Walsh  
\*\*\*

Notices hereunder shall be sent to:  
\*\*\*

---

**SCHEDULE A**

Description of Confidential Information Disclosed by Monopar:

(a) The identity of the particular compound or compounds under investigation by Monopar; (b) the medical indication and/or other purpose for which any of these compounds are being investigated by Monopar; (c) the (known or putative) mechanism of action of any of these compounds; (d) any techniques used by Monopar to discover, develop, produce, or test any of these compounds; and (e) any non-public business, financial, regulatory, clinical or scientific information pertaining to Monopar or the compound or compounds that Monopar identifies as confidential when disclosed.

---

## MONOPAR THERAPEUTICS INC. 2016 STOCK INCENTIVE PLAN

### 1. Purpose of the Plan.

The purpose of this Plan is to enhance shareholder value by linking the compensation of officers, directors, key employees and consultants of the Company to increases in the price of Monopar Therapeutics Inc. common stock and the achievement of other performance objectives, and to encourage ownership in the Company by key personnel and consultants whose long-term employment and retention is considered essential to the Company's continued progress and success. The Plan is also intended to assist the Company in the recruitment of new employees and consultants and to motivate, retain and encourage such employees, directors and consultants to act in the shareholders' interest and share in the Company's success.

### 2. Definitions.

As used herein, the following definitions shall apply:

(a) **"Administrator"** means the Board, any Committee or such delegates as shall be administering the Plan in accordance with Section 4 of the Plan.

(b) **"Affiliate"** means any Subsidiary or other entity that is directly or indirectly controlled by the Company or any entity in which the Company has a significant ownership interest as determined by the Administrator. The Administrator shall, in its sole discretion, determine which entities are classified as Affiliates and designated as eligible to participate in this Plan.

(c) **"Applicable Law"** means the requirements relating to the administration of stock option plans under U.S. federal and state laws, any stock exchange or quotation system on which the Company has listed or submitted for quotation the Common Shares to the extent provided under the terms of the Company's agreement with such exchange or quotation system and, with respect to Awards subject to the laws of any foreign jurisdiction where Awards are, or will be, granted under the Plan, the laws of such jurisdiction.

(d) **"Award"** means a Stock Award, Option, Stock Appreciation Right, or Other Stock-Based Award granted in accordance with the terms of the Plan, or any other property (including cash) granted pursuant to the provisions of the Plan.

(e) **"Awardee"** means an Employee, Director or Consultant who has been granted an Award under the Plan.

(f) **"Award Agreement"** means a Stock Award Agreement, Option Agreement, Stock Appreciation Right Agreement, or Other Stock-Based Award Agreement, which may be in written or electronic format, in such form and with such terms as may be specified by the Administrator, evidencing the terms and conditions of an individual Award. Each Award Agreement is subject to the terms and conditions of the Plan. The effectiveness of an Award shall not be subject to the Award Agreement's being signed by

---

the Company and/or the Participant receiving the Award unless specifically so provided in the Award Agreement.

(g) **“Board”** means the Board of Directors of the Company.

(h) **“Change of Control”** shall mean, except as otherwise provided in an Award Agreement, one of the following shall have taken place after the date of this Plan:

(i) any “person” (as such term is used in Sections 13(d) or 14(d) of the Exchange Act) (other than the Company, any majority controlled subsidiary of the Company, or the fiduciaries of any Company benefit plans) becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of 30% or more of the total voting power of the voting securities of the Company then outstanding and entitled to vote generally in the election of directors of the Company; provided, however, that no Change of Control shall occur upon the acquisition of securities directly from the Company;

(ii) individuals who, as of the beginning of any 24 month period, constitute the Board (as of the date hereof, the **“Incumbent Board”**) cease for any reason during such 24 month period to constitute at least a majority of the Board, provided that any individual becoming a Director subsequent to the date hereof whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of the Directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding for this purpose any such individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the Directors of the Company; or

(iii) consummation of (A) a merger, consolidation or reorganization of the Company, in each case, with respect to which all or substantially all of the individuals and entities who were the respective beneficial owners of the voting securities of the Company immediately prior to such merger, consolidation or reorganization do not, following such merger, consolidation or reorganization, beneficially own, directly or indirectly, at least 65% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the entity or entities resulting from such merger, consolidation or reorganization, (B) a complete liquidation or dissolution of the Company, or (C) a sale or other disposition of all or substantially all of the assets of the Company, unless at least 65% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the entity or entities that acquire such assets are beneficially owned by individuals or entities who or that were beneficial owners of the voting securities of the Company immediately before such sale or other disposition.

Notwithstanding the foregoing, if any payment or distribution event applicable to an Award is subject to the requirements of Section 409A(a)(2)(A) of the Code, the determination of the occurrence of a Change of Control shall be governed by applicable

---

provisions of Section 409A(a)(2)(A) of the Code and regulations and rulings issued thereunder for purposes of determining whether such payment or distribution may then occur.

(i) **“Code”** means the United States Internal Revenue Code of 1986, as amended, and any successor thereto, the Treasury Regulations thereunder and other relevant interpretive guidance issued by the Internal Revenue Service or the Treasury Department. Reference to any specific section of the Code shall be deemed to include such regulations and guidance, as well as any successor provision of the Code.

(j) **“Committee”** means a committee of Directors appointed by the Board in accordance with Section 4 of the Plan or, in the absence of any such special appointment, the Compensation Committee of the Board.

(k) **“Common Shares”** means the common shares, \$0.001 par value, of the Company, or any security of the Company issued in substitution, exchange or lieu thereof.

(l) **“Company”** means Monopar Therapeutics Inc., a Delaware corporation, or, except as utilized in the definition of Change of Control, its successor.

(m) **“Consultant”** means an individual providing services to the Company or any of its Affiliates as an independent contractor, and includes prospective consultants who have accepted offers of consultancy for the Company or any of its Affiliates, so long as such person (i) renders bona fide services that are not in connection with the offer and sale of the Company’s securities in a capital-raising transaction, (ii) does not directly or indirectly promote or maintain a market for the Company’s securities, and (iii) otherwise qualifies as a consultant under the applicable rules of the SEC for registration of shares of stock on a Form S-8 registration statement

(n) **“Conversion Award”** has the meaning set forth in Section 4(b)(xii) of the Plan.

(o) **“Director”** means a member of the Board. Any Director who does not serve as an employee of the Company is referred to herein as a **“Non-employee Director.”**

(p) **“Disability”** means (i) “Disability” as defined in any employment, consulting or similar agreement to which the Participant is a party, or (ii) if there is no such agreement or it does not define “Disability,” (A) permanent and total disability as determined under the Company’s long-term disability plan applicable to the Participant, or (B) if there is no such plan applicable to the Participant or the Committee determines otherwise in an applicable Award Agreement, “Disability” shall mean the Participant’s continuous illness, injury or incapacity for a period of six consecutive months, as determined by the Administrator in its discretion. Notwithstanding the above, with respect to an Incentive Stock Option, Disability shall mean permanent and total disability as defined in Section 22(e)(3) of the Code and, with respect to any Award that constitutes “nonqualified deferred compensation” within the meaning of Section 409A of the Code, the foregoing definition shall apply for purposes of vesting of such Award, provided that such Award shall not be settled until the earliest of: (x) the Participant’s “disability” within the meaning of Section 409A of the Code, (y) the Participant’s “separation from service”

---



within the meaning of Section 409A of the Code and (z) the date such Award would otherwise be settled pursuant to the terms of the Award Agreement.

(q) **“Disaffiliation”** means a Subsidiary’s or Affiliate’s ceasing to be a Subsidiary or Affiliate for any reason (including, without limitation, as a result of a public offering, or a spin-off or sale by the Company, of the stock of the Subsidiary or Affiliate) or a sale of a division of the Company and its Affiliates.

(r) **“Employee”** means a regular, active employee of the Company or any Affiliate, including an Officer or Director who is also a regular, active employee of the Company or any Affiliate. The Administrator shall determine whether the Chairman of the Board qualifies as an “Employee.” For any and all purposes under the Plan, the term “Employee” shall not include a person hired as an independent contractor, leased employee, consultant or a person otherwise designated by the Administrator, the Company or an Affiliate at the time of hire as not eligible to participate in or receive benefits under the Plan or not on the payroll, even if such ineligible person is subsequently determined to be a common law employee of the Company or an Affiliate or otherwise an employee by any governmental or judicial authority. Unless otherwise determined by the Administrator in its sole discretion, for purposes of the Plan, an Employee shall be considered to have terminated employment and to have ceased to be an Employee if his or her employer ceases to be an Affiliate, even if he or she continues to be employed by such employer.

(s) **“Exchange Act”** means the United States Securities Exchange Act of 1934, as amended, and any successor thereto.

(t) **“Fair Market Value”** means a valuation performed by a qualified independent appraiser within the previous twelve months, taking into consideration all available information.

(u) **“Grant Date”** means, with respect to each Award, the date upon which the Award is granted to an Awardee pursuant to this Plan, which may be a designated future date as of which such Award will be effective, as determined by the Committee.

(v) **“Incentive Stock Option”** means an Option that is identified in the Option Agreement as intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder, and that actually does so qualify.

(w) **“Nonqualified Stock Option”** means an Option that is not an Incentive Stock Option.

(x) **“Officer”** means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(y) **“Option”** means a right granted under Section 8 of the Plan to purchase a number of Shares at such exercise price, at such times, and on such other terms and conditions as are specified in the agreement or other documents evidencing the Award (the “Option

---

Agreement”). Both Incentive Stock Options and Nonqualified Stock Options may be granted under the Plan.

(z) **“Other Stock-Based Award”** means an Award granted pursuant to Section 12 of the Plan on such terms and conditions as are specified in the agreement or other documents evidencing the Award (the **“Other Stock-Based Award Agreement”**).

(aa) **“Participant”** means the Awardee or any person (including any estate) to whom an Award has been assigned or transferred as permitted hereunder.

(bb) **“Plan”** means this 2016 Stock Incentive Plan, as set forth herein and as hereafter amended from time to time.

(cc) **“Qualifying Performance Criteria”** shall have the meaning set forth in Section 13(b) of the Plan.

(dd) **“Retirement”** means, unless the Administrator determines otherwise, Termination of Employment, voluntary or involuntary, by a Participant from the Company and its Affiliates, other than a Termination for Cause, after attaining age fifty-five (55) and having at least five (5) years of service with the Company and its Affiliates, excluding service with an Affiliate of the Company prior to the time that such Affiliate became an Affiliate of the Company. For Plan purposes, a “voluntary” Termination of Employment is a Termination of Employment where the Participant does not qualify for severance benefits, whether under a severance agreement or the Company’s or any of its Affiliate’s severance policy, plan or other arrangement.

(ee) **“Securities Act”** means the United States Securities Act of 1933, as amended. (ff) **“Share”** means a Common Share, as adjusted in accordance with Section 15 of the Plan.

(gg) **“Stock Appreciation Right”** means a right granted under Section 10 of the Plan on such terms and conditions as are specified in the agreement or other documents evidencing the Award (the **“Stock Appreciation Right Agreement”**).

(hh) **“Stock Award”** means an award or issuance of Shares or Stock Units made under Section 11 of the Plan, the grant, issuance, retention, vesting and/or transferability of which is subject during specified periods of time to such conditions (including, without limitation, continued employment or performance conditions) and terms as are expressed in the agreement or other documents evidencing the Award (the **“Stock Award Agreement”**).

(ii) **“Stock Unit”** means a bookkeeping entry representing an amount equivalent to the Fair Market Value of one Share, payable in cash, property or Shares. Stock Units represent an unfunded and unsecured obligation of the Company, except as otherwise provided for by the Administrator.

---

(jj) **“Subsidiary”** means any company (other than the Company) in an unbroken chain of companies beginning with the Company, provided each company in the unbroken chain (other than the Company) owns, at the time of determination, stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other companies in such chain.

(kk) **“Termination for Cause”** means, unless otherwise provided in an Award Agreement, Termination of Employment on account of any act of fraud or intentional misrepresentation or embezzlement, misappropriation or conversion of assets of the Company or any Affiliate, or the intentional and repeated violation of the written policies or procedures of the Company, provided that, for an Employee who is party to an individual severance or employment agreement defining Cause, “Cause” shall have the meaning set forth in such agreement except as may be otherwise provided in such agreement. For purposes of this Plan, a Participant’s Termination of Employment shall be deemed to be a Termination for Cause if, after the Participant’s employment has terminated, facts and circumstances are discovered that would have justified, in the opinion of the Committee, a Termination for Cause.

(ll) **“Termination of Employment”** means for purposes of this Plan, unless otherwise determined by the Administrator, ceasing to be an Employee (as determined in accordance with Section 3401(c) of the Code and the regulations promulgated thereunder) of the Company or one of its Subsidiaries or Affiliates. Unless otherwise determined by the Committee in the terms of an Award Agreement or otherwise, if a Participant’s employment with the Company and its Affiliates terminates but such Participant continues to provide services to the Company and its Affiliates in a Non-employee Director capacity, such change in status shall be deemed a Termination of Employment. A Participant employed by, or performing services for, a Subsidiary or an Affiliate or a division of the Company and its Affiliates shall be deemed to incur a Termination of Employment if, as a result of a Disaffiliation, such Subsidiary, Affiliate, or division ceases to be a Subsidiary, Affiliate or division, as the case may be, and the Participant does not immediately thereafter become an Employee of (or service provider for), or member of the board of directors of, the Company or another Subsidiary or Affiliate. Temporary absences from employment because of illness, vacation or leave of absence and transfers among the Company and its Subsidiaries and Affiliates shall not be considered Terminations of Employment. In addition, Termination of Employment shall mean a “separation from service” as defined in regulations issued under Code Section 409A whenever necessary to ensure compliance therewith for any payment or settlement of a benefit conferred under this Plan that is subject to such Code section, and, for such purposes, shall be determined based upon a reduction in the bona fide level of services performed to a level equal to twenty percent (20%) or less of the average level of services performed by the Employee during the immediately preceding 36-month period. For the purposes of this Plan, Termination of Employment shall also mean the termination of a Consultant’s services to the Company and the termination of a Director’s position as a member of the Board of Directors of the Company.

---

### 3. Stock Subject to the Plan.

(a) *Aggregate Limit.* Subject to the provisions of Section 15(a) of the Plan, the maximum aggregate number of Shares which may be subject to Awards granted under the Plan is 10,000 Shares, less one Share for every one Share that was subject to an option or stock appreciation right granted under any prior plan, and one share for every one Share that was subject to an award other than an option or stock appreciation right granted under any prior plan. Any Shares that are subject to Options or Stock Appreciation Rights shall be counted against this limit as one Share for every one Share granted, and any Shares that are subject to Awards other than Options or Stock Appreciation Rights shall be counted against this limit as one Share for every one Share granted. After the Effective Date of the Plan (as provided in Section 6), no awards may be granted under any prior plan. Shares subject to or delivered under Conversion Awards shall not reduce the aggregate number of Shares which may be subject to or delivered under Awards granted under this Plan. The Shares issued under the Plan may be either Shares reacquired by the Company, including Shares purchased in the open market, or authorized but unissued Shares.

Notwithstanding any other provision of this Plan, the Company has no prior plans.

(b) *Code Section 162(m) and 422 Limits; Other Share Limitations.* Subject to the provisions of Section 15(a) of the Plan, no Employee may be granted under this Plan (i) Options or Stock Appreciation Rights during any calendar year with respect to more than 1,000 Shares, and (ii) Stock Awards and Other Stock-Based Awards that are intended to comply with the performance-based exception under Code Section 162(m) and are denominated in Shares under which more than 1,000 Shares may be earned for each calendar year (or other 12 month period) in the vesting or performance period. During any calendar year, no Participant may be granted an Award that is intended to comply with the performance-based exception under Code Section 162(m) and is denominated in cash under which more than one million dollars (\$1,000,000.00) may be earned for each calendar year (or other 12 month period) in the performance period. The foregoing limitations in this section shall be multiplied by two with respect to Awards granted to a Participant during the first calendar year in which the Participant commences employment with the Company and its Affiliates. Subject to the provisions of Section 15(a) of the Plan, the aggregate number of Shares that may be subject to all Incentive Stock Options granted under the Plan shall not exceed 10,000 Shares. Notwithstanding anything to the contrary in the Plan, the limitations set forth in this Section 3(b) shall be subject to adjustment under Section 15(a) of the Plan only to the extent that such adjustment will not affect the status of any Award intended to qualify as “performance-based compensation” under Section 162(m) of the Code.

(c) *Limit on Awards to Directors.* Notwithstanding any other provision of the Plan to the contrary, the aggregate Grant Date Fair Market Value (computed as of the date of grant in accordance with applicable financial accounting rules) of all Awards granted to any Non-employee Director during any single calendar year (excluding Awards made at the election of the Non-employee Director in lieu of all or a portion of annual and committee cash retainers) shall not exceed one million dollars (\$1,000,000.00).

---

(d) *Share Counting Rules.*

(i) For purposes of this Section 3 of the Plan, Shares subject to Awards that have been canceled, expired, settled in cash, or forfeited for any reason (in whole or in part) shall not reduce the aggregate number of Shares which may be subject to Awards granted under this Plan and shall be available for future Awards granted under this Plan in accordance with Section 3(d)(iii). In addition, if any Shares subject to an award under any prior plan are canceled, expired, settled in cash, or forfeited for any reason (in whole or in part) after December 31, 2015, then such Shares subject to an award under any prior plan shall, to the extent of such cancellation, expiration, settlement in cash, or forfeiture, again be available for grant under this Plan in accordance with Section 3(d)(iii). Notwithstanding the foregoing, Shares added back under the provisions of this subsection (d) shall not be counted when determining the limit on Shares that may be granted as Incentive Stock Options under subsection (b), above.

(ii) Notwithstanding anything to the contrary contained herein, the following Shares shall not be added to the Shares authorized for grant under paragraph (i) of this Section: (a) Shares tendered by the Participant or withheld by the Company in payment of the purchase price of an Option or, after December 31, 2015, an option under any prior plan, (b) Shares tendered by the Participant or withheld by the Company to satisfy any tax withholding obligation with respect to Options or Stock Appreciation Rights or, after December 31, 2015, options or stock appreciation rights under any prior plan, (c) Shares subject to a Stock Appreciation Right or, after December 31, 2015, a stock appreciation right under any prior plan, that are not issued in connection with its stock settlement on exercise thereof, and (d) Shares reacquired by the Company on the open market or otherwise using cash proceeds from the exercise of Options or, after December 31, 2015, options under any prior plan. Shares subject to Awards that have been retained by the Company in payment or satisfaction of the tax withholding obligation of an Awardee, other than for an Option or Stock Appreciation Right as described above, and Shares that have been delivered (either actually or constructively by attestation) to the Company in payment or satisfaction of the tax withholding obligation of an Awardee, other than for an Option or Stock Appreciation Right as described above, shall again be available for grant under the Plan. Similarly, if any Shares subject to an award under any prior plan are, after December 31, 2015, either retained by the Company in payment or satisfaction of the tax withholding obligation of an awardee, other than for an option or a stock appreciation right as described above, or if Shares are delivered (either actually or constructively by attestation) to the Company in payment or satisfaction of the tax withholding obligation of an awardee under a prior plan, other than for an option or stock appreciation right, as described above, then such Shares subject to an award under any prior plan shall, to the extent of such tendering or withholding, again be available for grant under this Plan.

(iii) Any Shares that again become available for grant pursuant to this Section shall be added back as (i) one Share for every one Share subject to Options or Stock Appreciation Rights granted under the Plan or options or stock appreciation rights

---

granted under any prior plan, and (ii) as one Share for every one Share subject to Awards other than Options or Stock Appreciation Rights granted under the Plan or awards other than options or stock appreciation rights granted under any prior plan.

(iv) Conversion Awards shall not reduce the Shares authorized for grant under the Plan or the limitations on Awards to a Participant under subsection (b), above, nor shall Shares subject to a Conversion Award again be available for an Award under the Plan as provided in this subsection (d).

#### 4. Administration of the Plan.

(a) *Procedure.*

(i) *Multiple Administrative Bodies.* The Plan shall be administered by the Board, a Committee designated by the Board to so administer this Plan and/or their respective delegates.

(ii) *Section 162(m).* To the extent that the Administrator determines it to be desirable to qualify Awards granted hereunder as “performance-based compensation” within the meaning of Code Section 162(m), Awards to “covered employees” (within the meaning of Code Section 162(m)) or to Employees that the Committee determines may be “covered employees” in the future shall be made by a Committee of two or more “outside directors” within the meaning of Section 162(m) of the Code. References herein to the Administrator in connection with Awards intended to qualify as “performance-based compensation” shall mean a Committee meeting the “outside director” requirements of Code Section 162(m). Notwithstanding any other provision of the Plan, the Administrator shall not have any discretion or authority to make changes to any Award that is intended to qualify as “performance-based compensation” to the extent that the existence of such discretion or authority would cause such Award not to so qualify.

(iii) *Rule 16b-3.* To the extent desirable to qualify transactions hereunder as exempt under Rule 16b-3 promulgated under the Exchange Act (“**Rule 16b-3**”), Awards to Officers and Directors shall be made by the entire Board or a Committee of two or more “non-employee directors” within the meaning of Rule 16b-3.

(iv) *Other Administration.* To the extent required by the rules of the principal U.S. national securities exchange on which the Shares are traded, the members of the Committee shall also qualify as “independent directors” as set forth in such rules. Except to the extent prohibited by Applicable Law, the Board or a Committee may delegate to a Committee of one or more Directors or to authorized officers of the Company the power to approve Awards to persons eligible to receive Awards under the Plan who are not (A) subject to Section 16 of the Exchange Act or (B) at the time of such approval, “covered employees” under Section 162(m) of the Code.

(v) *Awards to Directors.* The Board shall have the power and authority to grant Awards to Non-employee Directors, including the authority to determine the number and type of awards to be granted; determine the terms and conditions, not

---

inconsistent with the terms of this Plan, of any award; and to take any other actions the Board considers appropriate in connection with the administration of the Plan.

(vi) *Delegation of Authority for the Day-to-Day Administration of the Plan.* Except to the extent prohibited by Applicable Law, the Administrator may delegate to one or more individuals the day-to-day administration of the Plan and any of the functions assigned to it in this Plan. Such delegation may be revoked at any time.

(b) *Powers of the Administrator.* Subject to the provisions of the Plan and, in the case of a Committee or delegates acting as the Administrator, subject to the specific duties delegated to such Committee or delegates, the Administrator shall have the authority, in its discretion:

(i) to select the Non-employee Directors, Consultants and Employees of the Company or its Affiliates to whom Awards are to be granted hereunder;

(ii) to determine the number of Common Shares to be covered by each Award granted hereunder;

(iii) to determine the type of Award to be granted to the selected Employees and Non-employee Directors;

(iv) to approve forms of Award Agreements;

(v) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder. Such terms and conditions include, but are not limited to, the exercise and/or purchase price, the time or times when an Award may be exercised (which may or may not be based on performance criteria), the vesting schedule, any vesting and/or exercisability provisions, terms regarding acceleration of Awards or waiver of forfeiture restrictions, the acceptable forms of consideration for payment for an Award, the term, and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Administrator, in its sole discretion, shall determine and may be established at the time an Award is granted or thereafter;

(vi) to correct administrative errors;

(vii) to construe and interpret the terms of the Plan (including sub-plans and Plan addenda) and Awards granted pursuant to the Plan;

(viii) to adopt rules and procedures relating to the operation and administration of the Plan to accommodate the specific requirements of local laws and procedures. Without limiting the generality of the foregoing, the Administrator is specifically authorized (A) to adopt rules and procedures regarding the conversion of local currency, the shift of tax liability from employer to employee (where legally permitted) and withholding procedures and handling of stock certificates which vary with local requirements, and (B) to adopt sub-plans and Plan addenda as the

---

Administrator deems desirable, to accommodate foreign laws, regulations and practice;

(ix) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans and Plan addenda;

(x) to modify or amend each Award, including, but not limited to, the acceleration of vesting and/or exercisability, provided, however, that any such modification or amendment (A) is subject to the plan amendment provisions set forth in Section 16 of the Plan, and (B) may not materially impair any outstanding Award unless agreed to in writing by the Participant, except that such agreement shall not be required if the Administrator determines in its sole discretion that such modification or amendment either (Y) is required or advisable in order for the Company, the Plan or the Award to satisfy any Applicable Law or to meet the requirements of any accounting standard, or (Z) is not reasonably likely to significantly diminish the benefits provided under such Award, or that adequate compensation has been provided for any such diminishment, except following a Change of Control;

(xi) to allow or require Participants to satisfy withholding tax amounts by electing to have the Company withhold from the Shares to be issued upon exercise of a Nonqualified Stock Option or vesting of a Stock Award that number of Shares having a Fair Market Value equal to the amount required to be withheld. The Fair Market Value of the Shares to be withheld shall be determined in such manner and on such date that the Administrator shall determine or, in the absence of provision otherwise, on the date that the amount of tax to be withheld is to be determined. All elections by a Participant to have Shares withheld for this purpose shall be made in such form and under such conditions as the Administrator may provide;

(xii) to authorize conversion or substitution under the Plan of any or all stock options, stock appreciation rights or other stock awards held by awardees of an entity acquired by the Company (the “**Conversion Awards**”). Any conversion or substitution shall be effective as of the close of the merger or acquisition. The Conversion Awards may be Nonqualified Stock Options or Incentive Stock Options, as determined by the Administrator, with respect to options granted by the acquired entity;

(xiii) to authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator;

(xiv) to impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resale by a Participant or of other subsequent transfers by the Participant of any Shares issued as a result of or under an Award or upon the exercise of an Award, including, without limitation, (A) restrictions under an insider trading policy, (B) restrictions as to the use of a specified brokerage firm for such resale or other transfers, and (C) institution of “blackout” periods on exercises of Awards;

---



(xv) to provide, either at the time an Award is granted or by subsequent action, that an Award shall contain as a term thereof, a right, either in tandem with the other rights under the Award or as an alternative thereto, of the Participant to receive, without payment to the Company, a number of Shares, cash or a combination thereof, the amount of which is determined by reference to the value of the Award; and

(xvi) to make all other determinations deemed necessary or advisable for administering the Plan and any Award granted hereunder.

(c) *Effect of Administrator's Decision.* All questions arising under the Plan or under any Award shall be decided by the Administrator in its total and absolute discretion. All decisions, determinations and interpretations by the Administrator regarding the Plan, any rules and regulations under the Plan and the terms and conditions of any Award granted hereunder, shall be final and binding on all Participants. The Administrator shall consider such factors as it deems relevant, in its sole and absolute discretion, to making such decisions, determinations and interpretations, including, without limitation, the recommendations or advice of any officer or other employee of the Company and such attorneys, consultants and accountants as it may select.

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

## **5. Eligibility.**

Awards may be granted only to Directors, Employees and Consultants of the Company or any of its Affiliates; provided, however, that Incentive Stock Options may be granted only to Employees of the Company and its Subsidiaries (within the meaning of Section 424(f) of the Code).

## **6. Term of Plan.**

The Plan shall become effective upon its approval by shareholders of the Company. It shall continue in effect for a term of ten (10) years from the date the Plan is approved by the

---

shareholders of the Company (the “**Effective Date**”) unless terminated earlier under Section 16 of the Plan.

## **7. Term of Award.**

Subject to the provisions of the Plan, the term of each Award shall be determined by the Administrator and stated in the Award Agreement, and may extend beyond the termination of the Plan. In the case of an Option or a Stock Appreciation Right, the term shall be ten (10) years from the Grant Date or such shorter term as may be provided in the Award Agreement. Notwithstanding the foregoing, the term of Awards other than Awards that are structured to qualify as Incentive Stock Options under Section 9 shall be extended automatically if the Award would expire at a time when trading in Common Shares is prohibited by law or the Company’s insider trading policy to the 30th day after the expiration of the prohibition.

## **8. Options.**

The Administrator may grant an Option or provide for the grant of an Option, either from time to time in the discretion of the Administrator or automatically upon the occurrence of specified events, including, without limitation, the achievement of performance goals.

(a) *Option Agreement.* Each Option Agreement shall contain provisions regarding (i) the number of Shares that may be issued upon exercise of the Option, (ii) the type of Option, (iii) the exercise price of the Option and the means of payment of such exercise price, (iv) the term of the Option, (v) such terms and conditions regarding the vesting and/or exercisability of an Option as may be determined from time to time by the Administrator, (vi) restrictions on the transfer of the Option and forfeiture provisions, and (vii) such further terms and conditions, in each case not inconsistent with this Plan, as may be determined from time to time by the Administrator.

(b) *Exercise Price.* The per share exercise price for the Shares to be issued upon exercise of an Option shall be determined by the Administrator, except that the per Share exercise price shall be no less than 100% of the Fair Market Value per Share on the Grant Date, except with respect to Conversion Awards.

(c) *No Option Repricings.* Subject to Section 15 of the Plan, the exercise price of an Option may not be reduced without shareholder approval, nor may outstanding Options be cancelled in exchange for cash, other Awards or Options with an exercise price that is less than the exercise price of the original Option without shareholder approval.

(d) *No Reload Grants.* Options shall not be granted under the Plan in consideration for and shall not be conditioned upon the delivery of Shares to the Company in payment of the exercise price and/or tax withholding obligation under any other employee stock option.

(e) *Vesting Period and Exercise Dates.* Options granted under this Plan shall vest and/or be exercisable at such time and in such installments during the period prior to the expiration of the Option’s term as determined by the Administrator and as specified in the Option Agreement. The Administrator shall have the right to make the timing of the

---

ability to exercise any Option granted under this Plan subject to continued active employment (or retention in the case of a consultant or Director), the passage of time and/or such performance requirements as deemed appropriate by the Administrator. At any time after the grant of an Option, the Administrator may reduce or eliminate any restrictions surrounding any Participant's right to exercise all or part of the Option.

(f) *Form of Consideration.* The Administrator shall determine the acceptable form of consideration for exercising an Option, including the method of payment, either through the terms of the Option Agreement or at the time of exercise of an Option. Acceptable forms of consideration may include:

(i) cash;

(ii) check or wire transfer (denominated in U.S. Dollars);

(iii) subject to any conditions or limitations established by the Administrator, other Shares which were held for a period of more than six (6) months on the date of surrender and which have a Fair Market Value on the date of surrender equal to or greater than the aggregate exercise price of the Shares as to which said Option shall be exercised (it being agreed that the excess of the Fair Market Value over the aggregate exercise price, if any, shall be refunded to the Awardee in cash);

(iv) subject to any conditions or limitations established by the Administrator, the Company withholding Shares otherwise issuable upon exercise of an Option;

(v) consideration received by the Company under a broker-assisted sale and remittance program acceptable to the Administrator and in compliance with Applicable Law;

(vi) such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Law; or

(vii) any combination of the foregoing methods of payment.

(g) *Procedure for Exercise; Rights as a Shareholder.*

(i) Any Option granted hereunder shall be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the applicable Option Agreement.

(ii) An Option shall be deemed exercised when (A) the Company receives (1) written or electronic notice of exercise (in accordance with the Option Agreement or procedures established by the Administrator) from the person entitled to exercise the Option and (2) full payment for the Shares with respect to which the related Option is exercised, and (B) with respect to Nonqualified Stock Options, provisions acceptable to the Administrator have been made for payment of all applicable withholding taxes.

---

(iii) Unless provided otherwise by the Administrator or pursuant to this Plan, until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Shares subject to an Option, notwithstanding the exercise of the Option.

(iv) The Company shall issue (or cause to be issued) such Shares as soon as administratively practicable after the Option is exercised. An Option may not be exercised for a fraction of a Share.

*(h) Termination of Employment, Consultancy or Board Membership.*

(i) The Administrator shall determine as of the Grant Date (subject to modification subsequent to the Grant Date) the effect a Termination of Employment due to (A) Disability, (B) Retirement, (C) death, or (D) otherwise (including Termination for Cause) shall have on any Option.

(ii) Unless otherwise provided in the Award Agreement:

(A) Upon termination from membership on the Board by a Non-employee Director for reasons other than Retirement as set forth in subparagraph (D) below, any Option held by such Director that (1) has not vested and is not exercisable as of the effective date of such termination from membership on the Board shall be subject to immediate cancellation and forfeiture or (2) is vested and exercisable as of the effective date of such termination shall remain exercisable for five (5) years thereafter, or the remaining term of the Option, if less;

(B) Upon Termination of Employment, excluding termination from membership on the Board by a Non-employee Director, due to death or Disability, any Option held by such Employee that is vested and exercisable as of the effective date of such Termination of Employment shall remain exercisable for one year after such Termination of Employment due to death or Disability or the remaining term of the Option, if less;

(C) Upon Termination of Employment, excluding termination from membership on the Board by a Non-employee Director, due to death or Disability, any Option held by such Employee that is not yet vested shall vest in full as of the date of death or Disability, and any such vested Options shall remain exercisable for one year after such Termination of Employment due to death or Disability or the remaining term of the Option, if less;

(D) Upon Termination of Employment due to Retirement, (1) any Option held by such Awardee shall, to the extent not already vested, become ratably vested (rounded up or down to the nearest whole Share) based upon the full months of the applicable vesting period elapsed as of the end of the month in which the Termination of Employment due to Retirement occurs over the total number of months in such period; provided, however, that, in the case of a

---

Retirement due to a voluntary Termination of Employment, the terms of this Section 8(h)(ii)(D)(1) shall not apply with respect to any Option granted less than six (6) months prior to the effective date of such Termination of Employment; and (2) any Option held by an Awardee at Retirement, to the extent vested and exercisable as of the effective date of such Retirement (including, without limitation, any Options that have ratably vested pursuant to the preceding clause (1)), will remain outstanding for the lesser of five (5) years or the remaining term of the Option; and

(E) Any other Termination of Employment, termination from membership on the Board by a Non-employee Director, shall result in immediate cancellation and forfeiture of all outstanding Options that have not vested as of the effective date of such Termination of Employment, and any vested and exercisable Options held at the time of such Termination of Employment shall remain exercisable for ninety (90) days thereafter, or the remaining term of the Option, if less. Notwithstanding the foregoing, all outstanding and unexercised Options shall be immediately cancelled in the event of a Termination for Cause.

## **9. Incentive Stock Option Limitations/Terms.**

(a) *Eligibility.* Only employees (as determined in accordance with Section 3401(c) of the Code and the regulations promulgated thereunder) of the Company or any of its Subsidiaries may be granted Incentive Stock Options. No Incentive Stock Option shall be granted to any such employee who as of the Grant Date owns stock possessing more than 10% of the total combined voting power of the Company, except in compliance with Section 422 of the Code regarding 10 – percent shareholders.

(b) *\$100,000 Limitation.* Notwithstanding the designation “Incentive Stock Option” in an Option Agreement, if and to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by the Awardee during any calendar year (under all plans of the Company and any of its Subsidiaries) exceeds U.S. \$100,000, such Options shall be treated as Nonqualified Stock Options. For purposes of this Section 9(b) of the Plan, Incentive Stock Options shall be taken into account in the order in which they were granted. The Fair Market Value of the Shares shall be determined as of the Grant Date.

(c) *Transferability.* The Option Agreement must provide that an Incentive Stock Option is not transferable by the Awardee otherwise than by will or the laws of descent and distribution, and, during the lifetime of such Awardee, must not be exercisable by any other person. If the terms of an Incentive Stock Option are amended to permit transferability, the Option will be treated for tax purposes as a Nonqualified Stock Option.

(d) *Exercise Price.* The per Share exercise price of an Incentive Stock Option shall in no event be inconsistent with the requirements for qualification of the Incentive Stock Option under Section 422 of the Code.

---

(e) *Other Terms.* Option Agreements evidencing Incentive Stock Options shall contain such other terms and conditions as may be necessary to qualify, to the extent determined desirable by the Administrator, with the applicable provisions of Section 422 of the Code. If any such terms and conditions, as of the Grant Date or any later date, do not so comply, the Option will be treated thereafter for tax purposes as a Nonqualified Stock Option.

#### **10. Stock Appreciation Rights.**

A “Stock Appreciation Right” is a right that entitles the Awardee to receive, in cash or Shares (as determined by the Administrator), value equal to or otherwise based on the excess of

(i) the Fair Market Value of a specified number of Shares at the time of exercise over (ii) the aggregate exercise price of the right, as established by the Administrator on the Grant Date. Stock Appreciation Rights may be granted to Awardees either alone (“freestanding”) or in addition to or in tandem with other Awards granted under the Plan and may, but need not, relate to a specific Option granted under Section 8 of the Plan. Any Stock Appreciation Right granted in tandem with an Option may be granted at the same time such Option is granted or at any time thereafter before exercise or expiration of such Option, and shall be based on the Fair Market Value of one Share on the Grant Date or, if applicable, on the Grant Date of the Option with respect to a Stock Appreciation Right granted in exchange for or in tandem with, but subsequent to, the Option (subject to the requirements of Section 409A of the Code). All Stock Appreciation Rights under the Plan, other than Conversion Awards, shall be granted subject to the same terms and conditions applicable to Options as set forth in Section 8 of the Plan. Subject to the provisions of Section 8 of the Plan, the Administrator may impose such other conditions or restrictions on any Stock Appreciation Right as it shall deem appropriate.

#### **11. Stock Awards.**

(a) *Stock Award Agreement.* Each Stock Award Agreement shall contain provisions regarding (i) the number of Shares subject to such Stock Award or a formula for determining such number, (ii) the purchase price of the Shares, if any, and the means of payment for the Shares, (iii) the performance criteria, if any, and level of achievement versus these criteria that shall determine the number of Shares granted, issued, retainable and/or vested, (iv) such terms and conditions on the grant, issuance, vesting and/or forfeiture of the Shares as may be determined from time to time by the Administrator, (v) restrictions on the transferability of the Stock Award, and (vi) such further terms and conditions, in each case not inconsistent with this Plan, as may be determined from time to time by the Administrator. The Committee may, in its sole discretion, waive the vesting restrictions and any other conditions set forth in any Award Agreement under such terms and conditions as the Committee shall deem appropriate, subject to the limitations imposed under Code Section 162(m) and the regulations thereunder in the case of an Award intended to comply with the performance-based exception under Code Section 162(m), unless determined otherwise under the circumstances by the Committee.

(b) *Restrictions and Performance Criteria.* The grant, issuance, retention and/or vesting of Stock Awards issued to Employees may be subject to such performance criteria and level of achievement versus these criteria as the Administrator shall determine, which

---

criteria may be based on financial performance, personal performance evaluations and/or completion of service by the Awardee. Notwithstanding anything to the contrary herein, the performance criteria for any Stock Award that is intended to satisfy the requirements for “performance-based compensation” under Section 162(m) of the Code (a “**Performance Stock Award**”) shall be established by the Administrator based on one or more Qualifying Performance Criteria selected by the Administrator and specified in writing not later than ninety (90) days after the commencement of the period of service (or, if earlier, the elapse of 25% of such period) to which the performance goals relate or otherwise within the time period required by the Code or the applicable Treasury Regulations, provided that the outcome is substantially uncertain at that time. Stock Awards for which vesting is not based on the attainment of performance criteria are referred to as “**Restricted Stock Awards.**”

*(c) Termination of Employment or Board Membership.*

(i) The Administrator shall determine as of the Grant Date (subject to modification subsequent to the Grant Date) the effect a Termination of Employment due to (A) Disability, (B) Retirement (C) death, or (D) otherwise (including Termination for Cause) shall have on any Stock Award.

(ii) Unless otherwise provided in the Award Agreement:

(A) A Termination of Employment due to Disability or death shall result in immediate full vesting of any as yet unvested Stock Award, and in the case of a Stock Award that vests upon the achievement of performance goals, the vested amount shall be based upon the target award amount;

(B) A Termination of Employment due to Retirement shall result in vesting of a prorated portion of any Stock Award (rounded up or down to the nearest whole Share), based upon the full months of the applicable performance period, vesting period or other period of restriction elapsed as of the end of the month in which the Termination of Employment due to Retirement occurs over the total number of months in such period; provided, however, that, in the case of a Retirement due to voluntary Termination of Employment, the terms of this Section 11(c)(ii)(B) shall not apply with respect to any Stock Award granted less than six (6) months prior to the effective date of such Termination of Employment; and

(C) Any other Termination of Employment shall result in immediate cancellation and forfeiture of all outstanding, unvested Stock Awards.

If clause (B) of this Section 11(c)(ii) applies to a Stock Award under which vesting is based on the attainment of performance criteria over a performance period, the ratable vesting percentage determined by the portion of the performance period during which the Awardee was an Employee of the Company or an Affiliate shall be applied to determine the portion of the Stock

---

Award that is vested based upon actual performance results after the completion of the performance period.

(d) *Rights as a Shareholder.* Unless otherwise provided for by the Administrator, the Participant shall have the rights equivalent to those of a shareholder and shall be a shareholder only after Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company) to the Participant.

## **12. Other Stock-Based Awards.**

(a) *Other Stock-Based Awards.* An “Other Stock-Based Award” means any other type of equity-based or equity-related Award not otherwise described by the terms of this Plan (including the grant or offer for sale of unrestricted Shares), as well as any cash bonus based on the attainment of Qualifying Performance Criteria as described in Section 13(b), in such amount and subject to such terms and conditions as the Administrator shall determine. Such Awards may involve the transfer of actual Shares to Participants, or payment in cash or otherwise of amounts based on the value of Shares or pursuant to attainment of a performance goal. Each Other Stock-Based Award will be evidenced by an Award Agreement containing such terms and conditions as may be determined by the Administrator.

(b) *Value of Other Stock-Based Awards.* Each Other Stock-Based Award shall be expressed in terms of Shares or units based on Shares or a target amount of cash, as determined by the Administrator. The Administrator may establish performance goals in its discretion. If the Administrator exercises its discretion to establish performance goals, the number and/or value of Other Stock-Based Awards that will be paid out to the Participant will depend on the extent to which the performance goals are met. Notwithstanding anything to the contrary herein, the performance criteria for any Other Stock-Based Award that is intended to satisfy the requirements for “performance-based compensation” under Section 162(m) of the Code shall be established by the Administrator based on one or more Qualifying Performance Criteria selected by the Administrator and specified in writing not later than ninety (90) days after the commencement of the period of service (or, if earlier, the elapse of 25% of such period) to which the performance goals relate and otherwise within the time period required by the Code and the applicable Treasury Regulations, provided that the outcome is substantially uncertain at that time.

(c) *Payment of Other Stock-Based Awards.* Payment, if any, with respect to Other Stock-Based Awards shall be made in accordance with the terms of the Award, in cash or Shares or a combination thereof, as the Administrator determines.

(d) *Termination of Employment, Consultancy, or Board Membership.*

(i) The Administrator shall determine as of the Grant Date (subject to modification subsequent to the Grant Date) the effect a Termination of Employment

---



due to (A) Disability, (B) Retirement, (C) death, or (D) otherwise (including Termination for Cause) shall have on any Other Stock-Based Award.

(ii) Unless otherwise provided in the Award Agreement:

(A) A Termination of Employment due to Disability or death shall result in immediate full vesting of any as yet unvested Other Stock-Based Award, and in the case of an Other Stock-Based Award which vests on the basis of attainment of a performance goal, the vested amount shall be based upon the target award amount;

(B) A Termination of Employment due to Retirement shall result in vesting of a prorated portion of any Other Stock-Based Award (rounded up or down to the nearest whole Share or unit based on Shares, as applicable), based upon the full months of the applicable performance period, vesting period or other period of restriction elapsed as of the end of the month in which the Termination of Employment due to Retirement occurs over the total number of months in such period; provided, however, that, in the case of a Retirement due to voluntary Termination of Employment, the terms of this Section 12(d)(ii)(B) shall not apply with respect to any Other Stock-Based Award granted less than six (6) months prior to the effective date of such Termination of Employment; and

(C) Any other Termination of Employment shall result in immediate cancellation and forfeiture of all outstanding, unvested Other Stock-Based Awards.

If clause (B) of this Section 12(d)(ii) applies to an Other Stock-Based Award under which vesting is based on the attainment of performance criteria over a performance period, the ratable vesting percentage determined by the portion of the performance period during which the Awardee was an Employee of the Company or an Affiliate shall be applied to determine the portion of the Other Stock-Based Award that is vested based upon actual performance results after the completion of the performance period.

### **13. Other Provisions Applicable to Awards.**

(a) *Non-Transferability of Awards.* Unless determined otherwise by the Administrator, an Award may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by beneficiary designation, will or by the laws of descent or distribution, including but not limited to any attempted assignment or transfer in connection with the settlement of marital property or other rights incident to a divorce or dissolution, and any such attempted sale, assignment or transfer shall be of no effect prior to the date an Award is vested and settled. The Administrator may only make an Award transferable to an Awardee's family member or any other person or entity provided the Awardee does not receive consideration for such transfer. If the Administrator makes an Award transferable, either as of the Grant Date or thereafter, such Award shall contain

---

such additional terms and conditions as the Administrator deems appropriate, and any transferee shall be deemed to be bound by such terms upon acceptance of such transfer.

(b) *Qualifying Performance Criteria.* For purposes of this Plan, the term “Qualifying Performance Criteria” shall mean any one or more of the following performance criteria, either individually, alternatively or in any combination, on a basis consistent with U.S. Generally Accepted Accounting Principles (“GAAP”) or on a non-GAAP or adjusted GAAP basis, applied to either the Company as a whole or to a Subsidiary, business unit, Affiliate or business segment, either individually, alternatively or in any combination, and measured either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years’ results or to a designated comparison group, in each case as specified by the Committee in the Award or by duly adopted resolution: (i) sales or cash return on sales; (ii) cash flow or free cash flow or net cash from operating activity; (iii) earnings (including gross margin, earnings before or after interest and taxes, earnings before taxes, and net earnings); (iv) basic or diluted earnings per share; (v) growth in earnings or earnings per share; (vi) stock price; (vii) return on equity or average shareholders’ equity; (viii) total shareholder return; (ix) return on capital; (x) return on assets or net assets; (xi) return on investments; (xii) revenue or gross profits; (xiii) income before or after interest, taxes, depreciation and amortization, or net income; (xiv) pretax income before allocation of corporate overhead and bonus; (xv) operating income or net operating income; (xvi) operating profit or net operating profit (whether before or after taxes); (xvii) operating margin; (xviii) return on operating revenue; (xix) working capital or net working capital; (xx) market share; (xxi) asset velocity index; (xxii) contract awards or backlog; (xxiii) overhead or other expense or cost reduction; (xxiv) growth in shareholder value relative to the moving average of the S&P 500 Index or a peer group index; (xxv) credit rating; (xxvi) strategic plan development and implementation; (xxvii) improvement in workforce diversity; (xxviii) customer satisfaction; (xxvix) employee satisfaction; (xxx) management succession plan development and implementation; and (xxxi) employee or customer retention. With respect to any Award that is intended to satisfy the requirements for “performance-based compensation” under Section 162(m) of the Code, the performance criteria must be Qualifying Performance Criteria, and the Administrator will (within the first quarter of the performance period, but in no event more than ninety (90) days into that period) establish the specific performance targets (including thresholds and whether to exclude certain extraordinary, non-recurring, or similar items) and Award amounts (subject to the right of the Administrator to exercise discretion to reduce payment amounts following the conclusion of the performance period). Extraordinary, non-recurring items that may be the basis of adjustment include acquisitions or divestitures, restructurings, discontinued operations, extraordinary items, and other unusual or non-recurring charges, an event either not directly related to the operations of the Company, Subsidiary, division, business segment or business unit or not within the reasonable control of management, the cumulative effects of tax or accounting changes in accordance with U.S. GAAP, and foreign exchange gains or losses.

(c) *Certification.* Prior to the payment of any compensation under an Award intended to qualify as “performance-based compensation” under Section 162(m) of the Code, the Administrator shall certify in writing the extent to which any Qualifying Performance

---

Criteria and any other material terms under such Award have been satisfied (other than in cases where such criteria relate solely to the increase in the value of the Common Shares).

(d) *Discretionary Adjustments Pursuant to Section 162(m)*. Notwithstanding satisfaction or completion of any Qualifying Performance Criteria, to the extent specified as of the Grant Date, the number of Shares, Options or other benefits granted, issued, retainable and/or vested under an Award on account of satisfaction of such Qualifying Performance Criteria may be reduced (but not increased) by the Administrator on the basis of such further considerations as the Administrator in its sole discretion shall determine.

(e) *Six Month Holding Period for Purposes of Rule 16b-3*. If the Company is subject to the reporting requirements of Section 13 of the Exchange Act, the Plan Administrator shall ensure that transactions between the Company and an Officer or Director under this Plan are exempt from Section 16(b) of the Exchange Act pursuant to one of the exemptions available under 17 C.F.R. 240.16b-3. If the Administrator determines that the exemption pursuant to 17 C.F.R. 240.16b-3(d)(3) is to be used, then (i) shares purchased upon exercise of an Option or another derivative security (as defined in Exchange Act Rule 16a-1(c)) issued under this Plan by an Officer or Director may not be sold before at least six months have elapsed from the date the Option or other derivative security was granted; and (ii) any other equity securities of the Company acquired by an Officer or Director under this Plan other than as described in subparagraph (i) above may not be sold before at least six months have elapsed from the date they equity security was acquired.

#### **14. Dividends and Dividend Equivalents.**

Awards other than Options and Stock Appreciation Rights may provide the Awardee with the right to receive dividend payments or dividend equivalent payments on the Shares subject to the Award, whether or not such Award is vested. Notwithstanding the foregoing, dividends or dividend equivalents shall not be paid with respect to Stock Awards or Other Stock-Based Awards that, in either case, vest based on the achievement of performance goals prior to the date the performance goals are satisfied and the Award is earned, and then shall be payable only with respect to the number of Shares or Stock Units actually earned under the Award. Such payments may be made in cash, Shares or Stock Units or may be credited as cash or Stock Units to an Awardee's account and later settled in cash or Shares or a combination thereof, as determined by the Administrator. Such payments and credits may be subject to such conditions and contingencies as the Administrator may establish.

#### **15. Adjustments upon Changes in Capitalization, Organic Change or Change of Control.**

(a) *Adjustment Clause*. In the event of (i) a stock dividend, extraordinary cash dividend, stock split, reverse stock split, share combination, or recapitalization or similar event affecting the capital structure of the Company (each, a "**Share Change**"), or (ii) a merger, consolidation, acquisition of property or shares, separation, spin-off, reorganization, liquidation, Disaffiliation, or similar event affecting the Company or any of its Subsidiaries (each, an "**Organic Change**"), the Administrator or the Board may in its discretion make such substitutions or adjustments as it deems appropriate and equitable

---

to (i) the Share limitations set forth in Section 3 of the Plan, (ii) the number and kind of Shares covered by each outstanding Award, and (iii) the price per Share subject to each such outstanding Award. In the case of Organic Changes, such adjustments may include, without limitation, (x) the cancellation of outstanding Awards in exchange for payments of cash, property or a combination thereof having an aggregate value equal to the value of such Awards, as determined by the Administrator or the Board in its sole discretion (it being understood that in the case of an Organic Change with respect to which shareholders receive consideration other than publicly traded equity securities of the ultimate surviving entity, any such determination by the Administrator that the value of an Option or Stock Appreciation Right shall for this purpose be deemed to equal the excess, if any, of the value of the consideration being paid for each Share pursuant to such Organic Change over the exercise price of such Option or Stock Appreciation Right shall conclusively be deemed valid); (y) the substitution of other property (including, without limitation, cash or other securities of the Company and securities of entities other than the Company) for the Shares subject to outstanding Awards; and (z) in connection with any Disaffiliation, arranging for the assumption of Awards, or replacement of Awards with new awards based on other property or other securities (including, without limitation, other securities of the Company and securities of entities other than the Company), by the affected Subsidiary, Affiliate, or division or by the entity that controls such Subsidiary, Affiliate, or division following such Disaffiliation (as well as any corresponding adjustments to Awards that remain based upon Company securities). The Committee may adjust in its sole discretion the Qualifying Performance Criteria applicable to any Awards to reflect any Share Change and any Organic Change and any unusual or non-recurring events and other extraordinary items, impact of charges for restructurings, discontinued operations, and the cumulative effects of accounting or tax changes, each as defined by GAAP or as identified in the Company's financial statements, notes to the financial statements, management's discussion and analysis or the Company's other SEC filings, provided that in the case of Qualifying Performance Criteria applicable to any performance-based Awards intended to qualify under Code Section 162(m), such adjustment does not violate Section 162(m) of the Code. Any adjustment under this Section 15(a) need not be the same for all Participants.

(b) *Change of Control.* In the event of a Change of Control, unless otherwise determined by the Administrator as of the Grant Date of a particular Award (or subsequent to the Grant Date), the following acceleration, exercisability and valuation provisions shall apply:

(i) On the date that such Change of Control occurs, any or all Options and Stock Appreciation Rights awarded under this Plan not previously exercisable and vested shall become fully exercisable and vested.

(ii) Except as may be provided in an individual severance or employment agreement (or severance plan) to which an Awardee is a party, in the event of an Awardee's Termination of Employment within two (2) years after a Change of Control for any reason other than because of the Awardee's death, Retirement, Disability or Termination for Cause, each Option and Stock Appreciation Right held by the Awardee (or a transferee) that is vested shall remain exercisable until the

---

earlier of the third (3rd) anniversary of such Termination of Employment (or any later date until which it would remain exercisable under such circumstances by its terms) or the expiration of its original term. In the event of an Awardee's Termination of Employment more than two (2) years after a Change of Control, or within two (2) years after a Change of Control because of the Awardee's death, Retirement, Disability or Termination for Cause, the provisions of Sections 8(h) and 10 of the Plan shall govern (as applicable).

(iii) On the date that such Change of Control occurs, the restrictions and conditions applicable to any or all Stock Awards and Other Stock-Based Awards shall lapse and such Awards shall be fully vested. Unless otherwise provided in an Award at the Grant Date, upon the occurrence of a Change of Control, any performance based Award shall be deemed fully earned at the target amount as of the date on which the Change of Control occurs. All Stock Awards, Other Stock-Based Awards and cash Awards shall be settled or paid within thirty (30) days of vesting hereunder. Notwithstanding the foregoing, if the Change of Control would not qualify as a permissible date of distribution under Section 409A(a)(2)(A) of the Code, and the regulations thereunder, the Awardee shall be entitled to receive the payment of cash or settlement of Shares under the Award, as applicable, from the Company on the date that would have applied absent this provision.

(iv) The Administrator, in its discretion, may determine that, upon the occurrence of a Change of Control of the Company, each Option and Stock Appreciation Right outstanding shall terminate within a specified number of days after notice to the Participant, and/or that each Participant shall receive, with respect to each Share subject to such Option or Stock Appreciation Right, an amount equal to the excess of the Fair Market Value of such Share immediately prior to the occurrence of such Change of Control over the exercise price per Share of such Option and/or Stock Appreciation Right; such amount to be payable in cash, in one or more kinds of stock or property (including the stock or property, if any, payable in the transaction) or in a combination thereof, as the Committee, in its discretion, shall determine, and if there is no excess value, the Committee may, in its discretion, cancel such Awards.

(c) *Section 409A.* Notwithstanding the foregoing: (i) any adjustments made pursuant to Section 15(a) of the Plan to Awards that are considered "deferred compensation" within the meaning of Section 409A of the Code shall be made in compliance with the requirements of Section 409A of the Code; (ii) any adjustments made pursuant to Section 15(a) of the Plan to Awards that are not considered "deferred compensation" subject to Section 409A of the Code shall be made in such a manner as to ensure that after such adjustment, the Awards either continue not to be subject to Section 409A of the Code or comply with the requirements of Section 409A of the Code; (iii) the Administrator shall not have the authority to make any adjustments pursuant to Section 15(a) of the Plan to the extent that the existence of such authority would cause an Award that is not intended to be subject to Section 409A of the Code to be subject thereto; and (iv) if any Award is subject to Section 409A of the Code, Section 15(b) of the Plan shall be applicable only to the extent specifically provided in the Award Agreement and permitted pursuant to

---



Section 24 of the Plan in order to ensure that such Award complies with Code Section 409A.

#### **16. Amendment and Termination of the Plan.**

(a) *Amendment and Termination.* The Board may amend, alter or discontinue the Plan or any Award Agreement, but any such amendment shall be subject to approval of the shareholders of the Company in the manner and to the extent required by Applicable Law. In addition, without limiting the foregoing, unless approved by the shareholders of the Company and subject to Section 16(b), no such amendment shall be made that would:

- (i) increase the maximum aggregate number of Shares which may be subject to Awards granted under the Plan;
- (ii) reduce the minimum exercise price for Options or Stock Appreciation Rights granted under the Plan; or
- (iii) reduce the exercise price of outstanding Options or Stock Appreciation Rights, as prohibited by Section 8(c) without shareholder approval.

(b) *Effect of Amendment or Termination.* No amendment, suspension or termination of the Plan shall materially impair the rights of any Participant with respect to an outstanding Award, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company, except that no such agreement shall be required if the Administrator determines in its sole discretion that such amendment either (i) is required or advisable in order for the Company, the Plan or the Award to satisfy any Applicable Law or to meet the requirements of any accounting standard, or (ii) is not reasonably likely to significantly diminish the benefits provided under such Award, or that any such diminishment has been adequately compensated, except that this exception shall not apply following a Change of Control. Termination of the Plan shall not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

(c) *Effect of the Plan on Other Arrangements.* Neither the adoption of the Plan by the Board or a Committee nor the submission of the Plan to the shareholders of the Company for approval shall be construed as creating any limitations on the power of the Board or any Committee to adopt such other incentive arrangements as it or they may deem desirable, including without limitation, the granting of restricted shares or restricted share units or stock options otherwise than under the Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

#### **17. Designation of Beneficiary.**

(a) An Awardee may file a written designation of a beneficiary who is to receive the Awardee's rights pursuant to Awardee's Award or the Awardee may include his or her Awards in an omnibus beneficiary designation for all benefits under the Plan. To the extent that Awardee has completed a designation of beneficiary while employed with the

---

Company, such beneficiary designation shall remain in effect with respect to any Award hereunder until changed by the Awardee to the extent enforceable under Applicable Law.

(b) Such designation of beneficiary may be changed by the Awardee at any time by written notice. In the event of the death of an Awardee and in the absence of a beneficiary validly designated under the Plan who is living at the time of such Awardee's death, the Company shall allow the legal representative of the Awardee's estate to exercise the Award.

#### **18. No Right to Awards or to Employment.**

No person shall have any claim or right to be granted an Award and the grant of any Award shall not be construed as giving an Awardee the right to continue in the employ of the Company or its Affiliates. Further, the Company and its Affiliates expressly reserve the right, at any time, to dismiss any Employee or Awardee at any time without liability or any claim under the Plan, except as provided herein or in any Award Agreement entered into hereunder.

#### **19. Legal Compliance.**

Shares shall not be issued pursuant to an Option, Stock Appreciation Right, Stock Award or Other Stock-Based Award unless such Option, Stock Appreciation Right, Stock Award or Other Stock-Based Award and the issuance and delivery of such Shares shall comply with Applicable Law, specifically including without limitation all applicable federal and state securities laws and regulations, and shall be further subject to the approval of counsel for the Company with respect to such compliance. Unless the Awards and Shares covered by this Plan have been registered under the Securities Act or the Company has determined that such registration is unnecessary, each person receiving an Award and/or Shares pursuant to any Award may be required by the Company (a) to give a representation in writing that such person is acquiring such Shares for his or her own account for investment and not with a view to, or for sale in connection with, the distribution of any part thereof, and (b) to make such additional representations, warranties, and agreements with respect to the investment intent of such person or persons as the Company may request.

All certificates for Shares or certificates, agreements, or other documents evidencing securities delivered under the Plan shall be subject to such stop-transfer orders and other restrictions as the Company may deem advisable under the rules, regulations, and other requirements of the Securities and Exchange Commission, any securities law, and the Company may cause a legend or legends to be put on any such certificates, agreements or other documents to make appropriate reference to such restrictions.

In the case of the exercise of an Option by a person or estate acquiring the right to exercise such Option by bequest or inheritance, the Administrator may require reasonable evidence as to the ownership of such Option and may require such consents and releases of taxing authorities as the Administrator deems advisable.

---



## **20. Inability to Obtain Authority.**

To the extent the Company is unable to or the Administrator deems it unfeasible to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be advisable or necessary to the lawful issuance and sale of any Shares hereunder, the Company shall be relieved of any liability with respect to the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

## **21. Reservation of Shares.**

The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

## **22. Notice.**

Any written notice to the Company required by any provisions of this Plan shall be addressed to the Secretary of the Company and shall be effective when received. Any notice to a Participant hereunder shall be addressed to the last address of record with the Company and shall be effective when sent via first class mail, courier service, or electronic mail to such last address of record.

## **23. Governing Law; Interpretation of Plan and Awards.**

(a) This Plan and all determinations made and actions taken pursuant hereto shall be governed by the substantive laws, but not the choice of law rules, of the state of Delaware, except as to matters governed by U.S. federal law.

(b) In the event that any provision of the Plan or any Award granted under the Plan is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, such provision shall be reformed, if possible, to the extent necessary to render it legal, valid and enforceable, or otherwise deleted, and the remainder of the terms of the Plan and/or Award shall not be affected except to the extent necessary to reform or delete such illegal, invalid or unenforceable provision.

(c) The headings preceding the text of the sections hereof are inserted solely for convenience of reference, and shall not constitute a part of the Plan, nor shall they affect its meaning, construction or effect.

(d) The terms of the Plan and any Award shall inure to the benefit of and be binding upon the parties hereto and their respective permitted heirs, beneficiaries, successors and assigns.

## **24. Section 409A.**

It is the intention of the Company that no Award shall be "deferred compensation" subject to Section 409A of the Code, unless and to the extent that the Administrator specifically determines otherwise, and the Plan and the terms and conditions of all Awards shall be interpreted accordingly. The terms and conditions governing any Awards that the Administrator

---

determines will be subject to Section 409A of the Code, including any rules for elective or mandatory deferral of the delivery of cash or Shares pursuant thereto and any rules regarding treatment of such Awards in the event of a Change of Control, shall be set forth in the applicable Award Agreement, deferral election forms and procedures, and rules established by the Administrator, and shall comply in all respects with Section 409A of the Code. The following rules will apply to Awards intended to be subject to Section 409A of the Code (“**409A Awards**”):

(a) If a Participant is permitted to elect to defer an Award or any payment under an Award, such election will be permitted only at times in compliance with Code Section 409A.

(b) The Company shall have no authority to accelerate distributions relating to 409A Awards in excess of the authority permitted under Section 409A.

(c) Any distribution of a 409A Award following a Termination of Employment that would be subject to Code Section 409A(a)(2)(A)(i) as a distribution following a separation from service of a “specified employee” as defined under Code Section 409A(a)(2)(B)(i), shall occur no earlier than the expiration of the six-month period following such Termination of Employment.

(d) In the case of any distribution of a 409A Award, if the timing of such distribution is not otherwise specified in the Plan or an Award Agreement or other governing document, the distribution shall be made not later than the end of the calendar year during which the settlement of the 409A Award is specified to occur.

(e) In the case of an Award providing for distribution or settlement upon vesting or the lapse of a risk of forfeiture, if the time of such distribution or settlement is not otherwise specified in the Plan or an Award Agreement or other governing document, the distribution or settlement shall be made not later than March 15 of the year following the year in which the Award vested or the risk of forfeiture lapsed.

(f) Notwithstanding anything herein to the contrary, in no event shall the Company or the Administrator be liable for the payment of, or any gross up payment in connection with, any taxes or penalties owed by the Participant pursuant to Code Section 409A.

## **25. Limitation on Liability.**

The Company and any Affiliate which is in existence or hereafter comes into existence shall not be liable to a Participant, an Employee, an Awardee or any other persons as to:

(a) *The Non-Issuance of Shares.* The non-issuance or sale of Shares as to which the Company has been unable to obtain from any regulatory body having jurisdiction the authority deemed by the Company’s counsel to be necessary to the lawful issuance and sale of any shares hereunder; and

---

(b) *Tax or Exchange Control Consequences.* Any tax consequence or any exchange control obligation owed, by any Participant, Employee, Awardee or other person due to the receipt, exercise or settlement of any Option or other Award granted hereunder.

## **26. Unfunded Plan.**

Insofar as it provides for Awards, the Plan shall be unfunded. Although bookkeeping accounts may be established with respect to Awardees who are granted Stock Awards or Other Stock-Based Awards under this Plan, any such accounts will be used merely as a bookkeeping convenience. The Company shall not be required to segregate any assets which may at any time be represented by Awards, nor shall this Plan be construed as providing for such segregation. Neither the Company nor the Administrator shall be deemed to be a trustee of stock or cash to be awarded under the Plan. Any liability of the Company to any Participant with respect to an Award shall be based solely upon any contractual obligations which may be created by the Plan; no such obligation of the Company shall be deemed to be secured by any pledge or other encumbrance on any property of the Company. Neither the Company nor the Administrator shall be required to give any security or bond for the performance of any obligation which may be created by this Plan.

## **27. Foreign Employees.**

Awards may be granted hereunder to Employees and Consultants who are foreign nationals, who are located outside the United States or who are not compensated from a payroll maintained in the United States, or who are otherwise subject to (or could cause the Company to be subject to) legal or regulatory provisions of countries or jurisdictions outside the United States, on such terms and conditions different from those specified in the Plan as may, in the judgment of the Administrator, be necessary or desirable to foster and promote achievement of the purposes of the Plan, and, in furtherance of such purposes, the Administrator may make such modifications, amendments, procedures, or subplans as may be necessary or advisable to comply with such legal or regulatory provisions.

## **28. Tax Withholding.**

Each Participant shall pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to any Award under the Plan no later than the date as of which any amount under such Award first becomes includible in the gross income of the Participant for any tax purposes with respect to which the Company has a tax withholding obligation. Unless otherwise determined by the Company, withholding obligations may be settled with Shares, including Shares that are part of the Award that gives rise to the withholding requirement; provided, however, that not more than the legally required minimum withholding may be settled with Shares that are part of the Award. The obligations of the Company under the Plan shall be conditional on such payment or arrangements, and the Company and its Affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any vested Shares or any other payment due to the participant at that time or at any future time. The Administrator may establish such procedures as it deems appropriate, including making irrevocable elections, for the settlement of withholding obligations with Shares.

---

### **29. Cancellation of Award; Forfeiture of Gain.**

Notwithstanding anything to the contrary contained herein, an Award Agreement may provide that the Award will be cancelled and the Participant will forfeit the Shares or cash received or payable on the vesting or exercise of the Award, and that the amount of any proceeds of the sale or gain realized on the vesting or exercise of the Award must be repaid to the Company, under such conditions as may be required by Applicable Law or established by the Committee in its sole discretion.

### **30. Data Privacy and Transfer**

As a condition of acceptance of an Award, the Participant explicitly thereby consents to the collection, use and transfer, in electronic or other form, of personal data by and among, as applicable, the Company and its Affiliates for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that the Company and its Affiliates hold certain personal information about the Participant, including the Participant's name, home address and telephone number, date of birth, social security or other identification number, salary, nationality, job title, Shares held in the Company or any Subsidiary, details of all Awards or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor, for the purpose of implementing, managing and administering the Plan (the "**Data**"). The Participant further understands that the Company and its Affiliates may transfer the Data among themselves as necessary for the purpose of implementation, management and administration of the Plan, and that the Company and its Affiliates may each further transfer the Data to any third parties assisting the Company in the implementation, management, and administration of the Plan. The Participant understands that these recipients may be located in the Participant's country, or elsewhere, and that the recipient's country may have different data privacy laws and protections than the Participant's country. The Participant understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. The Participant, through participation in the Plan and acceptance of an Award under the Plan, authorizes such recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Participant may elect to deposit any Shares. In addition, by accepting an Award under the Plan, each Participant agrees and acknowledges (i) that the Data will be held only as long as is necessary to implement, manage, and administer the Plan; (ii) that the Participant may, at any time, view the Data, request additional information about the storage and processing of the Data, require any necessary amendments to the Data, or refuse or withdraw consent to the use and transfer of the Data, without cost, by delivering such revocation or withdrawal of consent in writing to a designated human resources representative; and (iii) that refusal or withdrawal of consent may affect the Participant's ability to participate in the Plan thereafter.

---

This Plan was adopted by the Board of Directors of the Company on April 4, 2016.

This Plan was approved by the stockholders of the Company on April 4, 2016.

MONOPAR THERAPEUTICS INC.

04/04/2016

By: /s/ Chandler D. Robinson

Name: Chandler D. Robinson

Title: CEO

.

---

## EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (the "**Agreement**") is entered into as of January 1, 2017, by and between Chandler D. Robinson ("**Executive**") and Monopar Therapeutics Inc. (the "**Company**").

**Whereas**, the Company desires to employ Executive as its Chief Executive Officer effective as of January 1, 2017 (the "**Effective Date**"), and Executive desires to serve in such capacity, pursuant to the terms and conditions set forth in this Agreement; and

**Now, Therefore**, in consideration of the mutual promises and covenants contained herein, it is hereby agreed by and between the parties hereto as follows:

### ARTICLE I DEFINITIONS

For purposes of the Agreement, the following terms are defined as follows:

1.1. "**Board**" means the Board of Directors of the Company.

1.2. "**Cause**" means any of the following events described below:

(a) Executive's conviction of a felony or other crime involving moral turpitude;

(b) any willful act or acts of dishonesty undertaken by Executive and intended to result in substantial gain or personal enrichment of Executive, Executive's family or any third party at the expense of the Company;

(c) any willful act of gross misconduct which is materially and demonstrably injurious to the Company; and/or

(d) Executive's inability under applicable law to continue to work lawfully in the United States.

For the purpose of this Agreement, no act, or failure to act, by Executive shall be considered "willful" if done, or omitted to be done, by him in good faith and in the reasonable belief that his act or omission was in the best interest of the Company and/or required by applicable law.

1.3. "**Change in Control**" means the occurrence of any of the following events: (i) any sale or exchange of the capital stock by the stockholders of the Company in one transaction or series of related transactions where more than fifty percent (50%) of the outstanding

---

voting power of the Company is acquired by a person or entity or group of related persons or entities; or (ii) any reorganization, consolidation or merger of the Company where the outstanding voting securities of the Company immediately before the transaction represent or are converted into less than fifty percent (50%) of the outstanding voting power of the surviving entity (or its parent corporation) immediately after the transaction; or (iii) the consummation of any transaction or series of related transactions that results in the sale of all or substantially all of the assets of the Company; or (iv) any "person" or "group" (as defined in the Securities Exchange Act of 1934, as amended (the "Exchange Act")) becoming the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act) directly or indirectly of securities representing more than fifty percent (50%) of the voting power of the Company then outstanding. Except that any change in the beneficial ownership of the securities of the Company as a result of a private financing of the Company that is approved by the Board, shall not be deemed to be a Change in Control.

1.4. **"Change in Control Multiple"** shall mean one and a half (1.5).

1.5. **"Change in Control Period"** means that period commencing on the consummation of a Change in Control and ending on the first anniversary thereof.

1.6. **"COBRA"** means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

1.7. **"Code"** means the Internal Revenue Code of 1986, as amended.

1.8. **"Company"** means Monopar Therapeutics Inc. or any successor thereto.

1.9. **"Confidential Disclosure Agreement"** means the Confidential Disclosure Agreement entered into between Executive and the Company.

1.10. **"Covered Termination"** means (a) an Involuntary Termination Without Cause or (b) a voluntary termination for Good Reason, provided that the termination constitutes a Separation from Service.

1.11. **"Good Reason"** means Executive's resignation as a result of a Good Reason Condition. In order to resign for Good Reason, Executive must provide written notice to the Company of the existence of the Good Reason Condition within thirty (30) days of the initial existence of such Good Reason Condition. Upon receipt of such notice of the Good Reason Condition, the Company will be provided with a period of thirty (30) days during which it may remedy the Good Reason Condition and not be required to provide for the payments and benefits described in Section 4 as a result of such proposed resignation due to the Good Reason Condition specified in the notice. If the Good Reason Condition is not remedied within the period specified in the preceding sentence, Executive may resign for Good Reason based on the Good Reason Condition specified in the notice, provided that

---

such resignation must occur within sixty (60) days after the initial existence of such Good Reason Condition.

**1.12. "Good Reason Condition"** means that any of the following are undertaken without Executive's express written consent:

- (a) a material reduction in Executive's Base Salary;
- (b) a material diminution in Executive's responsibilities;
- (c) the Company's material breach of any material term of this Agreement; or
- (d) a requirement that Executive relocate to an office that would increase Executive's one-way commute distance by more than fifty (50) miles based on Executive's primary residence at the time such relocation is announced.

**1.13. "Involuntary Termination Without Cause"** means Executive's dismissal or discharge by the Company other than for Cause. The termination of Executive's employment as a result of Executive's death or inability to perform the essential functions of his job due to disability will not be deemed to be an Involuntary Termination Without Cause.

**1.14. "Separation from Service"** means Executive's termination of employment or service where such termination of employment or service constitutes a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h).

## ARTICLE II

### EMPLOYMENT BY THE COMPANY

**2.1. Position and Duties.** Subject to terms set forth herein, as of the Effective Date, Executive shall serve as the Company's Chief Executive Officer and perform such duties as are customarily associated with the position of Chief Executive Officer and such other duties as are assigned to Executive by the Board. During the term of Executive's employment with the Company, Executive will devote Executive's best efforts and substantially all of Executive's business time and attention (except for vacation periods and reasonable periods of illness or other incapacities permitted by the Company's general employment policies, if any, or as otherwise set forth in this Agreement) to the business of the Company.

**2.2. Employment at Will.** Both the Company and Executive shall have the right to terminate Executive's employment with the Company at any time, with or without Cause, and without prior notice. If Executive's employment with the Company is terminated, Executive will be eligible to receive severance benefits to the extent provided in this

---



Agreement.

**2.3. Employment Policies.** The employment relationship between the parties shall also be governed by the general employment policies and practices of the Company, if any, including those relating to protection of confidential information and assignment of inventions, except that when the terms of this Agreement differ from or are in conflict with the Company's general employment policies or practices, this Agreement shall control.

## ARTICLE ID COMPENSATION

**3.1. Base Salary.** As of the Effective Date, Executive shall receive for services to be rendered hereunder an annual base salary of \$300,000 ("**Base Salary**"), payable on the regular payroll dates of the Company, subject to increase in the sole discretion of the Board.

**3.2. Annual Bonus.** Executive is subject to an annual bonus at the discretion of the Board.

**3.3. Standard Company Benefits.** Executive shall be entitled to all rights and benefits for which Executive is eligible under the terms and conditions of the standard Company benefits and compensation practices, if any, that may be in effect from time to time and are provided by the Company to its executive employees generally. Executive shall be entitled each year to four (4) weeks leave for vacation at full pay, provided, that the maximum amount Executive may have accrued at any point in time is four (4) weeks (meaning that once Executive has accrued four (4) weeks, Executive will not accrue any additional vacation time until he takes vacation and falls below the four (4) week accrual cap). Executive shall also be entitled to reasonable holidays and illness days with full pay in accordance with the policies applicable to the Company and its affiliates, if any, from time to time in effect. Executive acknowledges and agrees that in order to maintain flexibility, the Company and its affiliates have the right to amend or terminate any employee benefit plan at any time. Until the Company obtains both retirement and healthcare benefits for eligible employees, Executive shall be entitled to an additional cash payment of at least \$6,250 per month or such greater amount as determined by the Board; reduced, however, for any given month by any employer contributions made for that month by the company to a qualified retirement plan/account established by the company for Executive.

**3.4. Stock Options.** Subject to approval by the Board, Executive may be granted options to purchase shares of the Company's common stock with an exercise price per share as determined by the Compensation Committee or similar function of the Board.

**3.5. Expenses.** The Company will reimburse Executive for all reasonable and necessary expenses incurred by Executive in connection with the Company's business, provided that such expenses incurred and are properly documented and accounted for in accordance with

---

the policy of the Company and requirements of the Internal Revenue Service.

**ARTICLE IV  
SEVERANCE AND CHANGE IN CONTROL BENEFITS**

**4.1. Severance Benefits.** Upon Executive's termination of employment, Executive shall receive any accrued but unpaid Base Salary and other accrued and unpaid compensation, including any Annual Bonus that has been earned with respect to a prior year, but remains unpaid as of the date of the termination. If the termination is due to a Covered Termination or permanent disability, provided that Executive first returns all Company property in his possession and, within sixty (60) days following the Covered Termination, executes and does not revoke an effective general release of all claims against the Company and its affiliates in a form reasonably acceptable to the Company and Executive (a "**Release of Claims**"), Executive shall also be entitled to receive the following severance benefits described in this Section 4.1.

**(a) Covered Termination Not Related to a Change in Control.** If Executive's employment terminates due to a Covered Termination which occurs outside of a Change in Control Period, Executive shall receive the following:

**(i)** An amount equal to twelve (12) months of Executive's Base Salary payable in substantially equal installments in accordance with the Company's normal payroll policies, if any, less applicable withholdings, with such installments to commence as soon as administratively practicable following the date the Release of Claims is not subject to revocation and, in any event, within sixty (60) days following the date of the Covered Termination.

**(ii)** If Executive elects to receive continued healthcare coverage pursuant to the provisions of COBRA, the Company shall directly pay, or reimburse Executive for, the premium for Executive and Executive's covered dependents through the earlier of (i) the first anniversary of the date of Executive's termination of employment and (ii) the date Executive and Executive's covered dependents, if any, become eligible for healthcare coverage under another employer's plan(s). Notwithstanding the foregoing, (i) if any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the period of continuation coverage to be, exempt from the application of Section 409A of the Code under Treasury Regulation Section 1.409A-1(a)(5), or (ii) the Company is otherwise unable to continue to cover Executive under its group health plans without penalty under applicable law (including without limitation, Section 2716 of the Public Health Service Act), then, in either case, an amount equal to each remaining Company subsidy shall thereafter be paid to Executive in substantially equal monthly installments. After the Company ceases to pay premiums pursuant to this Section 4.1(a)(ii), Executive may, if eligible, elect to continue healthcare coverage at Executive's expense in accordance with the

---

provisions of COBRA.

(iii) All of Employee's vested options or stock appreciation rights with respect to the Company's common stock shall remain exercisable until the first anniversary of Executive's termination of employment (or, if earlier, the maximum period specified in the award documents and plans governing such options or stock appreciation rights, as applicable, assuming Executive's employment had not terminated).

**(b) Covered Termination Related to a Change in Control.** If Executive's employment terminates due to a Covered Termination that occurs during a Change in Control Period, Executive shall receive the following:

(i) Executive shall be entitled to receive an amount equal to the Change in Control Multiplier multiplied by the sum of: (i) Executive's Base Salary and (ii) Executive's target Annual Bonus for the fiscal year of Executive's termination, in each case, at the rate equal to the higher of (x) the rate in effect immediately prior to Executive's termination of employment or (y) the rate in effect immediately prior to the Change in Control payable in a cash lump sum, less applicable withholdings, as soon as administratively practicable following the date the Release of Claims is not subject to revocation and, in any event, within sixty (60) days following the date of the Covered Termination.

(ii) If Executive elects to receive continued healthcare coverage pursuant to the provisions of COBRA, the Company shall directly pay, or reimburse Executive for, the premium for Executive and Executive's covered dependents through the earlier of (i) the date that is that number of years equal to the Change in Control Multiplier following the date of Executive's termination of employment and (ii) the date Executive and Executive's covered dependents, if any, become eligible for healthcare coverage under another employer's plan(s). Notwithstanding the foregoing, (i) if any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the period of continuation coverage to be, exempt from the application of Section 409A of the Code under Treasury Regulation Section 1.409A-1(a)(5), or (ii) the Company is otherwise unable to continue to cover Executive under its group health plans without penalty under applicable law (including without limitation, Section 2716 of the Public Health Service Act), then, in either case, an amount equal to each remaining Company subsidy shall thereafter be paid to Executive in substantially equal monthly installments. After the Company ceases to pay premiums pursuant to this Section 4.1(b)(ii), Executive may, if eligible, elect to continue healthcare coverage at Executive's expense in accordance with the provisions of COBRA.

(iii) Each outstanding equity award, including, without limitation, each stock option and restricted stock award, held by Executive shall automatically become vested and, if applicable, exercisable and any forfeiture restrictions or rights of repurchase thereon shall immediately lapse, in each case, with respect to one hundred percent (100%) of the shares subject thereto. To the extent vested after giving effect to the acceleration provided in the

---

preceding sentence, each stock option held by Executive shall remain exercisable until the earlier of the original expiration date for such stock option or the second anniversary of Executive's Covered Termination.

**(c) Termination for Death or Disability.** If Executive's employment is terminated due to death or permanent disability where the Company makes a determination in good faith that, due to a mental or physical incapacity, Executive has been unable to perform his duties under this Agreement for a period of not less than six (6) consecutive months or 180 days in the aggregate in any 12-month period, Executive shall receive the following:

(i) An amount equal to three (3) months of Executive's Base Salary payable in substantially equal installments in accordance with the Company's normal payroll policies, less applicable withholdings, with such installments to commence as soon as administratively practicable following the date the Release of Claims is not subject to revocation and, in any event, within sixty (60) days following the date of the Covered Termination.

(ii) If Executive (or in the event of death, his designee) elects to receive continued healthcare coverage pursuant to the provisions of COBRA, the Company shall directly pay, or reimburse Executive for, the premium for Executive and Executive's covered dependents through the earlier of (i) the three (3) month anniversary of the date of Executive's termination of employment and (ii) the date Executive and Executive's covered dependents, if any, become eligible for healthcare coverage under another employer's plan(s). Notwithstanding the foregoing, (i) if any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the period of continuation coverage to be, exempt from the application of Section 409A of the Code under Treasury Regulation Section 1.409A-1(a)(5), or (ii) the Company is otherwise unable to continue to cover Executive under its group health plans without penalty under applicable law (including without limitation, Section 2716 of the Public Health Service Act), then, in either case, an amount equal to each remaining Company subsidy shall thereafter be paid to Executive in substantially equal monthly installments. After the Company ceases to pay premiums pursuant to this Section 4.1(b)(ii), Executive may, if eligible, elect to continue healthcare coverage at Executive's expense in accordance the provisions of COBRA.

**4.2. 280G Provisions.** Notwithstanding anything in this Agreement to the contrary, if any payment or distribution Executive would receive pursuant to this Agreement or otherwise ("**Payment**") would (a) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (b) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then such Payment shall either be (i) delivered in full, or (ii) delivered as to such lesser extent which would result in no portion of such Payment being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in the receipt by Executive on an after-tax basis, of the largest payment, notwithstanding

---

that all or some portion the Payment may be taxable under Section 4999 of the Code. The accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of the Change in Control shall perform the foregoing calculations. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder. The accounting firm shall provide its calculations to the Company and Executive within fifteen (15) calendar days after the date on which Executive's right to a Payment is triggered (if requested at that time by the Company or Executive) or such other time as requested by the Company or Executive. Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon the Company and Executive. Any reduction in payments and/or benefits pursuant to this Section 4.2 will occur in the following order: (1) reduction of cash payments; (2) cancellation of accelerated vesting of equity awards other than stock options; (3) cancellation of accelerated vesting of stock options; and (4) reduction of other benefits payable to Executive.

#### **4.3. Section 409A.**

(a) Notwithstanding any provision to the contrary in this Agreement, if Executive is deemed at the time of his Separation from Service to be a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code which would subject Executive to a tax obligation under Section 409A of the Code, such portion of Executive's benefits shall not be provided to Executive prior to the earlier of (i) the expiration of the six- month period measured from the date of the Executive's Separation from Service or (ii) the date of Executive's death. Upon the expiration of the applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this Section 4.3(a) shall be paid in a lump sum to Executive, and any remaining payments due under the Agreement shall be paid as otherwise provided herein.

(b) Any reimbursements payable to Executive pursuant to the Agreement shall be paid to Executive no later than 30 days after Executive provides the Company with a written request for reimbursement, and to the extent that any such reimbursements are deemed to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code (i) such amounts shall be paid or reimbursed to Executive promptly, but in no event later than December 31 of the year following the year in which the expense is incurred, (ii) the amount of any such payments eligible for reimbursement in one year shall not affect the payments or expenses that are eligible for payment or reimbursement in any other taxable year, and (iii) Executive's right to such payments or reimbursement shall not be subject to liquidation or exchange for any other benefit.

(c) For purposes of Section 409A of the Code (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), Executive's right to receive

---

installment payments under the Agreement shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder shall at all times be considered a separate and distinct payment.

**4.4. Mitigation.** Executive shall not be required to mitigate damages or the amount of any payment provided under this Agreement by seeking other employment or otherwise, nor shall the amount of any payment provided for under this Agreement be reduced by any compensation earned by Executive as a result of employment by another employer or by any retirement benefits received by Executive after the date of the Covered Termination, or otherwise.

## ARTICLE V

### PROPRIETARY INFORMATION OBLIGATIONS

**5.1. Agreement.** Executive agrees to continue to abide by the Confidential Disclosure Agreement

**5.2. Remedies.** Executive's duties under the Confidential Disclosure Agreement shall survive termination of Executive's employment with the Company and the termination of this Agreement. Executive acknowledges that a remedy at law for any breach or threatened breach by Executive of the provisions of the Confidential Disclosure Agreement, as well as Executive's obligations pursuant to Section 6.2 and Article 7 below, would be inadequate, and Executive therefore agrees that the Company shall be entitled to seek injunctive relief in case of any such breach or threatened breach.

## ARTICLE VI OUTSIDE ACTIVITIES

### 6.1. Other Activities.

(a) Executive shall not, during the term of this Agreement undertake or engage in any other employment, occupation or business enterprise, other than ones in which Executive is a passive investor, unless he obtains the prior written consent of the Board.

(b) Executive may engage in civic and not-for-profit activities so long as such activities do not materially interfere with the performance of Executive's duties hereunder. In addition, Executive shall be allowed to serve as a member of the board of directors of up to two (2) other for profit entities at any time during the term of this Agreement, which service shall not materially interfere with the performance of Executive's duties hereunder; provided, however, that the Board may require that Executive resign from one or both of such director positions if it can reasonably and in good faith demonstrate that such resignation(s) would be in the best interests of the Company in a significant and material way.

---

6.2. **Competition.** Executive agrees that, from the date hereof until a period of twelve (12) months following the date of termination of Executive's employment with the Company, Executive will not directly or indirectly, either as an employee, employer, consultant, agent, principal, partner, corporate officer, director, or in any other individual or representative capacity, engage or participate in any "Competitive Business" anywhere in the United States of America. As used herein, a "Competitive Business" is defined as any business developing uPAR antibodies to treat cancer, or clonidine to treat oral mucositis.

#### ARTICLE VII NONINTERFERENCE

In addition to Executive's obligations under the Confidential Disclosure Agreement, Executive shall not for a period of one (1) year following Executive's termination of employment for any reason, either on Executive's own account or jointly with or as a manager, agent, officer, employee, consultant, partner, joint venturer, owner or stockholder or otherwise on behalf of any other person, firm or corporation, directly or indirectly solicit or attempt to solicit away from the Company any of its officers or employees or offer employment to any person who is an officer or employee of the *Company*; *provided, however*, that a general advertisement to which an employee of the Company responds shall in no event be deemed to result in a breach of this Article 7. Executive also agrees not to harass or disparage the Company or its employees, clients, directors or agents or divert or attempt to divert any actual or potential business of the Company. The provisions of this Article 7 shall survive the termination or expiration of the applicable Executive's employment with the Company and shall be fully enforceable thereafter. If it is determined by a court of competent jurisdiction in any state that any restriction in this Article 7 is excessive in duration or scope or is unreasonable or unenforceable under the laws of that state, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by the law of that state.

#### ARTICLE VIII GENERAL PROVISIONS

**8.1. Notices.** Any notices provided hereunder must be in writing and shall be deemed effective upon the earlier of personal delivery (including personal delivery by facsimile) or the third day after mailing by first class mail, to the Company at its primary office location and to Executive at Executive's address as listed on the Company payroll.

**8.2. Tax Withholding.** Executive acknowledges that all amounts and benefits payable under this Agreement are subject to deduction and withholding to the extent required by applicable law.

**Severability.** Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any

---

provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provisions had never been contained herein.

**8.3. Waiver.** If either party should waive any breach of any provisions of this Agreement, they shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

**8.4. Complete Agreement.** This Agreement constitutes the entire agreement between Executive and the Company and is the complete, final, and exclusive embodiment of their agreement with regard to this subject matter, and will supersede all prior agreements, understandings, discussions, negotiations and undertakings, whether written or oral, between the parties with respect to the subject matter hereof, including without limitation, the Prior Agreement. This Agreement is entered into without reliance on any promise or representation other than those expressly contained herein or therein, and cannot be modified or amended except in a writing signed by an officer of the Company and Executive.

**8.5. Counterparts.** This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same Agreement.

**8.6. Headings.** The headings of the sections hereof are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

**8.7. Successors and Assigns.** This Agreement is intended to bind and inure to the benefit of and be enforceable by Executive and the Company, and their respective successors, assigns, heirs, executors and administrators, except that Executive may not assign his rights or delegate his duties or obligations hereunder without the prior written consent of the Company.

**8.8. Arbitration.** Unless otherwise prohibited by law or specified below, all disputes, claims and causes of action, in law or equity, arising from or relating to this Agreement or its enforcement, performance, breach, or interpretation shall be resolved solely and exclusively by final and binding arbitration held in Illinois in conformity with the then existing employment arbitration rules and Illinois law. The arbitrator shall: (a) provide adequate discovery for the resolution of the dispute; and (b) issue a written arbitration decision, to include the arbitrator's essential findings and conclusions and a statement of the award. However, nothing in this section is intended to prevent either party from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. The Company shall bear the costs of any such arbitration.

---



**8.9. Executive Acknowledgement.** Executive acknowledges that (a) he has consulted with or has had the opportunity to consult with independent counsel of his own choice concerning this Agreement, and has been advised to do so by the Company, and (b) that he has read and understands the Agreement, is fully aware of its legal effect and has entered into it freely based on his own judgment.

**8.10. Choice of Law.** All questions concerning the construction, validity and interpretation of this Agreement will be governed by the law of the State of Illinois without regard to the conflicts of law provisions thereof.

**In Witness Whereof**, the parties have executed this Agreement as of the date first written above.

On behalf of Monopar Therapeutics Inc.

/s/ Christopher M. Starr  
Christopher M. Starr, Ph.D.  
Executive Chairman

Accepted and Agreed:

/s/ Chandler D. Robinson  
Chandler D. Robinson

---

## AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT

This Amended and Restated Executive Employment Agreement (the “**Agreement**”) is entered into as of November 1, 2017, by and between Chandler D. Robinson (“**Executive**”) and Monopar Therapeutics Inc. (the “**Company**”) and replaces in its entirety the Executive Employment Agreement by and between Executive and the Company dated January 1, 2017.

**Whereas**, the Company desires to retain the employment of Executive as its Chief Executive Officer effective as of November 1, 2017 (the “**Effective Date**”), and Executive desires to serve in such capacity, pursuant to the terms and conditions set forth in this Agreement; and

**Now, Therefore**, in consideration of the mutual promises and covenants contained herein, it is hereby agreed by and between the parties hereto as follows:

### ARTICLE I DEFINITIONS

For purposes of the Agreement, the following terms are defined as follows:

**1.1. “Board”** means the Board of Directors of the Company.

**1.2. “Cause”** means any of the following events described below:

(a) Executive’s conviction of a felony or other crime involving moral turpitude;

(b) any willful act or acts of dishonesty undertaken by Executive and intended to result in substantial gain or personal enrichment of Executive, Executive’s family or any third party at the expense of the Company;

(c) any willful act of gross misconduct which is materially and demonstrably injurious to the Company; and/or

(d) Executive’s inability under applicable law to continue to work lawfully in the United States.

For the purpose of this Agreement, no act, or failure to act, by Executive shall be considered “willful” if done, or omitted to be done, by him in good faith and in the reasonable belief that his act or omission was in the best interest of the Company and/or required by applicable law.

---

**1.3. “Change in Control”** means the occurrence of any of the following events: (i) any sale or exchange of the capital stock by the stockholders of the Company in one transaction or series of related transactions where more than fifty percent (50%) of the outstanding voting power of the Company is acquired by a person or entity or group of related persons or entities; or (ii) any reorganization, consolidation or merger of the Company where the outstanding voting securities of the Company immediately before the transaction represent or are converted into less than fifty percent (50%) of the outstanding voting power of the surviving entity (or its parent corporation) immediately after the transaction; or (iii) the consummation of any transaction or series of related transactions that results in the sale of all or substantially all of the assets of the Company; or (iv) any “person” or “group” (as defined in the Securities Exchange Act of 1934, as amended (the “Exchange Act”) becoming the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act) directly or indirectly of securities representing more than fifty percent (50%) of the voting power of the Company then outstanding. Except that any change in the beneficial ownership of the securities of the Company as a result of a private financing of the Company that is approved by the Board, shall not be deemed to be a Change in Control.

**1.4. “Change in Control Multiple”** shall mean one and a half (1.5).

**1.5. “Change in Control Period”** means that period commencing on the consummation of a Change in Control and ending on the first anniversary thereof.

**1.6. “COBRA”** means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

**1.7. “Code”** means the Internal Revenue Code of 1986, as amended.

**1.8. “Company”** means Monopar Therapeutics Inc. or any successor thereto.

**1.9. “Confidential Disclosure Agreement”** means the Confidential Disclosure Agreement entered into between Executive and the Company.

**1.10. “Covered Termination”** means (a) an Involuntary Termination Without Cause or  
(b) a voluntary termination for Good Reason, provided that the termination constitutes a Separation from Service.

**1.11. “Good Reason”** means Executive’s resignation as a result of a Good Reason Condition. In order to resign for Good Reason, Executive must provide written notice to the Company of the existence of the Good Reason Condition within thirty (30) days of the initial existence of such Good Reason Condition. Upon receipt of such notice of the Good Reason Condition, the Company will be provided with a period of thirty (30) days during which it may remedy the Good Reason Condition and not be required to provide for the

---

payments and benefits described in Section 4 as a result of such proposed resignation due to the Good Reason Condition specified in the notice. If the Good Reason Condition is not remedied within the period specified in the preceding sentence, Executive may resign for Good Reason based on the Good Reason Condition specified in the notice, provided that such resignation must occur within sixty (60) days after the initial existence of such Good Reason Condition.

**1.12. “Good Reason Condition”** means that any of the following are undertaken without Executive’s express written consent:

- (a) a material reduction in Executive’s Base Salary;
- (b) a material diminution in Executive’s responsibilities;
- (c) the Company’s material breach of any material term of this Agreement; or
- (d) a requirement that Executive relocate to an office that would increase Executive’s one-way commute distance by more than fifty (50) miles based on Executive’s primary residence at the time such relocation is announced.

**1.13. “Involuntary Termination Without Cause”** means Executive’s dismissal or discharge by the Company other than for Cause. The termination of Executive’s employment as a result of Executive’s death or inability to perform the essential functions of his job due to disability will not be deemed to be an Involuntary Termination Without Cause.

**1.14. “Separation from Service”** means Executive’s termination of employment or service where such termination of employment or service constitutes a “separation from service” within the meaning of Treasury Regulation Section 1.409A-1(h).

## **ARTICLE II EMPLOYMENT BY THE COMPANY**

**2.1. Position and Duties.** Subject to terms set forth herein, as of the Effective Date, Executive shall serve as the Company’s Chief Executive Officer and perform such duties as are customarily associated with the position of Chief Executive Officer and such other duties as are assigned to Executive by the Board. During the term of Executive’s employment with the Company, Executive will devote Executive’s best efforts and substantially all of Executive’s business time and attention (except for vacation periods and reasonable periods of illness or other incapacities permitted by the Company’s general employment policies, if any, or as otherwise set forth in this Agreement) to the business of the Company.

---

**2.2. Employment at Will.** Both the Company and Executive shall have the right to terminate Executive's employment with the Company at any time, with or without Cause, and without prior notice. If Executive's employment with the Company is terminated, Executive will be eligible to receive severance benefits to the extent provided in this Agreement.

**2.3. Employment Policies.** The employment relationship between the parties shall also be governed by the general employment policies and practices of the Company, if any, including those relating to protection of confidential information and assignment of inventions, except that when the terms of this Agreement differ from or are in conflict with the Company's general employment policies or practices, this Agreement shall control.

### ARTICLE III COMPENSATION

**3.1. Base Salary.** As of the Effective Date, Executive shall receive for services to be rendered hereunder an annual base salary of \$375,000 ("**Base Salary**"), payable on the regular payroll dates of the Company, subject to increase in the sole discretion of the Board.

**3.2 Retention Bonus.** Executive shall be paid a one-time retention bonus of \$3,813.97 (gross before taxes) payable with Executive's next regular paycheck.

**3.3. Annual Bonus.** Executive is subject to an annual bonus at the discretion of the Board, which bonus is initially being targeted for up to 50% of the annualized amount of Base Salary.

**3.4. Standard Company Benefits.** Executive shall be entitled to all rights and benefits for which Executive is eligible under the terms and conditions of the standard Company benefits and compensation practices, if any, that may be in effect from time to time and are provided by the Company to its executive employees generally. Executive shall be entitled each year to four (4) weeks leave for vacation at full pay, provided, that the maximum amount Executive may have accrued at any point in time is four (4) weeks (meaning that once Executive has accrued four (4) weeks, Executive will not accrue any additional vacation time until he takes vacation and falls below the four (4) week accrual cap). Executive shall also be entitled to reasonable holidays and illness days with full pay in accordance with the policies applicable to the Company and its affiliates, if any, from time to time in effect. Employee acknowledges and agrees that in order to maintain flexibility, the Company and its affiliates have the right to amend or terminate any employee benefit plan at any time. Until such time as the Company obtains healthcare benefits for eligible employees and Executive elects to opt in to such benefits, Executive shall be entitled to an additional salary of at least \$4,583.33 per month or such greater amount as determined by the Board.

---

**3.5. Stock Options.** Subject to approval by the Board, Executive may be granted options to purchase shares of the Company's common stock with an exercise price per share as determined by the Compensation Committee or similar function of the Board.

**3.6. Expenses.** The Company will reimburse Executive for all reasonable and necessary expenses incurred by Employee in connection with the Company's business, provided that such expenses incurred and are properly documented and accounted for in accordance with the policy of the Company and requirements of the Internal Revenue Service.

#### **ARTICLE IV SEVERANCE AND CHANGE IN CONTROL BENEFITS**

**4.1. Severance Benefits.** Upon Executive's termination of employment, Executive shall receive any accrued but unpaid Base Salary and other accrued and unpaid compensation, including any Annual Bonus that has been earned with respect to a prior year, but remains unpaid as of the date of the termination. If the termination is due to a Covered Termination or permanent disability, provided that Executive first returns all Company property in his possession and, within sixty (60) days following the Covered Termination, executes and does not revoke an effective general release of all claims against the Company and its affiliates in a form reasonably acceptable to the Company and Executive (a "**Release of Claims**"), Executive shall also be entitled to receive the following severance benefits described in this Section 4.1.

**(a) Covered Termination Not Related to a Change in Control.** If Executive's employment terminates due to a Covered Termination which occurs outside of a Change in Control Period, Executive shall receive the following:

**(i)** An amount equal to twelve (12) months of Executive's Base Salary payable in substantially equal installments in accordance with the Company's normal payroll policies, if any, less applicable withholdings, with such installments to commence as soon as administratively practicable following the date the Release of Claims is not subject to revocation and, in any event, within sixty (60) days following the date of the Covered Termination.

**(ii)** If Executive elects to receive continued healthcare coverage pursuant to the provisions of COBRA, the Company shall directly pay, or reimburse Executive for, the premium for Executive and Executive's covered dependents through the earlier of (i) the first anniversary of the date of Executive's termination of employment and (ii) the date Executive and Executive's covered dependents, if any, become eligible for healthcare coverage under another employer's plan(s). Notwithstanding the foregoing, (i) if any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the period of continuation coverage to be, exempt from the application of Section 409A of the

---

Code under Treasury Regulation Section 1.409A-1(a)(5), or (ii) the Company is otherwise unable to continue to cover Executive under its group health plans without penalty under applicable law (including without limitation, Section 2716 of the Public Health Service Act), then, in either case, an amount equal to each remaining Company subsidy shall thereafter be paid to Executive in substantially equal monthly installments. After the Company ceases to pay premiums pursuant to this Section 4.1(a)(ii), Executive may, if eligible, elect to continue healthcare coverage at Executive's expense in accordance with the provisions of COBRA.

(iii) All of Employee's vested options or stock appreciation rights with respect to the Company's common stock shall remain exercisable until the first anniversary of Executive's termination of employment (or, if earlier, the maximum period specified in the award documents and plans governing such options or stock appreciation rights, as applicable, assuming Executive's employment had not terminated).

**(b) Covered Termination Related to a Change in Control.** If Executive's employment terminates due to a Covered Termination that occurs during a Change in Control Period, Executive shall receive the following:

(i) Executive shall be entitled to receive an amount equal to the Change in Control Multiplier multiplied by the sum of: (i) Executive's Base Salary and (ii) Executive's target Annual Bonus for the fiscal year of Executive's termination, in each case, at the rate equal to the higher of (x) the rate in effect immediately prior to Executive's termination of employment or (y) the rate in effect immediately prior to the Change in Control payable in a cash lump sum, less applicable withholdings, as soon as administratively practicable following the date the Release of Claims is not subject to revocation and, in any event, within sixty (60) days following the date of the Covered Termination.

(ii) If Executive elects to receive continued healthcare coverage pursuant to the provisions of COBRA, the Company shall directly pay, or reimburse Executive for, the premium for Executive and Executive's covered dependents through the earlier of (i) the date that is that number of years equal to the Change in Control Multiplier following the date of Executive's termination of employment and (ii) the date Executive and Executive's covered dependents, if any, become eligible for healthcare coverage under another employer's plan(s). Notwithstanding the foregoing, (i) if any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the period of continuation coverage to be, exempt from the application of Section 409A of the Code under Treasury Regulation Section 1.409A-1(a)(5), or (ii) the Company is otherwise unable to continue to cover Executive under its group health plans without penalty under applicable law (including without limitation, Section 2716 of the Public Health Service Act), then, in either case, an amount equal to each remaining Company subsidy shall thereafter be paid to Executive in substantially equal monthly installments. After the Company ceases to pay premiums pursuant to this Section 4.1(b)(ii), Executive may, if eligible, elect to continue

---

healthcare coverage at Executive's expense in accordance with the provisions of COBRA.

(iii) Each outstanding equity award, including, without limitation, each stock option and restricted stock award, held by Executive shall automatically become vested and, if applicable, exercisable and any forfeiture restrictions or rights of repurchase thereon shall immediately lapse, in each case, with respect to one hundred percent (100%) of the shares subject thereto. To the extent vested after giving effect to the acceleration provided in the preceding sentence, each stock option held by Executive shall remain exercisable until the earlier of the original expiration date for such stock option or the second anniversary of Executive's Covered Termination.

**(c) Termination for Death or Disability.** If Executive's employment is terminated due to death or permanent disability where the Company makes a determination in good faith that, due to a mental or physical incapacity, Executive has been unable to perform his duties under this Agreement for a period of not less than six (6) consecutive months or 180 days in the aggregate in any 12-month period, Executive shall receive the following:

(i) An amount equal to three (3) months of Executive's Base Salary payable in substantially equal installments in accordance with the Company's normal payroll policies, less applicable withholdings, with such installments to commence as soon as administratively practicable following the date the Release of Claims is not subject to revocation and, in any event, within sixty (60) days following the date of the Covered Termination.

(ii) If Executive (or in the event of death, his designee) elects to receive continued healthcare coverage pursuant to the provisions of COBRA, the Company shall directly pay, or reimburse Executive for, the premium for Executive and Executive's covered dependents through the earlier of (i) the three (3) month anniversary of the date of Executive's termination of employment and (ii) the date Executive and Executive's covered dependents, if any, become eligible for healthcare coverage under another employer's plan(s). Notwithstanding the foregoing, (i) if any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the period of continuation coverage to be, exempt from the application of Section 409A of the Code under Treasury Regulation Section 1.409A-1(a)(5), or (ii) the Company is otherwise unable to continue to cover Executive under its group health plans without penalty under applicable law (including without limitation, Section 2716 of the Public Health Service Act), then, in either case, an amount equal to each remaining Company subsidy shall thereafter be paid to Executive in substantially equal monthly installments. After the Company ceases to pay premiums pursuant to this Section 4.1(b)(ii), Executive may, if eligible, elect to continue healthcare coverage at Executive's expense in accordance the provisions of COBRA.

**4.2. 280G Provisions.** Notwithstanding anything in this Agreement to the contrary, if any payment or distribution Executive would receive pursuant to this Agreement or

---



otherwise (“**Payment**”) would (a) constitute a “parachute payment” within the meaning of Section 280G of the Code, and (b) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the “**Excise Tax**”), then such Payment shall either be (i) delivered in full, or (ii) delivered as to such lesser extent which would result in no portion of such Payment being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in the receipt by Executive on an after-tax basis, of the largest payment, notwithstanding that all or some portion the Payment may be taxable under Section 4999 of the Code. The accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of the Change in Control shall perform the foregoing calculations. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder. The accounting firm shall provide its calculations to the Company and Executive within fifteen (15) calendar days after the date on which Executive’s right to a Payment is triggered (if requested at that time by the Company or Executive) or such other time as requested by the Company or Executive. Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon the Company and Executive. Any reduction in payments and/or benefits pursuant to this Section 4.2 will occur in the following order: (1) reduction of cash payments; (2) cancellation of accelerated vesting of equity awards other than stock options; (3) cancellation of accelerated vesting of stock options; and (4) reduction of other benefits payable to Executive.

#### **4.3. Section 409A.**

(a) Notwithstanding any provision to the contrary in this Agreement, if Executive is deemed at the time of his Separation from Service to be a “specified employee” for purposes of Section 409A(a)(2)(B)(i) of the Code, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code which would subject Executive to a tax obligation under Section 409A of the Code, such portion of Executive’s benefits shall not be provided to Executive prior to the earlier of (i) the expiration of the six- month period measured from the date of the Executive’s Separation from Service or (ii) the date of Executive’s death. Upon the expiration of the applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this Section 4.3(a) shall be paid in a lump sum to Executive, and any remaining payments due under the Agreement shall be paid as otherwise provided herein.

(b) Any reimbursements payable to Executive pursuant to the Agreement shall be paid to Executive no later than 30 days after Executive provides the Company with a written request for reimbursement, and to the extent that any such reimbursements are deemed to constitute “nonqualified deferred compensation” within the meaning of Section 409A of the Code (i) such amounts shall be paid or reimbursed to Executive promptly, but in no event later than December 31 of the year following the year in which the expense is incurred, (ii)

---

the amount of any such payments eligible for reimbursement in one year shall not affect the payments or expenses that are eligible for payment or reimbursement in any other taxable year, and (iii) Executive's right to such payments or reimbursement shall not be subject to liquidation or exchange for any other benefit.

(c) For purposes of Section 409A of the Code (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), Executive's right to receive installment payments under the Agreement shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder shall at all times be considered a separate and distinct payment.

**4.4. Mitigation.** Executive shall not be required to mitigate damages or the amount of any payment provided under this Agreement by seeking other employment or otherwise, nor shall the amount of any payment provided for under this Agreement be reduced by any compensation earned by Executive as a result of employment by another employer or by any retirement benefits received by Executive after the date of the Covered Termination, or otherwise.

## **ARTICLE V PROPRIETARY INFORMATION OBLIGATIONS**

**5.1. Agreement.** Executive agrees to continue to abide by the Confidential Disclosure Agreement.

**5.2. Remedies.** Executive's duties under the Confidential Disclosure Agreement shall survive termination of Executive's employment with the Company and the termination of this Agreement. Executive acknowledges that a remedy at law for any breach or threatened breach by Executive of the provisions of the Confidential Disclosure Agreement, as well as Executive's obligations pursuant to Section 6.2 and Article 7 below, would be inadequate, and Executive therefore agrees that the Company shall be entitled to seek injunctive relief in case of any such breach or threatened breach.

## **ARTICLE VI OUTSIDE ACTIVITIES**

### **6.1. Other Activities.**

(a) Executive shall not, during the term of this Agreement undertake or engage in any other employment, occupation or business enterprise, other than ones in which Executive is a passive investor, unless he obtains the prior written consent of the Board.

(b) Executive may engage in civic and not-for-profit activities so long as such activities do not materially interfere with the performance of Executive's duties

---

hereunder. In addition, Executive shall be allowed to serve as a member of the board of directors of up to two (2) other for profit entities at any time during the term of this Agreement, which service shall not materially interfere with the performance of Executive's duties hereunder; provided, however, that the Board may require that Executive resign from one or both of such director positions if it can reasonably and in good faith demonstrate that such resignation(s) would be in the best interests of the Company in a significant and material way.

**6.2. Competition.** Executive agrees that, from the date hereof until a period of twelve (12) months following the date of termination of Executive's employment with the Company, Executive will not directly or indirectly, either as an employee, employer, consultant, agent, principal, partner, corporate officer, director, or in any other individual or representative capacity, engage or participate in any "Competitive Business" anywhere in the United States of America. As used herein, a "Competitive Business" is defined as any business developing uPAR antibodies to treat cancer, or clonidine to treat oral mucositis.

## **ARTICLE VII NONINTERFERENCE**

In addition to Executive's obligations under the Confidential Disclosure Agreement, Executive shall not for a period of one (1) year following Executive's termination of employment for any reason, either on Executive's own account or jointly with or as a manager, agent, officer, employee, consultant, partner, joint venturer, owner or stockholder or otherwise on behalf of any other person, firm or corporation, directly or indirectly solicit or attempt to solicit away from the Company any of its officers or employees or offer employment to any person who is an officer or employee of the Company; *provided, however*, that a general advertisement to which an employee of the Company responds shall in no event be deemed to result in a breach of this Article 7. Executive also agrees not to harass or disparage the Company or its employees, clients, directors or agents or divert or attempt to divert any actual or potential business of the Company. The provisions of this Article 7 shall survive the termination or expiration of the applicable Executive's employment with the Company and shall be fully enforceable thereafter. If it is determined by a court of competent jurisdiction in any state that any restriction in this Article 7 is excessive in duration or scope or is unreasonable or unenforceable under the laws of that state, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by the law of that state.

## **ARTICLE VIII GENERAL PROVISIONS**

**8.1. Notices.** Any notices provided hereunder must be in writing and shall be deemed effective upon the earlier of personal delivery (including personal delivery by facsimile) or the third day after mailing by first class mail, to the Company at its primary office location and to Executive at Executive's address as listed on the Company payroll.

---

**8.2. Tax Withholding.** Executive acknowledges that all amounts and benefits payable under this Agreement are subject to deduction and withholding to the extent required by applicable law.

**8.3. Severability.** Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provisions had never been contained herein.

**8.4. Waiver.** If either party should waive any breach of any provisions of this Agreement, they shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

**8.5. Complete Agreement.** This Agreement constitutes the entire agreement between Executive and the Company and is the complete, final, and exclusive embodiment of their agreement with regard to this subject matter, and will supersede all prior agreements, understandings, discussions, negotiations and undertakings, whether written or oral, between the parties with respect to the subject matter hereof, including without limitation, the Prior Agreement. This Agreement is entered into without reliance on any promise or representation other than those expressly contained herein or therein, and cannot be modified or amended except in a writing signed by an officer of the Company and Executive.

**8.6. Counterparts.** This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same Agreement.

**8.7. Headings.** The headings of the sections hereof are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

**8.8. Successors and Assigns.** This Agreement is intended to bind and inure to the benefit of and be enforceable by Executive and the Company, and their respective successors, assigns, heirs, executors and administrators, except that Executive may not assign his rights or delegate his duties or obligations hereunder without the prior written consent of the Company.

**8.9. Arbitration.** Unless otherwise prohibited by law or specified below, all disputes, claims and causes of action, in law or equity, arising from or relating to this Agreement or its enforcement, performance, breach, or interpretation shall be resolved solely and

---

exclusively by final and binding arbitration held in Illinois in conformity with the then existing employment arbitration rules and Illinois law. The arbitrator shall: (a) provide adequate discovery for the resolution of the dispute; and (b) issue a written arbitration decision, to include the arbitrator's essential findings and conclusion and a statement of the award. However, nothing in this section is intended to prevent either party from obtaining injunctive relief in court to prevent irreparable harm pending the inclusion of any such arbitration. The Company shall bear the costs of any such arbitration. I

**8.10. Executive Acknowledgement.** Executive acknowledges that (a) he has consulted with or has had the opportunity to consult with independent counsel of his own choice concerning this Agreement, and has been advised to do so by the Company, and (b) that he has read and understands the Agreement, is fully aware of its legal effect, and has entered into it freely based on his own judgment.

**8.11. Choice of Law.** All questions concerning the construction, validity and interpretation of this Agreement will be governed by the law of the State of Illinois without regard to the conflicts of law provisions thereof.

**In Witness Whereof**, the parties have executed this Agreement as of the date first written above.

On behalf of Monopar Therapeutics Inc.

/s/ Christopher M. Starr  
Christopher M. Starr  
Executive Chairman

Accepted and Agreed:

/s/ Chandler D. Robinson  
Chandler D. Robinson

---

## CONSULTING AGREEMENT

This Consulting Agreement (herein referred to as "**Agreement**") is made and entered into as of this December 15, 2016 (the "**Effective Date**"), by and between Monopar Therapeutics Inc. (herein referred to as "**Monopar**"), a Delaware limited liability corporation, located at corporation, located at 5 Revere Dr., Suite 200, Northbrook, IL 60062, and Kim.R. Tsuchimoto (herein referred to as "TSUCHIMOTO") who resides at # (each herein referred to as "**Party**" and collectively as "**Parties**").

### RECITALS

WHEREAS, TSUCHIMOTO specializes in the field of finance and strategy, including but not limited to: pre-IPO readiness, internal and external financial reporting, SEC and Nasdaq compliance, internal controls , forecasting/budgeting; and

WHEREAS, Monopar desires to contract with TSUCHIMOTO to provide certain consultation services, as requested by Monopar, and TSUCHIMOTO wishes to provide such services to Monopar, upon the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, the Parties agree as follows :

1. Consulting Arrangement. TSUCHIMOTO agrees to perform consulting services as described herein upon the terms and conditions herein set forth.
  
2. Term of Agreement. Subject to the provision for early termination set forth below in **Section 5** of this Agreement, this Agreement shall commence as of the Effective Date and shall continue for a period of twelve (12) months from the Effective Date (the "**Term**"). Either Party may terminate this Agreement without cause with 10-days' prior written notice.
  
3. Duties of TSUCHIMOTO.
  - 3.1 Specific Duties. TSUCHIMOTO shall provide consulting services to Monopar, such duties to include, managing finances and accounting, investor and public relations, financial reporting, preparation and management of public trading or listing, SEC or other regulatory body financial reporting and compliance, with such other specific requirements as Monopar may specify from time to time during the Term (herein referred to as the "**Services**").
  
  - 3.2 TSUCHIMOTO's Obligations. TSUCHIMOTO shall be diligent in the performance of Services , and be professional in her commitment to meeting her obligations hereunder. TSUCHIMOTO represents and warrants that TSUCHIMOTO is not party to any other existing agreement, which any of them would prevent her from entering into this Agreement or which would adversely affect this Agreement. TSUCHIMOTO shall not perform Services for any other individuals or entities in direct competition with Monopar, except as provided for by mutual written agreement of the Parties. TSUCHIMOTO shall not perform

services for any party which would require or facilitate the unauthorized disclosure of any confidential or proprietary information of Monopar.

3.3 Reporting. TSUCHIMOTO will report to and liaise with Chandler Robinson, M.D., and Christopher M. Starr, Ph.D. and/or any other assigned Monopar employee or consultant as may be designated in writing by Monopar.

3.4 Compensation. Monopar shall pay TSUCHIMOTO a cash retainer of \$5,000 per month not to exceed \$60,000 for the period of this Agreement, unless modified in writing by mutual agreement amongst the Parties.

TSUCHIMOTO shall not be reimbursed, and is responsible for the facilities and equipment necessary to perform Services required under this Agreement.

4. Reimbursement of Other Expenses. So long as Monopar's prior approval has been obtained, Monopar shall promptly reimburse TSUCHIMOTO for all direct expenses incurred in providing the Services to Monopar pursuant to this Agreement, including travel, meals and lodging. The invoice submitted by TSUCHIMOTO pursuant to this **Section 4** shall also include a detail of all reimbursable expenses incurred during the period covered by such invoice.
5. Termination of Agreement - Failure to perform. In the event that TSUCHIMOTO ceases to perform the Services or breaches its obligations as required hereunder for any reason, Monopar shall have the right to immediately terminate this Agreement upon notice to TSUCHIMOTO and to enforce such other rights and remedies as it may have as a result of said breach.
6. Certain Liabilities. It is understood and agreed that TSUCHIMOTO shall be acting as an independent contractor and not as an agent or employee of, or partner, joint venturer or in any other relationship with Monopar. TSUCHIMOTO will be solely responsible for all her insurance, employment taxes, FICA taxes and all obligations to governments or other organizations arising out of this consulting assignment. TSUCHIMOTO acknowledges that no income, social security or other taxes shall be withheld or accrued by Monopar for TSUCHIMOTO's benefit. TSUCHIMOTO assumes all risks and hazards encountered in the performance of duties under this Agreement. Unless Monopar has provided prior written approval, TSUCHIMOTO shall not use any sub-contractors to perform TSUCHIMOTO's obligations hereunder. TSUCHIMOTO shall be solely responsible for any and all injuries, including death, to all persons and any and all loss or damage to property, which may result from performance under this Agreement.
7. Indemnities. TSUCHIMOTO hereby agrees to indemnify Monopar and hold Monopar harmless from and against all claims (whether asserted by a person, firm, entity or governmental unit or otherwise), liabilities, losses, damages, expenses, charges and fees which Monopar may sustain or incur arising out of or attributable to any breach, gross negligence or willful misconduct by TSUCHIMOTO, as applicable, in the performance under this Agreement. Monopar hereby agrees to indemnify TSUCHIMOTO and hold TSUCHIMOTO harmless from and against all liabilities, losses, damages, expenses, charges and fees which TSUCHIMOTO may sustain or incur by reason of any claim which

may be asserted against TSUCHIMOTO by any person, firm, corporation or governmental unit and which may arise out of or be attributable to any gross negligence or willful misconduct by Monopar or its employees or contractors, as applicable, in the performance of this Agreement.

8. **Warranties.** The Services shall be performed in a professional manner, consistent with industry standards. In performing the Services, TSUCHIMOTO shall not make any unauthorized use of any confidential or proprietary information of any other party or infringe the intellectual property rights of any other party.
9. **Arbitration.** Any controversy or claim between Monopar and TSUCHIMOTO arising out of or relating to this Agreement, or the breach thereof, shall be submitted to arbitration in accordance with the rules of the American Arbitration Association. The site of the arbitration shall be Chicago, Illinois, and except as provided herein the arbitration shall be conducted in accordance with the Rules of the American Arbitration Association prevailing at the time the demand for arbitration is made hereunder. At least one member of the arbitration panel shall be a financial expert knowledgeable in the area of biopharmaceutical corporate compliance. Judgment upon any award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction and shall be binding and final. The cost of arbitration shall be borne by the losing Party, as determined by the arbitrator(s).
10. **Confidential Information.** TSUCHIMOTO has executed the attached confidential disclosure agreement referenced herein as **Appendix A** prior to commencement of the Services. TSUCHIMOTO hereby represents and warrants that the obligations thereunder shall be binding.
11. **Inventions.** TSUCHIMOTO agrees that all ideas, developments, suggestions and inventions conceived or reduced to practice arising out of or during the course of performance under this Agreement shall be the exclusive property of Monopar and shall be promptly communicated and assigned to Monopar. TSUCHIMOTO shall require any employees of or other parties contracted by TSUCHIMOTO to disclose the same to TSUCHIMOTO and to be bound by the provisions of this paragraph. During the period of this Agreement and thereafter at any reasonable time when called upon to do so by Monopar, TSUCHIMOTO shall require any employees of or other parties contracted by TSUCHIMOTO to execute patent applications, assignments to Monopar (or any designee of Monopar ) and other papers and to perform acts which Monopar believes necessary to secure to Monopar full protection and ownership of the rights in and to the services performed by TSUCHIMOTO and/or for the preparation, filing and prosecution of applications for patents or inventions made by any employees of or other parties contracted by TSUCHIMOTO hereunder. The decision to file patent applications on inventions made by any employees of or other parties contracted by TSUCHIMOTO shall be made by Monopar and shall be for such countries, as Monopar shall elect. Monopar agrees to bear all the expense in connection with the preparation, filing and prosecution of applications for patents and for all matters provided in this paragraph requiring the time and/or assistance of TSUCHIMOTO as to such inventions.
12. **Miscellaneous.**





12.6 Modification. This Agreement may not be modified unless such is in writing and signed by both Parties to this Agreement.

12.7 Assignment. TSUCHIMOTO shall not be permitted to assign this Agreement to any other person or entity without the prior written consent of Monopar. TSUCHIMOTO hereby agrees that Monopar shall be permitted to assign this Agreement to any affiliate of Monopar. This Agreement shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the parties.

12.8 Survival. The provisions of **Sections 7, 8, 9, 10, and 11** shall survive expiration or termination of this Agreement for any reason. Expiration or termination of this Agreement shall not affect Monopar's obligations to pay any amounts that may then be due to TSUCHIMOTO.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

ACCEPTED AND AGREED TO:

Kim R. Tsuchimoto

/s/ Kim R. Tsuchimoto  
Kim R. Tsuchimoto  
MONOPAR THERAPEUTICS INC.

/s/ Chandler Robinson  
BY: CHANDLER ROBINSON  
ITS: CHIEF EXECUTIVE OFFICER

**APPENDIX A**

See executed CDA attached

**MONOPARTHERAPEUTICS LLC  
CONFIDENTIAL DISCLOSURE AGREEMENT**

AGREEMENT between Kim Tsuchimoto ("Recipient") and Monopar Therapeutics LLC ("Monopar").

For purposes of this Agreement, the term "Recipient" shall include, individually and/or collectively the partners, directors, officers, employees, agents, and/or representatives of Kim Tsuchimoto.

In consideration for the mutual agreements contained herein and the other provisions of this Agreement, the receipt of which is hereby acknowledged by the parties, the parties hereto agree as follows:

**I. Scope of Confidential Information**

"Confidential Information" means, subject to the other provisions of this Section:

(a) all information, whether oral or written, disclosed by Monopar that is described in Schedule A under "Description of Confidential Information" Confidential Information may relate to the activities or property of Monopar or any of Monopar's members, directors, officers, employees, consultants, agents, representatives or affiliated entities (collectively, "Associated Persons"); and

( ) any written material prepared by Recipient or Recipient's partners,

directors, officers, employees, agents, representatives or affiliated entities (collectively, "Associated Persons") containing any other Monopar Confidential Information.

"Confidential Information" does not include information that: (i) was available to Recipient (free of any confidentiality obligation in favor of Monopar) prior to disclosure of such information by Monopar to Recipient; (ii) is made available to Recipient from a third party which (at the time of such availability) was not, to Recipient's knowledge, subject to a confidentiality obligation with respect to such information; (iii) is made available to third parties by Monopar without restriction on the disclosure of such information, (iv) is or becomes available to the public on or after the date of this Agreement (other than as a result of disclosure prohibited by any confidentiality obligation contained herein); or (v) is developed independently by Recipient or its Associated Persons without intended disclosure or (ii) if prior notice is not permitted or practicable under the circumstances, prompt notice of such disclosure.

**3. Certain Rights and Limitations**

(a) All Confidential Information shall remain the property of Monopar. The provision of Confidential Information hereunder shall not transfer any right, title or interest in such information to Recipient. Monopar does not grant any express or implied right to Recipient to or under Monopar's patents, copyrights, trademarks, trade secret information or other proprietary rights.

(b) Recipient agrees to adhere to all applicable laws and regulations relating to the export of technical data received hereunder.

(c) This Agreement imposes no obligations on either party to purchase, sell, license, transfer or otherwise transact in any technology, services or products. This Agreement does not create any agency or partnership relationship between the parties hereto.

**4. Remedies**

(a) Upon Monopar's reasonable request, Recipient agrees to return promptly to Monopar all Confidential Information that is in writing and in the possession of Recipient and, upon written request, to certify the return or destruction (at Monopar's option) of all Confidential Information.

(b) Recipient agrees that monetary damages may not be an adequate remedy for improper disclosure or use of Confidential Information, that Monopar, upon breach of this contract, shall be entitled to such injunctive or equitable relief as may be deemed proper by a court of competent jurisdiction, without waiving any other right or remedy, and that Recipient shall not resist an application for such relief on the ground that Monopar has an adequate remedy at law.

**5. Miscellaneous**

(a) Except where expressly indicated otherwise, the words "written" or reference to the Confidential Information.

Recipient agrees that it will not disclose to Monopar or to any of its employees or consultants any confidential, proprietary, patented,

copyrighted, or trade secret information, or any other form of protectable intellectual property, regardless of whether such information is the property of Recipient itself or of some other individual or organization.

**2. Use and Disclosure of Confidential Information**

(a) Recipient agrees: (i) to preserve the confidentiality of Confidential Information; (ii) to use and/or permit the use of Confidential information only for the purpose of, and to the extent necessary for, evaluating a business relationship between the parties and, if such a relationship is consummated, carrying out such relationship; (iii) to disclose Confidential Information to, and to permit the use of Confidential Information by, only such persons within Recipient who Recipient reasonably determines need to know such information in connection with the activities described in (ii) above; and (iv) to use reasonable care to maintain the confidentiality of Confidential (information, provided that such care shall be at least as great as the precautions taken by Recipient to protect its own confidential and/or proprietary information.

(b) Notwithstanding anything to the contrary herein, Recipient is free to make (and this Agreement does not restrict) disclosure of any Confidential Information in a judicial, legislative, or administrative investigation or proceeding or to a government or other regulatory agency; provided that, to the extent permitted by, and practicable under, the circumstances, Recipient provides to Monopar (i) prior notice of the

"in writing" shall include, but not be limited to, written or printed

documents, electronic and facsimile transmissions and computer disks or tapes (whether machine or user readable).

(b) In the event that any one or more of the provisions of this Agreement will for any reason be held to be invalid, illegal or unenforceable by a court of competent jurisdiction, the remaining provisions of this

Agreement will be unimpaired, and the invalid, illegal or unenforceable provision will be replaced by a mutually acceptable provision, which being valid, legal or enforceable, comes closest to the intention of the parties underlying the invalid, illegal or unenforceable provision.

(c) No amendment or alteration of the terms of this Agreement shall be effective unless made in writing and executed by both parties hereto.

(d) A failure or delay in exercising any right in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right will not be presumed to preclude any subsequent or further exercise of that right or the exercise of any other right. Any

modification or waive of any provision of this Agreement shall not be effective unless made in writing. Any such waiver shall be effective only in the specific instance and for the purpose given.

**This Agreement and its enforcement shall be governed by and construed in accordance with, the laws of the State of Illinois without regard to conflicts-of-law principles.**

(SIGNATURE PAGE FOLLOWS)

---

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

·RECIPIENT"  
MONOPAR"

/s/ Kim R. Tsuchimoto  
By Kim R. Tsuchimoto  
Title: Individual

Date: April 21, 2015

Notices hereunder shall be sent to: #

Monopar Therapeutics LLC

By: /s/ Chandler D. Robinson  
Name: Chandler D. Robinson  
Date: April 21, 2015

Notices hereunder shall be sent to: #

#### **SCHEDULE A**

Description of Confidential Information Disclosed by Monopar:

(a) The identity of the projects and compounds that Monopar is researching; (b) the methods of research and research collaborators being used to pursue these projects and compounds; (c) the (known or putative) mechanism of action of any of these compounds; (d) any techniques used by Monopar to discover, develop, produce, purify, or test any of these compounds; and (e) any non-public scientific, business, or financial information pertaining to Monopar, its projects, or compounds, including all documents and agreements already signed or currently being negotiated with Cancer Research UK and Cancer Research Technology).

---

## EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (the “**Agreement**”) is entered into as of November 1, 2017, by and between Kim R. Tsuchimoto (“**Executive**”) and Monopar Therapeutics Inc. (the “**Company**”).

**Whereas**, the Company desires to employ Executive as its Chief Financial Officer effective as of November 1, 2017 (the “**Effective Date**”), and Executive desires to serve in such capacity, pursuant to the terms and conditions set forth in this Agreement; and

**Now, Therefore**, in consideration of the mutual promises and covenants contained herein, it is hereby agreed by and between the parties hereto as follows:

### ARTICLE I DEFINITIONS

For purposes of the Agreement, the following terms are defined as follows:

- 1.1. “**Board**” means the Board of Directors of the Company.
- 1.2. “**Cause**” means any of the following events described below:
  - (a) Executive’s commission of a felony or other crime involving moral turpitude;
  - (b) any willful act or acts of dishonesty undertaken by Executive and intended to result in substantial gain or personal enrichment of Executive, Executive’s family or any third party at the expense of the Company;
  - (c) any willful act of gross misconduct which is materially and demonstrably injurious to the Company; and/or
  - (d) Executive’s inability to lawfully work in the United States.

For the purpose of this Agreement, no act, or failure to act, by Executive shall be considered “willful” if done, or omitted to be done, by Executive in good faith and in the reasonable belief that Executive’s act or omission was in the best interest of the Company and/or required by applicable law.

---

**1.3.** “**Change in Control**” means the occurrence of any of the following events: (i) any sale or exchange of the capital stock by the stockholders of the Company in one transaction or series of related transactions where more than fifty percent (50%) of the outstanding voting power of the Company is acquired by a person or entity or group of related persons or entities; or (ii) any reorganization, consolidation or merger of the Company where the outstanding voting securities of the Company immediately before the transaction represent or are converted into less than fifty percent (50%) of the outstanding voting power of the surviving entity (or its parent corporation) immediately after the transaction; or (iii) the consummation of any transaction or series of related transactions that results in the sale of all or substantially all of the assets of the Company; or (iv) any “person” or “group” (as defined in the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) becoming the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act) directly or indirectly of securities representing more than fifty percent (50%) of the voting power of the Company then outstanding. Except that any change in the beneficial ownership of the securities of the Company as a result of a private financing of the Company that is approved by the Board, shall not be deemed to be a Change in Control.

**1.4.** “**Change in Control Multiple**” shall mean one-quarter (0.25).

**1.5.** “**Change in Control Period**” means that period commencing on the consummation of a Change in Control and ending on the first anniversary thereof.

**1.6.** “**COBRA**” means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

**1.7.** “**Code**” means the Internal Revenue Code of 1986, as amended.

**1.8.** “**Company**” means Monopar Therapeutics Inc. or any successor thereto.

**1.9.** “**Confidential Disclosure Agreement**” means the Confidential Disclosure Agreement entered into between Executive and the Company.

**1.10.** “**Covered Termination**” means (a) an Involuntary Termination Without Cause or (b) a voluntary termination for Good Reason, provided that the termination constitutes a Separation from Service.

**1.11.** “**Good Reason**” means Executive’s resignation as a result of a Good Reason Condition. In order to resign for Good Reason, Executive must provide written notice to the Company of the existence of the Good Reason Condition within thirty (30) days of the initial existence of such Good Reason Condition. Upon receipt of such notice of the Good Reason Condition, the Company will be provided with a period of thirty (30) days during which it may remedy the Good Reason Condition and not be required to provide for the payments and benefits described in Section 4 as a result of such proposed resignation due to the Good Reason Condition specified in the notice. If the Good Reason Condition is not remedied within the period specified in the preceding sentence, Executive may resign for Good Reason based on the Good Reason Condition specified in the notice, provided that such resignation must occur within sixty (60) days after the initial existence of such Good Reason Condition.

---



**1.12.** “**Good Reason Condition**” means that any of the following are undertaken without Executive’s express written consent:

- (a) a material reduction in Executive’s Base Salary (other than as part of a reduction in the base salary of at least a majority of the Company’s executives of the same or greater percentage);
- (b) the Company’s material breach of any material term of this Agreement (a change in job title or role does not constitute a material breach); or
- (c) a requirement that Executive relocate to an office that would increase Executive’s one-way commute distance by more than fifty (50) miles based on Executive’s primary residence at the time such relocation is announced.

**1.13.** “**Involuntary Termination Without Cause**” means Executive’s dismissal or discharge by the Company other than for Cause. The termination of Executive’s employment as a result of Executive’s death or inability to perform the essential functions of his job due to disability will not be deemed to be an Involuntary Termination Without Cause.

**1.14.** “**Separation from Service**” means Executive’s termination of employment or service constitutes a “separation from service” within the meaning of Treasury Regulation Section 1.409A-1(h).

## **ARTICLE II EMPLOYMENT BY THE COMPANY**

**2.1. Position and Duties.** Subject to terms set forth herein, as of the Effective Date, Executive shall serve as the Company’s Chief Financial Officer and perform such duties as are customarily associated with the position of Chief Financial Officer and such other duties as are assigned to Executive by the Chief Executive Officer. During the term of Executive’s employment with the Company, Executive will devote Executive’s best efforts and 25% of Executive’s business time and attention (except for vacation periods and reasonable periods of illness or other incapacities permitted by the Company’s general employment policies or as otherwise set forth in this Agreement) to the business of the Company.

**2.2. Employment at Will.** Both the Company and Executive shall have the right to terminate Executive’s employment with the Company at any time, with or without Cause, and without prior notice. If Executive’s employment with the Company is terminated, Executive will be eligible to receive severance benefits to the extent provided in this Agreement.

---

**2.3. Employment Policies.** The employment relationship between the parties shall also be governed by the general employment policies and practices of the Company, including those relating to protection of confidential information and assignment of inventions, except that when the terms of this Agreement differ from or are in conflict with the Company's general employment policies or practices, this Agreement shall control.

### **ARTICLE III COMPENSATION**

**3.1. Base Salary.** As of the Effective Date, Executive shall receive for services to be rendered hereunder an annual base salary of \$68,750 ("**Base Salary**"), payable on the regular payroll dates of the Company, subject to increase in the sole discretion of the Board. Base salary represents a part-time salary (25% of full-time) as noted in section 2.1 above.

**3.2. Annual Bonus.** Executive is subject to an annual bonus at the discretion of the Board.

**3.3. Standard Company Benefits.** Upon reaching full-time status (over 30 hours per week of employment with the Company) Executive shall be entitled to all rights and benefits for which Executive is eligible under the terms and conditions of the standard Company benefits and compensation practices that may be in effect from time to time and are provided by the Company to its executive employees generally. Based on 25% service, Executive shall be entitled each year to one (1) week leave for vacation at full pay, provided, that the maximum amount Executive may have accrued at any point in time is one (1) week (meaning that once Executive has accrued one (1) week, Executive will not accrue any additional vacation time until Executive takes vacation and falls below the one (1) week accrual cap). Executive shall also be entitled to reasonable holidays and illness days with full pay in accordance with the policies applicable to the Company and its affiliates from time to time in effect. Employee acknowledges and agrees that in order to maintain flexibility, the Company and its affiliates have the right to amend or terminate any employee benefit plan at any time.

**3.4. Stock Options.** Subject to approval by the Board, Executive may be granted options to purchase shares of the Company's common stock with an exercise price per share as determined by the Compensation Committee or similar function of the Board.

**3.5. Expenses.** The Company will reimburse Executive for all reasonable and necessary expenses incurred by Employee in connection with the Company's business, provided that such expenses incurred and are properly documented and accounted for in accordance with the policy of the Company and requirements of the Internal Revenue Service.

---

**ARTICLE IV**  
**SEVERANCE AND CHANGE IN CONTROL BENEFITS**

**4.1. Severance Benefits.** Upon Executive's termination of employment, Executive shall receive any accrued but unpaid Base Salary and other accrued and unpaid compensation, including any Annual Bonus that has been earned with respect to a prior bonus year, but remains unpaid as of the date of the termination. If the termination is due to a Covered Termination or permanent disability, provided that Executive first returns all Company property in his possession and, within sixty (60) days following the Covered Termination, executes and does not revoke an effective general release of all claims against the Company and its affiliates in a form reasonably acceptable to the Company (a "**Release of Claims**"), Executive shall also be entitled to receive the following severance benefits described in this Section 4.1.

**(a) Covered Termination Not Related to a Change in Control.** If Executive's employment terminates due to a Covered Termination which occurs outside of a Change in Control Period, Executive shall receive the following:

**(i)** An amount equal to three (3) months of Executive's Base Salary payable in substantially equal installments in accordance with the Company's normal payroll policies, less applicable withholdings, with such installments to commence as soon as administratively practicable following the date the Release of Claims is not subject to revocation and, in any event, within sixty (60) days following the date of the Covered Termination.

**(ii)** If Executive is a full time employee at the time, then if Executive elects to receive continued healthcare coverage pursuant to the provisions of COBRA, the Company shall directly pay, or reimburse Executive for, the premium for Executive and Executive's covered dependents through the earlier of (i) the first anniversary of the date of Executive's termination of employment and (ii) the date Executive and Executive's covered dependents, if any, become eligible for healthcare coverage under another employer's plan(s). Notwithstanding the foregoing, (i) if any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the period of continuation coverage to be, exempt from the application of Section 409A of the Code under Treasury Regulation Section 1.409A-1(a)(5), or (ii) the Company is otherwise unable to continue to cover Executive under its group health plans without penalty under applicable law (including without limitation, Section 2716 of the Public Health Service Act), then, in either case, an amount equal to each remaining Company subsidy shall thereafter be paid to Executive in substantially equal monthly installments. After the Company ceases to pay premiums pursuant to this Section 4.1(a)(ii), Executive may, if eligible, elect to continue healthcare coverage at Executive's expense in accordance the provisions of COBRA.

---

**(iii)** All of Employee's vested options or stock appreciation rights with respect to the Company's common stock shall remain exercisable until the first anniversary of Executive's termination of employment (or, if earlier, the maximum period specified in the award documents and plans governing such options or stock appreciation rights, as applicable, assuming Executive's employment had not terminated).

**(b) Covered Termination Related to a Change in Control.** If Executive's employment terminates due to a Covered Termination that occurs during a Change in Control Period, Executive shall receive the following:

**(i)** Executive shall be entitled to receive an amount equal to the Change in Control Multiplier multiplied by the sum of: (i) Executive's Base Salary and (ii) Executive's target Annual Bonus for the fiscal year of Executive's termination, in each case, at the rate equal to the higher of (x) the rate in effect immediately prior to Executive's termination of employment or (y) the rate in effect immediately prior to the Change in Control payable in a cash lump sum, less applicable withholdings, as soon as administratively practicable following the date the Release of Claims is not subject to revocation and, in any event, within sixty (60) days following the date of the Covered Termination.

**(ii)** If Executive is a full time employee at the time, then if Executive elects to receive continued healthcare coverage pursuant to the provisions of COBRA, the Company shall directly pay, or reimburse Executive for, the premium for Executive and Executive's covered dependents through the earlier of (i) the date that is that number of years equal to the Change in Control Multiplier following the date of Executive's termination of employment and (ii) the date Executive and Executive's covered dependents, if any, become eligible for healthcare coverage under another employer's plan(s). Notwithstanding the foregoing, (i) if any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the period of continuation coverage to be, exempt from the application of Section 409A of the Code under Treasury Regulation Section 1.409A-1(a)(5), or (ii) the Company is otherwise unable to continue to cover Executive under its group health plans without penalty under applicable law (including without limitation, Section 2716 of the Public Health Service Act), then, in either case, an amount equal to each remaining Company subsidy shall thereafter be paid to Executive in substantially equal monthly installments. After the Company ceases to pay premiums pursuant to this Section 4.1(b)(ii), Executive may, if eligible, elect to continue healthcare coverage at Executive's expense in accordance with the provisions of COBRA.

**(iii)** Each outstanding equity award, including, without limitation, each stock option and restricted stock award, held by Executive shall automatically become vested and, if applicable, exercisable and any forfeiture restrictions or rights of repurchase thereon shall immediately lapse, in each case, with respect to one hundred percent (100%) of the shares subject thereto. To the extent vested after giving effect to the acceleration provided in the preceding sentence, each stock option held by Executive shall remain exercisable until the earlier of the original expiration date for such stock option or the second anniversary of Executive's Covered Termination.

---

(c) **Termination for Death or Disability.** If Executive's employment is terminated due to death or permanent disability where the Company makes a determination in good faith that, due to a mental or physical incapacity, Executive has been unable to perform his duties under this Agreement for a period of not less than one-and-a-half (1.5) consecutive months or 45 days in the aggregate in any 12-month period, Executive shall receive the following:

(i) An amount equal to three (3) months of Executive's Base Salary payable in substantially equal installments in accordance with the Company's normal payroll policies, less applicable withholdings, with such installments to commence as soon as administratively practicable following the date the Release of Claims is not subject to revocation and, in any event, within sixty (60) days following the date of the Covered Termination.

(ii) If Executive (or in the event of death, his designee) elects to receive continued healthcare coverage pursuant to the provisions of COBRA, the Company shall directly pay, or reimburse Executive for, the premium for Executive and Executive's covered dependents through the earlier of (i) the three (3) month anniversary of the date of Executive's termination of employment and (ii) the date Executive and Executive's covered dependents, if any, become eligible for healthcare coverage under another employer's plan(s). Notwithstanding the foregoing, (i) if any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the period of continuation coverage to be, exempt from the application of Section 409A of the Code under Treasury Regulation Section 1.409A-1(a)(5), or (ii) the Company is otherwise unable to continue to cover Executive under its group health plans without penalty under applicable law (including without limitation, Section 2716 of the Public Health Service Act), then, in either case, an amount equal to each remaining Company subsidy shall thereafter be paid to Executive in substantially equal monthly installments. After the Company ceases to pay premiums pursuant to this Section 4.1(b)(ii), Executive may, if eligible, elect to continue healthcare coverage at Executive's expense in accordance with the provisions of COBRA.

**4.2. 280G Provisions.** Notwithstanding anything in this Agreement to the contrary, if any payment or distribution Executive would receive pursuant to this Agreement or otherwise ("**Payment**") would (a) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (b) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then such Payment shall either be (i) delivered in full, or (ii) delivered as to such lesser extent which would result in no portion of such Payment being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in the receipt by Executive on an after-tax basis,

---

of the largest payment, notwithstanding that all or some portion the Payment may be taxable under Section 4999 of the Code. The accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of the Change in Control shall perform the foregoing calculations. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder. The accounting firm shall provide its calculations to the Company and Executive within fifteen (15) calendar days after the date on which Executive's right to a Payment is triggered (if requested at that time by the Company or Executive) or such other time as requested by the Company or Executive. Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon the Company and Executive. Any reduction in payments and/or benefits pursuant to this Section 4.2 will occur in the following order: (1) reduction of cash payments; (2) cancellation of accelerated vesting of equity awards other than stock options; (3) cancellation of accelerated vesting of stock options; and (4) reduction of other benefits payable to Executive.

#### **4.3. Section 409A.**

**(a)** Notwithstanding any provision to the contrary in this Agreement, if Executive is deemed at the time of his Separation from Service to be a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code which would subject Executive to a tax obligation under Section 409A of the Code, such portion of Executive's benefits shall not be provided to Executive prior to the earlier of (i) the expiration of the six- month period measured from the date of the Executive's Separation from Service or (ii) the date of Executive's death. Upon the expiration of the applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this Section 4.3(a) shall be paid in a lump sum to Executive, and any remaining payments due under the Agreement shall be paid as otherwise provided herein.

**(b)** Any reimbursements payable to Executive pursuant to the Agreement shall be paid to Executive no later than 30 days after Executive provides the Company with a written request for reimbursement, and to the extent that any such reimbursements are deemed to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code (i) such amounts shall be paid or reimbursed to Executive promptly, but in no event later than December 31 of the year following the year in which the expense is incurred, (ii) the amount of any such payments eligible for reimbursement in one year shall not affect the payments or expenses that are eligible for payment or reimbursement in any other taxable year, and (iii) Executive's right to such payments or reimbursement shall not be subject to liquidation or exchange for any other benefit.

**(c)** For purposes of Section 409A of the Code (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), Executive's right to receive installment payments under the Agreement shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder shall at all times be considered a separate and distinct payment.

---

**4.4. Mitigation.** Executive shall not be required to mitigate damages or the amount of any payment provided under this Agreement by seeking other employment or otherwise, nor shall the amount of any payment provided for under this Agreement be reduced by any compensation earned by Executive as a result of employment by another employer or by any retirement benefits received by Executive after the date of the Covered Termination, or otherwise.

## **ARTICLE V PROPRIETARY INFORMATION OBLIGATIONS**

**5.1. Agreement.** Executive agrees to continue to abide by the Confidential Disclosure Agreement.

**5.2. Remedies.** Executive's duties under the Confidential Disclosure Agreement shall survive termination of Executive's employment with the Company and the termination of this Agreement. Executive acknowledges that a remedy at law for any breach or threatened breach by Executive of the provisions of the Confidential Disclosure Agreement, as well as Executive's obligations pursuant to Section 6.2 and Article 7 below, would be inadequate, and Executive therefore agrees that the Company shall be entitled to seek injunctive relief in case of any such breach or threatened breach.

## **ARTICLE VI OUTSIDE ACTIVITIES**

**6.1. Other Activities.**

**(a)** Except for activities disclosed in **Exhibit A** attached, Executive shall not, during the term of this Agreement undertake or engage in any other employment, occupation or business enterprise, other than ones in which Executive is a passive investor, unless Executive obtains the prior written consent of the Board.

**(b)** Executive may engage in civic and not-for-profit activities so long as such activities do not materially interfere with the performance of Executive's duties hereunder. In addition, Executive shall be allowed to serve as a member of the board of directors of up to two (2) other for profit entities at any time during the term of this Agreement, which service shall not materially interfere with the performance of Executive's duties hereunder; provided, however, that the Board, in its discretion, may require that Executive resign from one or both of such director positions if it determines that such resignation(s) would be in the best interests of the Company.

---

**6.2. Competition/Investments.** During the term of Executive's employment by the Company, except on behalf of the Company, Executive shall not directly or indirectly, whether as an officer, director, stockholder, partner, proprietor, associate, representative, consultant, or in any capacity whatsoever engage in, become financially interested in, be employed by or have any business connection with any other person, corporation, firm, partnership or other entity whatsoever which were known by Executive to compete directly with the Company, throughout the world, in any line of business engaged in (or planned to be engaged in) by the Company; provided, however, that anything above to the contrary notwithstanding, Executive may own, as a passive investor, securities of any competitor corporation, so long as Executive's direct holdings in any one such corporation shall not in the aggregate constitute more than 1% of the voting stock of such corporation.

## **ARTICLE VII NONINTERFERENCE**

In addition to Executive's obligations under the Confidential Disclosure Agreement, Executive shall not for a period of one (1) year following Executive's termination of employment for any reason, either on Executive's own account or jointly with or as a manager, agent, officer, employee, consultant, partner, joint venturer, owner or stockholder or otherwise on behalf of any other person, firm or corporation, directly or indirectly solicit or attempt to solicit away from the Company any of its officers or employees or offer employment to any person who is an officer or employee of the Company; *provided, however*, that a general advertisement to which an employee of the Company responds shall in no event be deemed to result in a breach of this Article 7. Executive also agrees not to harass or disparage the Company or its employees, clients, directors or agents or divert or attempt to divert any actual or potential business of the Company. The provisions of this Article 7 shall survive the termination or expiration of the applicable Executive's employment with the Company and shall be fully enforceable thereafter. If it is determined by a court of competent jurisdiction in any state that any restriction in this Article 7 is excessive in duration or scope or is unreasonable or unenforceable under the laws of that state, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by the law of that state.

## **ARTICLE VIII GENERAL PROVISIONS**

**8.1. Notices.** Any notices provided hereunder must be in writing and shall be deemed effective upon the earlier of personal delivery (including personal delivery by facsimile) or the third day after mailing by first class mail, to the Company at its primary office location and to Executive at Executive's address as listed on the Company payroll.

---



**8.2. Tax Withholding.** Executive acknowledges that all amounts and benefits payable under this Agreement are subject to deduction and withholding to the extent required by applicable law.

**8.3. Severability.** Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provisions had never been contained herein.

**8.4. Waiver.** If either party should waive any breach of any provisions of this Agreement, they shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

**8.5. Complete Agreement.** This Agreement constitutes the entire agreement between Executive and the Company and is the complete, final, and exclusive embodiment of their agreement with regard to this subject matter, and will supersede all prior agreements, understandings, discussions, negotiations and undertakings, whether written or oral, between the parties with respect to the subject matter hereof, including without limitation, the Prior Agreement. This Agreement is entered into without reliance on any promise or representation other than those expressly contained herein or therein, and cannot be modified or amended except in a writing signed by an officer of the Company and Executive.

**8.6. Counterparts.** This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same Agreement.

**8.7. Headings.** The headings of the sections hereof are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

**8.8. Successors and Assigns.** This Agreement is intended to bind and inure to the benefit of and be enforceable by Executive and the Company, and their respective successors, assigns, heirs, executors and administrators, except that Executive may not assign his rights or delegate his duties or obligations hereunder without the prior written consent of the Company.

---

**8.9. Arbitration.** Unless otherwise prohibited by law or specified below, all disputes, claims and causes of action, in law or equity, arising from or relating to this Agreement or its enforcement, performance, breach, or interpretation shall be resolved solely and exclusively by final and binding arbitration held in Illinois in conformity with the then-existing employment arbitration rules and Illinois law. The arbitrator shall: (a) provide adequate discovery for the resolution of the dispute; and (b) issue a written arbitration decision, to include the arbitrator's essential findings and conclusions and a statement of the award. However, nothing in this section is intended to prevent either party from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. The Company shall bear the costs of any such arbitration.

**8.10. Executive Acknowledgement.** Executive acknowledges that (a) Executive has consulted with or has had the opportunity to consult with independent counsel of Executive's own choice concerning this Agreement, and has been advised to do so by the Company, and (b) that Executive has read and understands the Agreement, is fully aware of its legal effect, and has entered into it freely based on his own judgment.

**8.11. Choice of Law.** All questions concerning the construction, validity and interpretation of this Agreement will be governed by the law of the State of Illinois without regard to the conflicts of law provisions thereof.

**In Witness Whereof,** the parties have executed this Agreement as of the date first written above.

On behalf of Monopar Therapeutics Inc.

/s/ Chandler D. Robinson  
Chandler D. Robinson  
Chief Executive Officer

Accepted and Agreed:

/s/ Kim R. Tsuchimoto  
Kim R. Tsuchimoto

---

## Exhibit A

### 6.1(a) Other Activities.

50% of full-time employment plus benefits at Mercaptor Discoveries Inc. as Chief Financial Officer, Secretary, Treasurer and Co-Founder

25% of full-time employment (paid and unpaid) at DNACheckup (nonprofit) as Chief Financial Officer, Secretary and Treasurer

---

## CONSULTING AGREEMENT

This Consulting Agreement (herein referred to as "**Agreement**") is made and entered into as of this December 1, 2016 (the "**Effective Date**"), by and between Monopar Therapeutics Inc. (herein referred to as "**Monopar**"), a Delaware limited liability corporation, located at corporation, located at 5 Revere Dr., Suite 200, Northbrook, IL 60062, and Andrew P. Mazar (herein referred to as "MAZAR") who resides at # (each herein referred to as "**Party**" and collectively as "**Parties**").

### RECITALS

WHEREAS, MAZAR specializes in the field of pre-clinical and clinical development, including but not limited to: pre-clinical study design, clinical trial design, clinical operations, manufacturing operations, regulatory strategy, drug candidate evaluation, and investor due diligence; and

WHEREAS, Monopar desires to contract with MAZAR to provide certain consultation services, as requested by Monopar, and MAZAR wishes to provide such services to Monopar, upon the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, the Parties agree as follows:

1. Consulting Arrangement. MAZAR agrees to perform consulting services as described herein upon the terms and conditions herein set forth.
  2. Term of Agreement Subject to the provision for early termination set forth below in **Section S** of this Agreement, this Agreement shall commence as of the Effective Date and shall continue for a period of twelve (12) months from the Effective Date (the "**Term**"). Either Party may terminate this Agreement without cause with 10-days' prior written notice.
  3. Duties of MAZAR.
    - 3.1 Specific Duties. MAZAR shall provide consulting services to Monopar, such duties to include pre-clinical study design, clinical trial design, clinical operations oversight, manufacturing oversight, regulatory strategy, drug candidate evaluation, and investor due diligence with such other specific requirements as Monopar may specify from time to time during the Term (herein referred to as the "**Services**").
    - 3.2 MAZAR's Obligations. MAZAR shall be diligent in the performance of Services, and be professional in his commitment to meeting his obligations hereunder. MAZAR represents and warrants that MAZAR is not party to any other existing agreement, which any of them would prevent him from entering into this Agreement or which would adversely affect this Agreement. MAZAR shall not perform Services for any other individuals or entities in direct competition with Monopar, except as provided for by mutual written agreement of the Parties. MAZAR shall not perform services for any party which would require or facilitate
-

the unauthorized disclosure of any confidential or proprietary information of Monopar.

3.3 Reporting. MAZAR will report to and liaise with Chandler Robinson, M.D., and Christopher M. Starr, Ph.D. and/or any other assigned Monopar employee or consultant as may be designated in writing by Monopar.

3.4 Compensation. Monopar shall pay MAZAR a cash retainer of \$25,000 per month not to exceed \$300,000 for the period of this Agreement, unless modified in writing by mutual agreement amongst the Parties.

MAZAR shall not be reimbursed, and is responsible for the facilities and equipment necessary to perform Services required under this Agreement.

4. Reimbursement of Other Expenses. So long as Monopar's prior approval has been obtained, Monopar shall promptly reimburse MAZAR for all direct expenses incurred in providing the Services to Monopar pursuant to this Agreement, including travel, meals and lodging. The invoice submitted by MAZAR pursuant to this **Section 4** shall also include a detail of all reimbursable expenses incurred during the period covered by such invoice.
  5. Termination of Agreement - Failure to perform. In the event that MAZAR ceases to perform the Services or breaches its obligations as required hereunder for any reason, Monopar shall have the right to immediately terminate this Agreement upon notice to MAZAR and to enforce such other rights and remedies as it may have as a result of said breach.
  6. Certain Liabilities. It is understood and agreed that MAZAR shall be acting as an independent contractor and not as an agent or employee of, or partner, joint venturer or in any other relationship with Monopar MAZAR will be solely responsible for all his insurance, employment taxes, FICA taxes and all obligations to governments or other organizations arising out of this consulting assignment. MAZAR acknowledges that no income, social security or other taxes shall be withheld or accrued by Monopar for MAZAR's benefit. MAZAR assumes all risks and hazards encountered in the performance of duties under this Agreement. Unless Monopar has provided prior written approval, MAZAR shall not use any sub-contractors to perform MAZAR's obligations hereunder. MAZAR shall be solely responsible for any and all injuries, including death, to all persons and any and all loss or damage to property, which may result from performance under this Agreement.
  7. Indemnities. MAZAR hereby agrees to indemnify Monopar and hold Monopar harmless from and against all claims (whether asserted by a person, firm, entity or governmental unit or otherwise). liabilities, losses, damages, expenses, charges and fees which Monopar may sustain or incur arising out of or attributable to any breach, gross negligence or willful misconduct by MAZAR, as applicable, in the performance under this Agreement. Monopar hereby agrees to indemnify MAZAR and hold MAZAR harmless from and against all liabilities losses, damages, expenses, charges and fees which MAZAR may sustain or incur by reason of any claim which may be asserted against MAZAR by any person, firm, corporation or governmental unit and which may arise out of or be attributable to any gross
-

negligence or willful misconduct by Monopar or its employees or contractors, as applicable, in the performance of this Agreement.

8. Warranties. The Services shall be performed in a professional manner, consistent with industry standards. In performing the Services, MAZAR shall not make any unauthorized use of any confidential or proprietary information of any other party or infringe the intellectual property rights of any other party.
  9. Arbitration. Any controversy or claim between Monopar and MAZAR arising out of or relating to this Agreement, or the breach thereof, shall be submitted to arbitration in accordance with the rules of the American Arbitration Association. The site of the arbitration shall be Chicago, Illinois, and except as provided herein the arbitration shall be conducted in accordance with the Rules of the American Arbitration Association prevailing at the time the demand for arbitration is made hereunder. At least one member of the arbitration panel shall be an expert knowledgeable in the area of biopharmaceutical clinical development. Judgment upon any award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction and shall be binding and final. The cost of arbitration shall be borne by the losing Party, as determined by the arbitrator(s).
  10. Confidential Information. MAZAR has executed the attached confidential disclosure agreement referenced herein as Appendix A prior to commencement of the Services. MAZAR hereby represents and warrants that the obligations thereunder shall be binding.
  11. Inventions. MAZAR agrees that all ideas, developments, suggestions and inventions conceived or reduced to practice arising out of or during the course of performance under this Agreement shall be the exclusive property of Monopar and shall be promptly communicated and assigned to Monopar. MAZAR shall require any employees of or other parties contracted by MAZAR to disclose the same to MAZAR and to be bound by the provisions of this paragraph. During the period of this Agreement and thereafter at any reasonable time when called upon to do so by Monopar, MAZAR shall require any employees of or other parties contracted by MAZAR to execute patent applications, assignments to Monopar (or any designee of Monopar) and other papers and to perform acts which Monopar believes necessary to secure to Monopar full protection and ownership of the rights in and to the services performed by MAZAR and/or for the preparation, filing and prosecution of applications for patents or inventions made by any employees of or other parties contracted by MAZAR hereunder. The decision to file patent applications on inventions made by any employees of or other parties contracted by MAZAR shall be made by Monopar and shall be for such countries, as Monopar shall elect. Monopar agrees to bear all the expense in connection with the preparation, filing and prosecution of applications for patents and for all matters provided in this paragraph requiring the time and/or assistance of MAZAR as to such inventions.
  12. Miscellaneous.
  - 12.1 Notice. Any notices to be given hereunder by either Party to the other may be effectuated, *in writing*, by personal delivery or by mail, registered or certified,
-

postage prepaid, with return receipt requested. Mailed notices shall be addressed to the parties at the following addresses:

If to Monopar:

If to MAZAR:

Monopar Therapeutics Inc. 5 Revere Dr., Suite 200  
Northbrook, IL, 60062

Attention: Chandler Robinson, MD MBA MSc

Email: #

Andrew P. MAZAR

#

Email: #

or at such other addresses as either Monopar or MAZAR may designate by written notice to each other. Notices delivered personally shall be deemed duly given on the date of actual receipt; mailed notices shall be deemed duly given as of the fourth day after the date so mailed.

- 12.2 Waiver of Breach. The waiver by either Party to a breach of any provision in this Agreement cannot operate or be construed as a waiver of any subsequent breach by either Party.
- 12.3 Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, that provision shall be deemed modified to the extent necessary to make it valid or enforceable, or if it cannot be so modified, then severed, and the remainder of the Agreement shall continue in full force and effect as if the Agreement had been signed with the invalid portion so modified or severed.
- 12.4 Choice of Law. This Agreement has been made and entered into in the State of Illinois, and the laws of such state, excluding its choice of law rules, shall govern the validity and interpretation of this Agreement and the performance due hereunder. The losing party in any dispute hereunder shall pay the attorneys' fees and disbursements of the prevailing party.
- 12.5 Integration. The drafting, execution and delivery of this Agreement by the Parties have been induced by no representations, statements, warranties or agreements other than those expressed herein. This Agreement embodies the entire understanding of the Parties, and there are no further or other agreements or understandings, written or oral, in effect between the Parties relating to the subject matter hereof unless expressly referred to herein.
- 12.6 Modification. This Agreement may not be modified unless such is in writing and signed by both Parties to this Agreement.
-

12.7 Assignment. MAZAR shall not be permitted to assign this Agreement to any other person or entity without the prior written consent of Monopar. MAZAR hereby agrees that Monopar shall be permitted to assign this Agreement to any affiliate of Monopar. This Agreement shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the parties.

12.8 Survival. The provisions of **Sections 7, 8, 9, 10, and 11** shall survive expiration or termination of this Agreement for any reason. Expiration or termination of this Agreement shall not affect Monopar's obligations to pay any amounts that may then be due to MAZAR

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

ACCEPTED AND AGREED TO:

Andrew P. Mazar

MONOPAR THERAPEUTICS INC.

/s/ Andrew P. Mazar

/s/ Chandler D. Robinson

BY: ANDREW P. MAZAR

BY: CHANDLER D. ROBINSON  
ITS: CHIEF EXECUTIVE OFFICER

---



**APPENDIX A**

See executed CDA attached

---

## EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (the "**Agreement**") is entered into as of November 1, 2017, by and between Andrew P. Mazar ("**Executive**") and Monopar Therapeutics Inc. (the "**Company**").

**Whereas**, the Company desires to employ Executive as its Executive Vice President, Research and Development and Chief Scientific Officer, effective as of November 1, 2017 (the "**Effective Date**"), and Executive desires to serve in such capacity, pursuant to the terms and conditions set forth in this Agreement; and

**Now, Therefore**, in consideration of the mutual promises and covenants contained herein, it is hereby agreed by and between the parties hereto as follows:

### ARTICLE I

#### DEFINITIONS

For purposes of the Agreement, the following terms are defined as follows:

**1.1. "Board"** means the Board of Directors of the Company.

**1.2. "Cause"** means any of the following events described below:

(a) Executive's conviction of a felony or other crime involving moral turpitude;

(b) any willful act or acts of dishonesty undertaken by Executive and intended to result in substantial gain or personal enrichment of Executive, Executive's family or any third party at the expense of the Company;

(c) any willful act of gross misconduct which is materially and demonstrably injurious to the Company; and/or

(d) Executive's inability under applicable law to continue to work lawfully in the United States.

For the purpose of this Agreement, no act, or failure to act, by Executive shall be considered "willful" if done, or omitted to be done, by him in good faith and in the reasonable belief that his act or omission was in the best interest of the Company and/or required by applicable law.

**1.3. "Change in Control"** means the occurrence of any of the following events: (i) any sale or exchange of the capital stock by the stockholders of the Company in one transaction

---

or series of related transactions where more than fifty percent (50%) of the outstanding voting power of the Company is acquired by a person or entity or group of related persons or entities; or (ii) any reorganization, consolidation or merger of the Company where the outstanding voting securities of the Company immediately before the transaction represent or are converted into less than fifty percent (50%) of the outstanding voting power of the surviving entity (or its parent corporation) immediately after the transaction; or (iii) the consummation of any transaction or series of related transactions that results in the sale of all or substantially all of the assets of the Company; or (iv) any "person" or "group" (as defined in the Securities Exchange Act of 1934, as amended (the "Exchange Act")) becoming the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act) directly or indirectly of securities representing more than fifty percent (50%) of the voting power of the Company then outstanding. Except that any change in the beneficial ownership of the securities of the Company as a result of a private financing of the Company that is approved by the Board, shall not be deemed to be a Change in Control.

**1.4. "Change in Control Multiple"** shall mean one and a half (1.5).

**1.5. "Change in Control Period"** means that period commencing on the consummation of a Change in Control and ending on the first anniversary thereof.

**1.6. COBRA**" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

**1.7. "Code"** means the Internal Revenue Code of 1986, as amended.

**1.8. "Company"** means Monopar Therapeutics Inc. or any successor thereto.

**1.9. "Confidential Disclosure Agreement"** means the Confidential Disclosure Agreement entered into between Executive and the Company.

**1.10. "Covered Termination"** means (a) an Involuntary Termination Without Cause or (b) a voluntary termination for Good Reason, provided that the termination constitutes a Separation from Service.

**1.11. "Good Reason"** means Executive's resignation as a result of a Good Reason Condition. In order to resign for Good Reason, Executive must provide written notice to the Company of the existence of the Good Reason Condition within thirty (30) days of the initial existence of such Good Reason Condition. Upon receipt of such notice of the Good Reason Condition, the Company will be provided with a period of thirty (30) days during which it may remedy the Good Reason Condition and not be required to provide for the payments and benefits described in Section 4 as a result of such proposed resignation due to the Good Reason Condition specified in the notice. If the Good Reason Condition is not remedied within the period specified in the preceding sentence, Executive may resign for

---

Good Reason based on the Good Reason Condition specified in the notice, provided that such resignation must occur within sixty (60) days after the initial existence of such Good Reason Condition.

**1.12. "Good Reason Condition"** means that any of the following are undertaken without Executive's express written consent:

- (a) a material reduction in Executive's Base Salary;
- (b) a material diminution in Executive's responsibilities;
- (c) the Company's material breach of any material term of this Agreement; or

(d) a requirement that Executive relocate to an office that would increase Executive's one-way commute distance by more than fifty (50) miles based on Executive's primary residence at the time such relocation is announced.

**1.13. "Involuntary Termination Without Cause"** means Executive's dismissal or discharge by the Company other than for Cause. The termination of Executive's employment as a result of Executive's death or inability to perform the essential functions of his job due to disability will not be deemed to be an Involuntary Termination Without Cause.

**1.14. "Separation from Service"** means Executive's termination of employment or service where such termination of employment or service constitutes a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h).

## ARTICLE II

### EMPLOYMENT BY THE COMPANY

**2.1. Position and Duties.** Subject to terms set forth herein, as of the Effective Date, Executive shall serve as the Company's Executive Vice President, Research and Development and Chief Scientific Officer, and perform such duties as are customarily associated with the position of Executive Vice President, Research and Development and Chief Scientific Officer, and such other duties as are assigned to Executive by the Chief Executive Officer or the Board. During the term of Executive's employment with the Company, Executive will devote Executive's best efforts and substantially all of Executive's business time and attention (except for vacation periods and reasonable periods of illness or other incapacities permitted by the Company's general employment policies, if any, or as otherwise set forth in this Agreement) to the business of the Company.

**2.2. Employment at Will.** Both the Company and Executive shall have the right to terminate Executive's employment with the Company at any time, with or without Cause,

---

and without prior notice. If Executive's employment with the Company is terminated, Executive will be eligible to receive severance benefits to the extent provided in this Agreement.

**2.3. Employment Policies.** The employment relationship between the parties shall also be governed by the general employment policies and practices of the Company, if any, including those relating to protection of confidential information and assignment of inventions, except that when the terms of this Agreement differ from or are in conflict with the Company's general employment policies or practices, this Agreement shall control.

### **ARTICLE III COMPENSATION**

**3.1. Base Salary.** As of the Effective Date, Executive shall receive for services to be rendered hereunder an annual base salary of \$350,000 ("**Base Salary**"), payable on the regular payroll dates of the Company, subject to increase in the sole discretion of the Board.

**3.2. Sign-on Bonus.** Executive shall be paid a one-time sign-on bonus of \$8,750 (gross before taxes) payable with Executive's first regular paycheck.

**3.3. Annual Bonus.** Executive is subject to an annual bonus at the discretion of the Board, which bonus is initially being targeted for up to 40% of the annualized amount of Base Salary.

**3.4. Standard Company Benefits.** Executive shall be entitled to all rights and benefits for which Executive is eligible under the terms and conditions of the standard Company benefits and compensation practices, if any, that may be in effect from time to time and are provided by the Company to its executive employees generally. Executive shall be entitled each year to four (4) weeks leave for vacation at full pay, provided, that the maximum amount Executive may have accrued at any point in time is four (4) weeks (meaning that once Executive has accrued four (4) weeks, Executive will not accrue any additional vacation time until he takes vacation and falls below the four (4) week accrual cap). Executive shall also be entitled to reasonable holidays and illness days with full pay in accordance with the policies applicable to the Company and its affiliates, if any, from time to time in effect. Employee acknowledges and agrees that in order to maintain flexibility, the Company and its affiliates have the right to amend or terminate any employee benefit plan at any time. Until such time as the Company obtains healthcare benefits for eligible employees and Executive elects to opt in to such benefits, Executive shall be entitled to an additional salary of at least \$4,583.33 per month or such greater amount as determined by the Board.

**3.5. Stock Options.** Subject to approval by the Board, Executive may be granted options to purchase shares of the Company's common stock with an exercise price per share

---

as determined by the Compensation Committee or similar function of the Board.

**3.6. Expenses.** The Company will reimburse Executive for all reasonable and necessary expenses incurred by Employee in connection with the Company's business, provided that such expenses incurred and are properly documented and accounted for in accordance with the policy of the Company and requirements of the Internal Revenue Service.

#### **ARTICLE IV SEVERANCE AND CHANGE IN CONTROL BENEFITS**

**4.1. Severance Benefits.** Upon Executive's termination of employment, Executive shall receive any accrued but unpaid Base Salary and other accrued and unpaid compensation, including any Annual Bonus that has been earned with respect to a prior year, but remains unpaid as of the date of the termination. If the termination is due to a Covered Termination or permanent disability, provided that Executive first returns all Company property in his possession and, within sixty (60) days following the Covered Termination, executes and does not revoke an effective general release of all claims against the Company and its affiliates in a form reasonably acceptable to the Company and Executive (a "**Release of Claims**"), Executive shall also be entitled to receive the following severance benefits described in this Section 4.1.

**(a) Covered Termination Not Related to a Change in Control.** If Executive's employment terminates due to a Covered Termination which occurs outside of a Change in Control Period, Executive shall receive the following:

(i) An amount equal to twelve (12) months of Executive's Base Salary payable in substantially equal installments in accordance with the Company's normal payroll policies, if any, less applicable withholdings, with such installments to commence as soon as administratively practicable following the date the Release of Claims is not subject to revocation and, in any event, within sixty (60) days following the date of the Covered Termination.

(ii) If Executive elects to receive continued healthcare coverage pursuant to the provisions of COBRA, the Company shall directly pay, or reimburse Executive for, the premium for Executive and Executive's covered dependents through the earlier of (i) the first anniversary of the date of Executive's termination of employment and (ii) the date Executive and Executive's covered dependents, if any, become eligible for healthcare coverage under another employer's plan(s). Notwithstanding the foregoing, (i) if any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the period of continuation coverage to be, exempt from the application of Section 409A of the Code under Treasury Regulation Section 1.409A-1(a)(5), or (ii) the Company is otherwise unable to continue to cover Executive under its group health plans without penalty under

---

applicable law (including without limitation, Section 2716 of the Public Health Service Act), then, in either case, an amount equal to each remaining Company subsidy shall thereafter be paid to Executive in substantially equal monthly installments. After the Company ceases to pay premiums pursuant to this Section 4.1(a)(ii), Executive may, if eligible, elect to continue healthcare coverage at Executive's expense in accordance with the provisions of COBRA.

(iii) All of Employee's vested options or stock appreciation rights with respect to the Company's common stock shall remain exercisable until the first anniversary of Executive's termination of employment (or, if earlier, the maximum period specified in the award documents and plans governing such options or stock appreciation rights, as applicable, assuming Executive's employment had not terminated).

**(b) Covered Termination Related to a Change in Control.** If Executive's employment terminates due to a Covered Termination that occurs during a Change in Control Period, Executive shall receive the following:

(i) Executive shall be entitled to receive an amount equal to the Change in Control Multiplier multiplied by the sum of: (i) Executive's Base Salary and (ii) Executive's target Annual Bonus for the fiscal year of Executive's termination, in each case, at the rate equal to the higher of (x) the rate in effect immediately prior to Executive's termination of employment or (y) the rate in effect immediately prior to the Change in Control payable in a cash lump sum, less applicable withholdings, as soon as administratively practicable following the date the Release of Claims is not subject to revocation and, in any event, within sixty (60) days following the date of the Covered Termination.

(ii) If Executive elects to receive continued healthcare coverage pursuant to the provisions of COBRA, the Company shall directly pay, or reimburse Executive for, the premium for Executive and Executive's covered dependents through the earlier of (i) the date that is that number of years equal to the Change in Control Multiplier following the date of Executive's termination of employment and (ii) the date Executive and Executive's covered dependents, if any, become eligible for healthcare coverage under another employer's plan(s). Notwithstanding the foregoing, (i) if any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the period of continuation coverage to be, exempt from the application of Section 409A of the Code under Treasury Regulation Section 1.409A-1(a)(5), or (ii) the Company is otherwise unable to continue to cover Executive under its group health plans without penalty under applicable law (including without limitation, Section 2716 of the Public Health Service Act), then, in either case, an amount equal to each remaining Company subsidy shall thereafter be paid to Executive in substantially equal monthly installments. After the Company ceases to pay premiums pursuant to this Section 4.1(b)(ii), Executive may, if eligible, elect to continue healthcare coverage at Executive's expense in accordance with the provisions of COBRA.

---

(iii) Each outstanding equity award, including, without limitation, each stock option and restricted stock award, held by Executive shall automatically become vested and, if applicable, exercisable and any forfeiture restrictions or rights of repurchase thereon shall immediately lapse, in each case, with respect to one hundred percent (100%) of the shares subject thereto. To the extent vested after giving effect to the acceleration provided in the preceding sentence, each stock option held by Executive shall remain exercisable until the earlier of the original expiration date for such stock option or the second anniversary of Executive's Covered Termination.

**(c) Termination for Death or Disability.** If Executive's employment is terminated due to death or permanent disability where the Company makes a determination in good faith that, due to a mental or physical incapacity, Executive has been unable to perform his duties under this Agreement for a period of not less than six (6) consecutive months or 180 days in the aggregate in any 12-month period, Executive shall receive the following:

(i) An amount equal to three (3) months of Executive's Base Salary payable in substantially equal installments in accordance with the Company's normal payroll policies, less applicable withholdings, with such installments to commence as soon as administratively practicable following the date the Release of Claims is not subject to revocation and, in any event, within sixty (60) days following the date of the Covered Termination.

(ii) If Executive (or in the event of death, his designee) elects to receive continued healthcare coverage pursuant to the provisions of COBRA, the Company shall directly pay, or reimburse Executive for, the premium for Executive and Executive's covered dependents through the earlier of (i) the three (3) month anniversary of the date of Executive's termination of employment and (ii) the date Executive and Executive's covered dependents, if any, become eligible for healthcare coverage under another employer's plan(s). Notwithstanding the foregoing, (i) if any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the period of continuation coverage to be, exempt from the application of Section 409A of the Code under Treasury Regulation Section 1.409A-1(a)(5), or (ii) the Company is otherwise unable to continue to cover Executive under its group health plans without penalty under applicable law (including without limitation, Section 2716 of the Public Health Service Act), then, in either case, an amount equal to each remaining Company subsidy shall thereafter be paid to Executive in substantially equal monthly installments. After the Company ceases to pay premiums pursuant to this Section 4.1(b)(ii), Executive may, if eligible, elect to continue healthcare coverage at Executive's expense in accordance the provisions of COBRA.

**4.2. 280G Provisions.** Notwithstanding anything in this Agreement to the contrary, if any payment or distribution Executive would receive pursuant to this Agreement or otherwise ("**Payment**") would (a) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (b) but for this sentence, be subject to the excise tax imposed

---



by Section 4999 of the Code (the "**Excise Tax**"), then such Payment shall either be (i) delivered in full, or (ii) delivered as to such lesser extent which would result in no portion of such Payment being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in the receipt by Executive on an after-tax basis, of the largest payment, notwithstanding that all or some portion the Payment may be taxable under Section 4999 of the Code. The accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of the Change in Control shall perform the foregoing calculations. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder. The accounting firm shall provide its calculations to the Company and Executive within fifteen (15) calendar days after the date on which Executive's right to a Payment is triggered (if requested at that time by the Company or Executive) or such other time as requested by the Company or Executive. Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon the Company and Executive. Any reduction in payments and/or benefits pursuant to this Section 4.2 will occur in the following order: (1) reduction of cash payments; (2) cancellation of accelerated vesting of equity awards other than stock options; (3) cancellation of accelerated vesting of stock options; and (4) reduction of other benefits payable to Executive.

#### **4.3. Section 409A.**

(a) Notwithstanding any provision to the contrary in this Agreement, if Executive is deemed at the time of his Separation from Service to be a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code which would subject Executive to a tax obligation under Section 409A of the Code, such portion of Executive's benefits shall not be provided to Executive prior to the earlier of (i) the expiration of the six- month period measured from the date of the Executive's Separation from Service or (ii) the date of Executive's death. Upon the expiration of the applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this Section 4.3(a) shall be paid in a lump sum to Executive, and any remaining payments due under the Agreement shall be paid as otherwise provided herein.

(b) Any reimbursements payable to Executive pursuant to the Agreement shall be paid to Executive no later than 30 days after Executive provides the Company with a written request for reimbursement, and to the extent that any such reimbursements are deemed to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code (i) such amounts shall be paid or reimbursed to Executive promptly , but in no event later than December 31 of the year following the year in which the expense is incurred, (ii) the amount of any such payments eligible for reimbursement in one year shall not affect the payments or expenses that are eligible for payment or reimbursement in any other taxable

---

year, and (iii) Executive's right to such payments or reimbursement shall not be subject to liquidation or exchange for any other benefit.

(c) For purposes of Section 409A of the Code (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), Executive's right to receive installment payments under the Agreement shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder shall at all times be considered a separate and distinct payment.

**4.4. Mitigation.** Executive shall not be required to mitigate damages or the amount of any payment provided under this Agreement by seeking other employment or otherwise, nor shall the amount of any payment provided for under this Agreement be reduced by any compensation earned by Executive as a result of employment by another employer or by any retirement benefits received by Executive after the date of the Covered Termination, or otherwise.

## ARTICLE V

### PROPRIETARY INFORMATION OBLIGATIONS

**5.1. Agreement.** Executive agrees to continue to abide by the Confidential Disclosure Agreement.

**5.2. Remedies.** Executive's duties under the Confidential Disclosure Agreement shall survive termination of Executive's employment with the Company and the termination of this Agreement. Executive acknowledges that a remedy at law for any breach or threatened breach by Executive of the provisions of the Confidential Disclosure Agreement, as well as Executive's obligations pursuant to Section 6.2 and Article 7 below, would be inadequate, and Executive therefore agrees that the Company shall be entitled to seek injunctive relief in case of any such breach or threatened breach.

## ARTICLE VI OUTSIDE ACTIVITIES

### 6.1. Other Activities.

(a) Executive shall not, during the term of this Agreement undertake or engage in any other employment, occupation or business enterprise, other than ones in which Executive is a passive investor, unless he obtains the prior written consent of the Board.

(b) Executive may engage in civic and not-for-profit activities so long as such activities do not materially interfere with the performance of Executive's duties hereunder. In addition, Executive shall be allowed to serve as a member of the board of directors of up to two (2) other for profit entities at any time during the term of this

---

Agreement, which service shall not materially interfere with the performance of Executive's duties hereunder; provided, however, that the Board may require that Executive resign from one or both of such director positions if it can reasonably and in good faith demonstrate that such resignation(s) would be in the best interests of the Company in a significant and material way.

6.2. **Competition.** Executive agrees that, from the date hereof until a period of twelve (12) months following the date of termination of Executive's employment with the Company, Executive will not directly or indirectly, either as an employee, employer, consultant, agent, principal, partner, corporate officer, director, or in any other individual or representative capacity, engage or participate in any "Competitive Business" anywhere in the United States of America. As used herein, a "Competitive Business" is defined as any business developing uPAR antibodies to treat cancer, or clonidine to treat oral mucositis.

## **ARTICLE VII NONINTERFERENCE**

In addition to Executive's obligations under the Confidential Disclosure Agreement, Executive shall not for a period of one (1) year following Executive's termination of employment for any reason, either on Executive's own account or jointly with or as a manager, agent, officer, employee, consultant, partner, joint venturer, owner or stockholder or otherwise on behalf of any other person, firm or corporation, directly or indirectly solicit or attempt to solicit away from the Company any of its officers or employees or offer employment to any person who is an officer or employee of the Company; *provided, however*, that a general advertisement to which an employee of the Company responds shall in no event be deemed to result in a breach of this Article 7. Executive also agrees not to harass or disparage the Company or its employees, clients, directors or agents or divert or attempt to divert any actual or potential business of the Company. The provisions of this Article 7 shall survive the termination or expiration of the applicable Executive's employment with the Company and shall be fully enforceable thereafter. If it is determined by a court of competent jurisdiction in any state that any restriction in this Article 7 is excessive in duration or scope or is unreasonable or unenforceable under the laws of that state, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by the law of that state.

## **ARTICLE VIII GENERAL PROVISIONS**

**8.1. Notices.** Any notices provided hereunder must be in writing and shall be deemed effective upon the earlier of personal delivery (including personal delivery by facsimile) or the third day after mailing by first class mail, to the Company at its primary office location and to Executive at Executive's address as listed on the Company payroll.

---

**8.2. Tax Withholding.** Executive acknowledges that all amounts and benefits payable under this Agreement are subject to deduction and withholding to the extent required by applicable law.

**8.3. Severability.** Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provisions had never been contained herein.

**8.4. Waiver.** If either party should waive any breach of any provisions of this Agreement, they shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

**8.5. Complete Agreement.** This Agreement constitutes the entire agreement between Executive and the Company and is the complete, final, and exclusive embodiment of their agreement with regard to this subject matter, and will supersede all prior agreements, understandings, discussions, negotiations and undertakings, whether written or oral, between the parties with respect to the subject matter hereof, including without limitation, the Prior Agreement. This Agreement is entered into without reliance on any promise or representation other than those expressly contained herein or therein, and cannot be modified or amended except in a writing signed by an officer of the Company and Executive.

**8.6. Counterparts.** This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same Agreement.

**8.7. Headings.** The headings of the sections hereof are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

**8.8. Successors and Assigns.** This Agreement is intended to bind and inure to the benefit of and be enforceable by Executive and the Company, and their respective successors, assigns, heirs, executors and administrators, except that Executive may not assign his rights or delegate his duties or obligations hereunder without the prior written consent of the Company.

**8.9. Arbitration.** Unless otherwise prohibited by law or specified below, all disputes, claims and causes of action, in law or equity, arising from or relating to this Agreement or its enforcement, performance, breach, or interpretation shall be resolved solely and exclusively by final and binding arbitration held in Illinois in conformity with the then-

---

existing employment arbitration rules and Illinois law. The arbitrator shall: (a) provide adequate discovery for the resolution of the dispute; and (b) issue a written arbitration decision, to include the arbitrator's essential findings and conclusions and a statement of the award. However, nothing in this section is intended to prevent either party from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. The Company shall bear the costs of any such arbitration.

**8.10. Executive Acknowledgement.** Executive acknowledges that (a) he has consulted with or has had the opportunity to consult with independent counsel of his own choice concerning this Agreement, and has been advised to do so by the Company, and (b) that he has read and understands the Agreement, is fully aware of its legal effect, and has entered into it freely based on his own judgment.

**8.11. Choice of Law.** All questions concerning the construction, validity and interpretation of this Agreement will be governed by the law of the State of Illinois without regard to the conflicts of law provisions thereof.

**In Witness Whereof,** the parties have executed this Agreement as of the date first written above.

On behalf of Monopar Therapeutics Inc.

/s/ Chandler D. Robinson

Chandler D. Robinson

Chief Executive Officer

Accepted and Agreed:

/s/ Andrew P. Mazar

Andrew P. Mazar

---

## CONSULTING AGREEMENT

This Consulting Agreement (herein referred to as "**Agreement**") is made and entered into as of this December 15, 2016 (the "**Effective Date**"), by and between Monopar Therapeutics, Inc. (herein referred to as "**Monopar**"), a Delaware corporation, located at 5 Revere Dr., Suite 200, Northbrook, IL 60062, and pRx Consulting, LLC (herein referred to as pRx), a Delaware corporation located at # (each herein referred to as "**Party**" and collectively as "**Parties**").

### RECITALS

WHEREAS, pRx specializes in the field of clinical development, including but not limited to: clinical trial design, statistical modeling, clinical operations, regulatory strategy and investor due diligence.

WHEREAS, Monopar desires to contract with pRx to provide certain consultation services, as requested by Monopar, and pRx wishes to provide such services to Monopar, upon the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, the Parties agree as follows:

1. Consulting Arrangement. pRx agrees to perform consulting services as described herein upon the terms and conditions herein set forth.
  
  2. Term of Agreement. Subject to the provision for early termination set forth below in **Section 5** of this Agreement, this Agreement shall commence as of the Effective Date and shall continue for a period of six (6) months from the Effective Date (the "**Term**"). Either Party may terminate this Agreement without cause with 10-days' prior written notice.
  
  3. Duties of pRx.
    - 3.1 Specific Duties. pRx shall provide consulting services to Monopar, such duties to include clinical trial design, statistical modeling, clinical operations oversight, regulatory strategy and investor due diligence with such other specific requirements as Monopar may specify from time to time during the Term (herein referred to as the "**Services**").
  
    - 3.2 pRx's Obligations. pRx shall be diligent in the performance of Services, and be professional in its commitment to meeting its obligations hereunder. pRx represents and warrants that pRx is not party to any other existing agreement, which any of them would prevent pRx from entering into this Agreement or which would adversely affect this Agreement. pRx shall not perform Services for any other individuals or entities in direct competition with Monopar, except as provided for by mutual written agreement of the Parties. pRx shall not perform services for any party which would require or facilitate the unauthorized disclosure of any confidential or proprietary information of Monopar.
-

3.3 Reporting. pRx will report to and liaise with Andrew P. Mazar, Ph.D., Chandler Robinson, M.D., and/or any other assigned Monopar employee or consultant as may be designated in writing by Monopar.

3.4 Compensation. Monopar shall pay pRx as follows:

a. Five thousand dollars (\$5,000) per month in arrears payable on 15-Jan-2017, 15-Feb- 2017, 15-Mar-2017, 15-Apr-2017, 15-May-2017 and 15-Jun-2017.

b. Upon approval of the Monopar Board of Directors, Dr. P. Rioux, president of pRx Consulting, LLC shall be granted stock options to purchase up to 100 shares of Monopar's common stock at an exercise price of \$0.001 (representing Monopar's par value of its common stock). Such stock option shall vest as follows: on January 15, 2017, options to purchase up to 17 shares; on February 15, 2017, options to purchase up to 16 shares; on March 15, 2017, options to purchase up to 17 shares; on April 15, 2017, options to purchase up to 16 shares; on May 15, 2017, options to purchase up to 17 shares; and on June 15, 2017 options to purchase up to 17 shares of Monopar's common stock. Such vesting shall terminate upon the termination of this Agreement. The number of shares, the exercise price thereof and the rights granted under this Agreement are subject to adjustment and modification as provided in the Monopar Therapeutics Inc. 2016 Stock Incentive Plan.

pRx shall not be reimbursed, and is responsible for the facilities and equipment necessary to perform Services required under this Agreement.

4. Reimbursement of Other Expenses. So long as Monopar's prior approval has been obtained, Monopar shall promptly reimburse pRx for *all* direct expenses incurred in providing the Services to Monopar pursuant to this Agreement, including travel, meals and lodging. The invoice submitted by pRx pursuant to this **Section 4** shall also include a detail of all reimbursable expenses incurred during the period covered by such invoice.

5. Termination of Agreement - Failure to perform. In the event that pRx ceases to perform the Services or breaches its obligations as required hereunder for any reason, Monopar shall have the right to immediately terminate this Agreement upon notice to pRx and to enforce such other rights and remedies as it may have as a result of said breach.

6. Certain Liabilities. It is understood and agreed that pRx shall be acting as an independent contractor and not as an agent or employee of, or partner, joint venturer or in any other relationship with Monopar. pRx will be solely responsible for all insurance, employment taxes, FICA taxes and all obligations to governments or other organizations for it and its employees arising out of this consulting assignment. pRx acknowledges that no income, social security or other taxes shall be withheld or accrued by Monopar for pRx's or its employees' benefit. pRx assumes all risks and hazards encountered in the performance of duties by *it* or its employees under this Agreement. Unless Monopar has provided prior written approval, pRx shall not use any sub-contractors to perform pRx's obligations hereunder. pRx shall be solely responsible for any and all injuries, including death, to all

persons and any and all loss or damage to property, which may result from performance under this Agreement.

7. Indemnities. pRx hereby agrees to indemnify Monopar and hold Monopar harmless from and against all claims (whether asserted by a person, firm, entity or governmental unit or otherwise), liabilities, losses, damages, expenses, charges and fees which Monopar may sustain or incur arising out of or attributable to any breach, gross negligence or willful misconduct by pRx or its employees or contractors, as applicable, in the performance under this Agreement. Monopar hereby agrees to indemnify pRx and hold pRx harmless from and against all liabilities, losses, damages, expenses, charges and fees which pRx may sustain or incur by reason of any claim which may be asserted against pRx by any person, firm, corporation or governmental unit and which may arise out of or be attributable to any gross negligence or willful misconduct by Monopar or its employees or contractors, as applicable, in the performance of this Agreement.
8. Warranties. The Services shall be performed in a professional manner, consistent with industry standards. In performing the Services, neither pRx nor any of its employees shall make any unauthorized use of any confidential or proprietary information of any other party or infringe the intellectual property rights of any other party.
9. Arbitration. Any controversy or claim between Monopar and pRx arising out of or relating to this Agreement, or the breach thereof, shall be submitted to arbitration in accordance with the rules of the American Arbitration Association. The site of the arbitration shall be Chicago, IL, and except as provided herein the arbitration shall be conducted in accordance with the Rules of the American Arbitration Association prevailing at the time the demand for arbitration is made hereunder. At least one member of the arbitration panel shall be an expert knowledgeable in the area of biopharmaceutical clinical development. Judgment upon any award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction and shall be binding and final. The cost of arbitration shall be borne by the losing Party, as determined by the arbitrator(s).
10. Confidential Information. pRx has executed the attached confidential disclosure agreement referenced herein as **Appendix A** prior to commencement of the Services. pRx hereby represents and warrants that the obligations thereunder shall be binding upon it and its employees, and that it shall obtain written commitments from such employees thereto.
11. Inventions. pRx agrees that all ideas, developments, suggestions and inventions which an employee or other parties contracted conceive or reduce to practice arising out of or during the course of performance under this Agreement shall be the exclusive property of Monopar and shall be promptly communicated and assigned to Monopar. pRx shall require any employees of or other parties contracted by pRx to disclose the same to pRx and to be bound by the provisions of this paragraph. During the period of this Agreement and thereafter at any reasonable time when called upon to do so by Monopar, pRx shall require any employees of or other parties contracted by pRx to execute patent applications, assignments to Monopar (or any designee of Monopar) and other papers and to perform acts which Monopar believes necessary to secure to Monopar full protection and ownership of the rights in and to the services performed by pRx and/or for the preparation,



filing and prosecution of applications for patents or inventions made by any employees of or other parties contracted by pRx hereunder. The decision to file patent applications on inventions made by any employees of or other parties contracted by pRx shall be made by Monopar and shall be for such countries as Monopar shall elect. Monopar agrees to bear all the expense in connection with the preparation, filing and prosecution of applications for patents and for all matters provided in this paragraph requiring the time and/or assistance of pRx as to such inventions.

12. Miscellaneous.

12.1 Notice. Any notices to be given hereunder by either Party to the other may be effectuated, in writing, by personal delivery or by mail, registered or certified, postage prepaid, with return receipt requested. Mailed notices shall be addressed to the parties at the following addresses:

If to Monopar: Monopar Therapeutics Inc  
5 Revere Dr., Suite200  
Northbrook, IL, 60062  
Attention: Chandler Robinson, MD MBA MSc  
Email: #

If to pRx: pRx Consulting  
#  
Attention: Patrice Rioux, MD, PhD  
Email: #

or at such other addresses as either Monopar or pRx may designate by written notice to each other. Notices delivered personally shall be deemed duly given on the date of actual receipt; mailed notices shall be deemed duly given as of the fourth day after the date so mailed.

12.2 Waiver of Breach. The waiver by either Party to a breach of any provision in this Agreement cannot operate or be construed as a waiver of any subsequent breach by either Party.

12.3 Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, that provision shall be deemed modified to the extent necessary to make it valid or enforceable, or if it cannot be so modified, then severed, and the remainder of the Agreement shall continue in full force and effect as if the Agreement had been signed with the invalid portion so modified or severed.

12.4 Choice of Law. This Agreement has been made and entered into in the State of Illinois, and the laws of such state, excluding its choice of law rules, shall govern the validity and interpretation of this Agreement and the performance due

hereunder. The losing party in any dispute hereunder shall pay the attorneys' fees and disbursements of the prevailing party.

- 12.5 Integration. The drafting, execution and delivery of this Agreement by the Parties have been induced by no representations, statements, warranties or agreements other than those expressed herein. This Agreement embodies the entire understanding of the Parties, and there are no further or other agreements or understandings, written or oral, in effect between the Parties relating to the subject matter hereof unless expressly referred to herein.
- 12.6 Modification. This Agreement may not be modified unless such is in writing and signed by both Parties to this Agreement.
- 12.7 Assignment. pRx shall not be permitted to assign this Agreement to any other person or entity without the prior written consent of Monopar. pRx hereby agrees that Monopar shall be permitted to assign this Agreement to any affiliate of Monopar. This Agreement shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the parties.
- 12.8 Survival. The provisions of **Sections 7, 8, 9, 10, and 11** shall survive expiration or termination of this Agreement for any reason. Expiration or termination of this Agreement shall not affect Monopar's obligations to pay any amounts that may then be due to pRx.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

ACCEPTED AND AGREED TO:

PRx CONSULTING, LLC

/s/ Patrice Rioux  
BY: PATRICE RIOUX, MD, PhD  
ITS: PRESIDENT

MONOPAR THERAPEUTICS INC.

/s/ Chandler Robinson  
BY: CHANDLER ROBINSON  
ITS: CHIEF EXECUTIVE OFFICER

**APPENDIX A**

See executed CDA attached

## EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (the "**Agreement**") is entered into as of October 4, 2017, by and between Kirsten Anderson ("**Executive**") and Monopar Therapeutics Inc. (the "**Company**").

**Whereas**, the Company desires to employ Executive as its Senior Vice President, Clinical Development effective as of November 1, 2017 (the "**Effective Date**"), and Executive desires to serve in such capacity, pursuant to the terms and conditions set forth in this Agreement; and

**Now, Therefore**, in consideration of the mutual promises and covenants contained herein, it is hereby agreed by and between the parties hereto as follows:

### ARTICLE I DEFINITIONS

For purposes of the Agreement, the following terms are defined as follows:

1.1. "**Board**" means the Board of Directors of the Company.

1.2. "**Cause**" means any of the following events described below:

- (a) Executive's commission of a felony or other crime involving moral turpitude;
- (b) any willful act or acts of dishonesty undertaken by Executive and intended to result in substantial gain or personal enrichment of Executive, Executive's family or any third party at the expense of the Company;
- (c) any willful act of gross misconduct which is materially and demonstrably injurious to the Company; and/or
- (d) Executive's inability to lawfully work in the United States.

For the purpose of this Agreement, no act, or failure to act, by Executive shall be considered " willful" if done, or omitted to be done, by her in good faith and in the reasonable belief that her act or omission was in the best interest of the Company and/or required by applicable law.

1.3. "**Change in Control**" means the occurrence of any of the following events: (i) any sale or exchange of the capital stock by the stockholders of the Company in one transaction or series of related transactions where more than fifty percent (50%) of the outstanding

---

voting power of the Company is acquired by a person or entity or group of related persons or entities; or (ii) any reorganization, consolidation or merger of the Company where the outstanding voting securities of the Company immediately before the transaction represent or are converted into less than fifty percent (50%) of the outstanding voting power of the surviving entity (or its parent corporation) immediately after the transaction; or (iii) the consummation of any transaction or series of related transactions that results in the sale of all or substantially all of the assets of the Company; or (iv) any "person" or "group" (as defined in the Securities Exchange Act of 1934, as amended (the "Exchange Act")) becoming the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act) directly or indirectly of securities representing more than fifty percent (50%) of the voting power of the Company then outstanding. Except that any change in the beneficial ownership of the securities of the Company as a result of a private financing of the Company that is approved by the Board, shall not be deemed to be a Change in Control.

**1.4. "Change in Control Multiple"** shall mean one-half (0.5).

**1.5. "Change in Control Period"** means that period commencing on the consummation of a Change in Control and ending on the six month anniversary thereof.

**1.6. "COBRA"** means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

**1.7. "Code"** means the Internal Revenue Code of 1986, as amended.

**1.8. "Company"** means Monopar Therapeutics Inc. or any successor thereto.

**1.9. "Confidential Disclosure Agreement"** means the Confidential Disclosure Agreement entered into between Executive and the Company.

**1.10. "Covered Termination"** means (a) an Involuntary Termination Without Cause or (b) a voluntary termination for Good Reason, provided that the termination constitutes a Separation from Service.

**1.11. "Good Reason"** means Executive's resignation as a result of a Good Reason Condition. In order to resign for Good Reason, Executive must provide written notice to the Company of the existence of the Good Reason Condition within thirty (30) days of the initial existence of such Good Reason Condition. Upon receipt of such notice of the Good Reason Condition, the Company will be provided with a period of thirty (30) days during which it may remedy the Good Reason Condition and not be required to provide for the payments and benefits described in Section 4 as a result of such proposed resignation due to the Good Reason Condition specified in the notice. If the Good Reason Condition is not remedied within the period specified in the preceding sentence, Executive may resign for Good Reason based on the Good Reason Condition specified in the notice, provided that

---

such resignation must occur within sixty (60) days after the initial existence of such Good Reason Condition.

**1.12. "Good Reason Condition"** means that any of the following are undertaken without Executive's express written consent:

- (a) a material reduction in Executive's Base Salary (other than as part of a reduction in the base salary of at least a majority of the Company's executives of the same or greater percentage);
- (b) a material diminution in Executive's responsibilities;
- (c) the Company's material breach of any material term of this Agreement; or

**1.13. "Involuntary Termination Without Cause"** means Executive's dismissal or discharge by the Company other than for Cause. The termination of Executive's employment as a result of Executive's death or inability to perform the essential functions of her job due to disability will not be deemed to be an Involuntary Termination Without Cause.

**1.14. "Separation from Service"** means Executive's termination of employment or service constitutes a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h).

## **ARTICLE II EMPLOYMENT BY THE COMPANY**

**2.1. Position and Duties.** Subject to terms set forth herein, as of the Effective Date, Executive shall serve as the Company's Senior Vice President, Clinical Development and perform such duties as are customarily associated with the position of Senior Vice President, Clinical Development as well as any other duties as are assigned to Executive by either the Chief Scientific Officer or other officer designated by the Chief Executive Officer. During the term of Executive's employment with the Company, Executive will devote Executive's best efforts and substantially all of Executive's business time and attention (except for vacation periods and reasonable periods of illness or other incapacities permitted by the Company's general employment policies or as otherwise set forth in this Agreement) to the business of the Company.

**2.2. Employment at Will.** Both the Company and Executive shall have the right to terminate Executive's employment with the Company at any time, with or without Cause, and without prior notice. If Executive's employment with the Company is terminated, Executive will be eligible to receive severance benefits to the extent provided in this Agreement.

---

**2.3. Employment Policies.** The employment relationship between the parties shall also be governed by the general employment policies and practices of the Company, including those relating to protection of confidential information and assignment of inventions, except that when the terms of this Agreement differ from or are in conflict with the Company's general employment policies or practices, this Agreement shall control.

### **ARTICLE III COMPENSATION**

**3.1. Base Salary.** As of the Effective Date, Executive shall receive for services to be rendered hereunder an annual base salary of \$260,000 ("**Base Salary**"), payable on the regular payroll dates of the Company, which are currently bi-weekly, subject to increase in the sole discretion of the Board.

**3.2 Sign-on Bonus.** Executive shall be paid a one-time sign-on bonus of \$25,000 (gross before taxes) payable with Executive's first regular paycheck.

**3.3. Annual Bonus.** Executive is eligible for an annual bonus which is at the discretion of the Board.

**3.4. Standard Company Benefits.** Executive shall be entitled to all rights and benefits for which Executive is eligible under the terms and conditions of the standard Company benefits and compensation practices that may be in effect from time to time and are provided by the Company to its executive employees generally. Executive shall be entitled each year to four (4) weeks leave for vacation at full pay, provided, that the maximum amount Executive may have accrued at any point in time is four (4) weeks (meaning that once Executive has accrued four (4) weeks, Executive will not accrue any additional vacation time until she takes vacation and falls below the four (4) week accrual cap). Executive shall also be entitled to reasonable holidays and illness days with full pay in accordance with the policies applicable to the Company and its affiliates from time to time in effect. Employee acknowledges and agrees that in order to maintain flexibility, the Company and its affiliates have the right to amend or terminate any employee benefit plan at any time.

**3.5. Stock Options.** Subject to approval by the Board, Executive will be granted options to purchase up to 40,000 shares of the Company's common stock with an exercise price per share as determined by the Compensation Committee or similar function of the Board. Such options shall vest 6/48ths upon the six-month anniversary of grant date and 1/48th per month thereafter and shall expire ten years from the grant date.

**3.6. Expenses.** The Company will reimburse Executive for all reasonable and necessary expenses incurred by Employee in connection with the Company's business, provided that

---

such expenses incurred and are properly documented and accounted for in accordance with the policy of the Company and requirements of the Internal Revenue Service.

#### **ARTICLE IV SEVERANCE AND CHANGE IN CONTROL BENEFITS**

**4.1. Severance Benefits.** Upon Executive's termination of employment Executive shall receive any accrued but unpaid Base Salary and other accrued and unpaid compensation, including any Annual Bonus that has been earned with respect to a prior year, but remains unpaid as of the date of the termination. If the termination is due to a Covered Termination or permanent disability, provided that Executive first returns all Company property in her possession and, within sixty (60) days following the Covered Termination, executes and does not revoke an effective general release of all claims against the Company and its affiliates in a form reasonably acceptable to the Company (a "**Release of Claims**"), Executive shall also be entitled to receive the following severance benefits described in this Section 4.1.

**(a) Covered Termination Not Related to a Change in Control.** If Executive's employment terminates due to a Covered Termination which occurs outside of a Change in Control Period, Executive shall receive the following:

(i) An amount equal to three (3) months of Executive's Base Salary payable in substantially equal installments in accordance with the Company's normal payroll policies, less applicable withholdings, with such installments to commence as soon as administratively practicable following the date the Release of Claims is not subject to revocation and, in any event, within sixty (60) days following the date of the Covered Termination.

(ii) If Executive elects to receive continued healthcare coverage pursuant to the provisions of COBRA, the Company shall directly pay, or reimburse Executive for, the premium for Executive and Executive's covered dependents through the earlier of (i) the six month anniversary of the date of Executive's termination of employment and (ii) the date Executive and Executive's covered dependents, if any, become eligible for healthcare coverage under another employer's plan(s). Notwithstanding the foregoing, (i) if any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the period of continuation coverage to be, exempt from the application of Section 409A of the Code under Treasury Regulation Section I .409 A- l(a)(S), or (ii) the Company is otherwise unable to continue to cover Executive under its group health plans without penalty under applicable law (including without limitation, Section 2716 of the Public Health Service Act), then, in either case, an amount equal to each remaining Company subsidy shall thereafter be paid to Executive in substantially equal monthly installments. After the Company ceases to pay premiums pursuant to this Section 4.1(a)(ii), Executive may, if eligible, elect to continue healthcare coverage at Executive's expense in accordance with the provisions of COBRA.

(iii) All of Employee's vested options or stock appreciation rights with respect to the Company's common stock shall remain exercisable until the six month anniversary of Executive's termination of employment (or, if earlier, the maximum period specified in the award documents and plans governing such options or stock appreciation rights, as applicable, assuming Executive's employment had not terminated).

**(b) Covered Termination Related to a Change in Control.** If Executive's employment terminates due to a Covered Termination that occurs during a Change in Control Period, Executive shall receive the following:

(i) Executive shall be entitled to receive an amount equal to the Change in Control Multiplier multiplied by the Executive's Base Salary, at the rate equal to the higher of (x) the rate in effect immediately prior to Executive's termination of employment or (y) the rate in effect immediately prior to the Change in Control payable in a cash lump sum, less applicable withholdings, as soon as administratively practicable following the date the Release of Claims is not subject to revocation and, in any event, within sixty (60) days following the date of the Covered Termination.

(ii) If Executive elects to receive continued healthcare coverage pursuant to the provisions of COBRA, the Company shall directly pay, or reimburse Executive for, the premium for Executive and Executive's covered dependents through the earlier of (i) the date that is that number of years equal to the Change in Control Multiplier following the date of Executive's termination of employment and (ii) the date Executive and Executive's covered dependents, if any, become eligible for healthcare coverage under another employer's plan(s). Notwithstanding the foregoing, (i) if any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the period of continuation coverage to be, exempt from the application of Section 409A of the Code under Treasury Regulation Section I .409A- l (a)(5), or (ii) the Company is otherwise unable to continue to cover Executive under its group health plans without penalty under applicable law (including without limitation, Section 2716 of the Public Health Service Act), then, in



either case, an amount equal to each remaining Company subsidy shall thereafter be paid to Executive in substantially equal monthly installments. After the Company ceases to pay premiums pursuant to this Section 4.1 (b)(ii), Executive may, if eligible, elect to continue healthcare coverage at Executive's expense in accordance with the provisions of COBRA.

(iii) Each outstanding equity award, including, without limitation, each stock option and restricted stock award, held by Executive shall automatically become vested and, if applicable, exercisable and any forfeiture restrictions or rights of repurchase thereon shall immediately lapse, in each case, with respect to one hundred percent (100%) of the shares subject thereto. To the extent vested after giving effect to the acceleration provided in the

---

preceding sentence, each stock option held by Executive shall remain exercisable until the earlier of the original expiration date for such stock option or the second anniversary of Executive's Covered Termination .

**(c) Termination for Death or Disability.** If Executive's employment is terminated due to death or permanent disability where the Company makes a determination in good faith that, due to a mental or physical incapacity, Executive has been unable to perform her duties under this Agreement for a period of not less than three (3) consecutive months or 90 days in the aggregate in any 12-month period, Executive shall receive the following:

(i) An amount equal to two (2) months of Executive's Base Salary payable in substantially equal installments in accordance with the Company's normal payroll policies, less applicable withholdings, with such installments to commence as soon as administratively practicable following the date the Release of Claims is not subject to revocation and, in any event, within sixty (60) days following the date of the Covered Termination.

(ii) If Executive (or in the event of death, her designee) elects to receive continued healthcare coverage pursuant to the provisions of COBRA, the Company shall directly pay, or reimburse Executive for, the premium for Executive and Executive's covered dependents through the earlier of (i) the two (2) month anniversary of the date of Executive's termination of employment and (ii) the date Executive and Executive's covered dependents, if any, become eligible for healthcare coverage under another employer's plan(s). Notwithstanding the foregoing, (i) if any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the period of continuation coverage to be, exempt from the application of Section 409A of the Code under Treasury Regulation Section 1.409A-1 (a)(5), or (ii) the Company is otherwise unable to continue to cover Executive under its group health plans without penalty under applicable law (including without limitation, Section 2716 of the Public Health Service Act), then, in either case, an amount equal to each remaining Company subsidy shall thereafter be paid to Executive in substantially equal monthly installments. After the Company ceases to pay premiums pursuant to this Section 4.1 (b)(ii), Executive may, if eligible, elect to continue healthcare coverage at Executive's expense in accordance with the provisions of COBRA.

**4.2. 280G Provisions.** Notwithstanding anything in this Agreement to the contrary, if any payment or distribution Executive would receive pursuant to this Agreement or otherwise ("**Payment**") would (a) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (b) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then such Payment shall either be (i) delivered in full, or (ii) delivered as to such lesser extent which would result in no portion of such Payment being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in the receipt by Executive on an after-tax basis, of the largest payment, notwithstanding

---

that all or some portion of the Payment may be taxable under Section 4999 of the Code. The accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of the Change in Control shall perform the foregoing calculations. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder. The accounting firm shall provide its calculations to the Company and Executive within thirty (30) calendar days after the date on which Executive's right to a Payment is triggered (if requested at that time by the Company or Executive) or such other time as requested by the Company or Executive. Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon the Company and Executive. Any reduction in payments and/or benefits pursuant to this Section 4.2 **will** occur in the following order: ( 1) reduction of cash payments; (2) cancellation of accelerated vesting of equity awards other than stock options; (3) cancellation of accelerated vesting of stock options; and (4) reduction of other benefits payable to Executive.

#### **4.3. Section 409A.**

(a) Notwithstanding any provision to the contrary in this Agreement, if Executive is deemed at the time of her Separation from Service to be a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code which would subject Executive to a tax obligation under Section 409A of the Code, such portion of Executive's benefits shall not be provided to Executive prior to the earlier of (i) the expiration of the six- month period measured from the date of the Executive's Separation from Service or (ii) the date of Executive's death. Upon the expiration of the applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this Section 4.3(a) shall be paid in a lump sum to Executive, and any remaining payments due under the Agreement shall be paid as otherwise provided herein.

(b) Any reimbursements payable to Executive pursuant to the Agreement shall be paid to Executive no later than 30 days after Executive provides the Company with a written request for reimbursement, and to the extent that any such reimbursements are deemed to constitute " nonqualified deferred compensation" within the meaning of Section 409A of the Code (i) such amounts shall be paid or reimbursed to Executive promptly, but in no event later than December 31 of the year following the year in which the expense is incurred, (ii) the amount of any such payments eligible for reimbursement in one year shall not affect the payments or expenses that are eligible for payment or reimbursement in any other taxable year, and (iii) Executive's right to such payments or reimbursement shall not be subject to liquidation or exchange for any other benefit.

(c) For purposes of Section 409A of the Code (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), Executive's right to receive

---

installment payments under the Agreement shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder shall at all times be considered a separate and distinct payment.

**4.4. Mitigation.** Executive shall not be required to mitigate damages or the amount of any payment provided under this Agreement by seeking other employment or otherwise, nor shall the amount of any payment provided for under this Agreement be reduced by any compensation earned by Executive as a result of employment by another employer or by any retirement benefits received by Executive after the date of the Covered Termination, or otherwise.

## **ARTICLE V PROPRIETARY INFORMATION OBLIGATIONS**

**5.1. Agreement.** Executive agrees to continue to abide by the Confidential Disclosure Agreement.

**5.2. Remedies.** Executive's duties under the Confidential Disclosure Agreement shall survive termination of Executive's employment with the Company and the termination of this Agreement. Executive acknowledges that a remedy at law for any breach or threatened breach by Executive of the provisions of the Confidential Disclosure Agreement, as well as Executive's obligations pursuant to Section 6.2 and Article 7 below, would be inadequate, and Executive therefore agrees that the Company shall be entitled to seek injunctive relief in case of any such breach or threatened breach.

## **ARTICLE VI OUTSIDE ACTIVITIES**

**6.1. Other Activities.**

(a) Executive shall not, during the term of this Agreement undertake or engage in any other employment, occupation or business enterprise, other than ones in which Executive is a passive investor, unless she obtains the prior written consent of the Board.

(b) Executive may engage in civic and not-for-profit activities so long as such activities do not materially interfere with the performance of Executive's duties hereunder. In addition, Executive shall be allowed to serve as a member of the board of directors of up to two (2) other for profit entities at any time during the term of this Agreement, which service shall not materially interfere with the performance of Executive's duties hereunder; provided, however, that the Board, in its discretion, may require that Executive resign from one or both of such director positions if it determines that such resignation(s) would be in the best interests of the Company.

---

**6.2. Competition/Investments.** Executive agrees that, from the date hereof until a period of twelve (12) months following the date of termination of Executive's employment with the Company, Executive will not directly or indirectly, either as an employee, employer, consultant, agent, principal, partner, corporate officer, director, or in any other individual or representative capacity, engage or participate in any "Competitive Business" anywhere in the world. As used herein, a "Competitive Business" is defined as any business developing uPAR antibodies to treat cancer, clonidine to treat oral mucositis, non cardiotoxic forms of anthracyclines to treat cancer, or any other drug programs which are deemed by Monopar, at that point in time in the future, to be directly competitive to Monopar' s drug programs in development at that point in time in the future.

## **ARTICLE VII NONINTERFERENCE**

In addition to Executive's obligations under the Confidential Disclosure Agreement , Executive shall not for a period of one (I) year following Executive's termination of employment for any reason, either on Executive's own account or jointly with or as a manager, agent, officer, employee, consultant, partner, joint venturer, owner or stockholder or otherwise on behalf of any other person, firm or corporation, directly or indirectly solicit or attempt to solicit away from the Company any of its officers or employees or offer employment to any person who is an officer or employee of the Company; *provided, however*, that a general advertisement to which an employee of the Company responds shall in no event be deemed to result in a breach of this Article 7. Executive also agrees not to harass or disparage the Company or its employees, clients, directors or agents or divert or attempt to divert any actual or potential business of the Company. The provisions of this Article 7 shall survive the termination or expiration of the applicable Executive' s Employment with the Company and shall be fully enforceable thereafter. If it is determined by a court of competent jurisdiction in any state that any restriction in this Article 7 is excessive in duration or scope or is unreasonable or unenforceable under the laws of that state, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by the law of that state.

## **ARTICLE VIII GENERAL PROVISIONS**

**8.1. Notices.** Any notices provided hereunder must be in writing and will be given and will be deemed to have been duly given (a) on the business day sent, when delivered by hand or facsimile transmission (with confirmation) during normal business hours, (b) upon confirmation of receipt by recipient if sent by electronic mail, or (c) on the business day following the business day of sending, if delivered by a nationally recognized overnight courier, in each case to the Company at its primary office location and to Executive at

---

Executive's address as listed on the Company payroll.

**8.2. Tax Withholding.** Executive acknowledges that all amounts and benefits payable under this Agreement are subject to deduction and withholding to the extent required by applicable law.

**8.3. Severability.** Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provisions had never been contained herein.

**8.4. Waiver.** If either party should waive any breach of any provisions of this Agreement, they shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

**8.5. Complete Agreement.** This Agreement constitutes the entire agreement between Executive and the Company and is the complete, final, and exclusive embodiment of their agreement with regard to this subject matter, and will supersede all prior agreements, understandings, discussions, negotiations and undertakings, whether written or oral, between the parties with respect to the subject matter hereof, including without limitation, the Prior Agreement. This Agreement is entered into without reliance on any promise or representation other than those expressly contained herein or therein, and cannot be modified or amended except in a writing signed by an officer of the Company and Executive.

**8.6. Counterparts.** This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same Agreement.

**8.7. Headings.** The headings of the sections hereof are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

**8.8. Successors and Assigns.** This Agreement is intended to bind and inure to the benefit of and be enforceable by Executive and the Company, and their respective successors, assigns, heirs, executors and administrators, except that Executive may not assign her rights or delegate her duties or obligations hereunder without the prior written consent of the Company.

**8.9. Arbitration.** Unless otherwise prohibited by law or specified below, all disputes,

---

claims and causes of action, in law or equity, arising from or relating to this Agreement or its enforcement, performance, breach, or interpretation shall be resolved solely and exclusively by final and binding arbitration held in Illinois in conformity with the then existing employment arbitration rules and Illinois law. The arbitrator shall: (a) provide adequate discovery for the resolution of the dispute; and (b) issue a written arbitration decision, to include the arbitrator's essential findings and conclusions and a statement of the award. However, nothing in this section is intended to prevent either party from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. The arbitrator shall determine who shall bear the costs of any such arbitration.

**8.10. Executive Acknowledgement.** Executive acknowledges that (a) she has consulted with or has had the opportunity to consult with independent counsel of her own choice concerning this Agreement, and has been advised to do so by the Company, and (b) that she has read and understands the Agreement, is fully aware of its legal effect, and has entered into it freely based on her own judgment.

**8.11. Choice of Law.** All questions concerning the construction, validity and interpretation of this Agreement will be governed by the law of the State of Illinois without regard to the conflicts of law provisions thereof

**In Witness Whereof**, the parties have executed this Agreement as of the date first written above.

On behalf of Monopar Therapeutics Inc.

/s/ Chandler D. Robinson  
Chandler D. Robinson, MD MBA MSc  
Chief Executive Officer

Accepted and Agreed

/s/ Kirsten Anderson  
Kirsten Anderson

October 6, 2017

---

## CONSULTING AGREEMENT

This Consulting Agreement (herein referred to as “**Agreement**”) is made and entered into on December 8, 2017, effective as of January 1, 2018 (the “**Effective Date**”), by and between Monopar Therapeutics, Inc. (herein referred to as “**Monopar**”), a Delaware corporation, located at 5 Revere Dr., Suite 200, Northbrook, IL 60062, and pRx Consulting, LLC (herein referred to as pRx), a Delaware corporation located at # (each herein referred to as “**Party**” and collectively as “**Parties**”).

### RECITALS

WHEREAS, pRx specializes in the field of clinical development, including but not limited to: clinical trial design, statistical modeling, clinical operations, regulatory strategy, investor due diligence, and the duties of a Chief Medical Officer.

WHEREAS, Monopar desires to contract with pRx to provide certain consultation services as requested by Monopar, and pRx wishes to provide such services to Monopar, upon the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, the Parties agree as follows:

1. Consulting Arrangement. pRx agrees to perform consulting services as described herein upon the terms and conditions herein set forth.
  
  2. Term of Agreement. Subject to the provision for early termination set forth below in **Section 5** of this Agreement, this Agreement shall commence as of the Effective Date and shall continue for a period of twelve (12) months from the Effective Date (the “**Term**”). Either Party may terminate this Agreement without cause with 10-days’ prior written notice.
  
  3. Duties of pRx.
    - 3.1 Specific Duties. pRx shall provide consulting services to Monopar, such duties to include the general duties of a Chief Medical Officer, clinical trial design, statistical modeling, clinical operations oversight, regulatory strategy, and investor due diligence, with such other specific requirements as Monopar may specify from time to time during the Term (herein referred to as the “**Services**”).
  
    - 3.2 pRx’s Obligations. The president of pRx, Dr. P. Rioux, shall spend on the average over the course of the Term one-and-a-half (1.5) work days per week working on Monopar matters, be diligent in the performance of Services, and be professional in its commitment to meeting its obligations hereunder. pRx represents and warrants that pRx is not party to any other existing agreement, which any of them would prevent pRx from entering into this Agreement or which would adversely affect this Agreement. pRx shall not perform Services for any other individuals or entities in direct competition with Monopar, except as provided for by mutual written agreement of the Parties. pRx shall not perform services for any party
-



which would require or facilitate the unauthorized disclosure of any confidential or proprietary information of Monopar.

3.3 Reporting. pRx will report to and liaise with Andrew P. Mazar, Ph.D., Chandler Robinson, M.D., and/or any other assigned Monopar employee or consultant as may be designated in writing by Monopar.

3.4 Compensation. Monopar shall pay pRx as follows:

a. Four thousand dollars (\$4,000) per month payable within thirty (30) days of the end of each month.

b. Dr. P. Rioux, president of pRx Consulting, LLC shall be granted stock options to purchase up to 32,004 shares of Monopar's common stock at an exercise price of \$6.00. Such stock option shall vest as follows: on January 1, 2018, options to purchase up to 12,000 shares; and options to purchase up to 1,667 shares on the 1st of each subsequent month thereafter. Such vesting shall terminate upon the termination of this Agreement. The number of shares, the exercise price thereof and the rights granted under this Agreement are subject to adjustment and modification as provided in the Monopar Therapeutics Inc. 2016 Stock Incentive Plan.

pRx shall not be reimbursed, and is responsible for the facilities and equipment necessary to perform Services required under this Agreement.

4. Reimbursement of Other Expenses. So long as Monopar's prior approval has been obtained, Monopar shall promptly reimburse pRx for all direct expenses incurred in providing the Services to Monopar pursuant to this Agreement, including travel, meals and lodging. The invoice submitted by pRx pursuant to this **Section 4** shall also include a detail of all reimbursable expenses incurred during the period covered by such invoice.

5. Termination of Agreement - Failure to perform. In the event that pRx ceases to perform the Services or breaches its obligations as required hereunder for any reason, Monopar shall have the right to immediately terminate this Agreement upon notice to pRx and to enforce such other rights and remedies as it may have as a result of said breach.

6. Certain Liabilities. It is understood and agreed that pRx shall be acting as an independent contractor and not as an agent or employee of, or partner, joint venturer or in any other relationship with Monopar. pRx will be solely responsible for all insurance, employment taxes, FICA taxes and all obligations to governments or other organizations for it and its employees arising out of this consulting assignment. pRx acknowledges that no income, social security or other taxes shall be withheld or accrued by Monopar for pRx's or its employees' benefit. pRx assumes all risks and hazards encountered in the performance of duties by it or its employees under this Agreement. Unless Monopar has provided prior written approval, pRx shall not use any sub-contractors to perform pRx's obligations hereunder. pRx shall be solely responsible for any and all injuries, including death, to all persons and any and all loss or damage to property, which may result from performance under this Agreement.

7. Indemnities. pRx hereby agrees to indemnify Monopar and hold Monopar harmless from and against all claims (whether asserted by a person, firm, entity or governmental unit or otherwise), liabilities, losses, damages, expenses, charges and fees which Monopar may sustain or incur arising out of or attributable to any breach, gross negligence or willful misconduct by pRx or its employees or contractors, as applicable, in the performance under this Agreement. Monopar hereby agrees to indemnify pRx and hold pRx harmless from and against all liabilities, losses, damages, expenses, charges and fees which pRx may sustain or incur by reason of any claim which may be asserted against pRx by any person, firm, corporation or governmental unit and which may arise out of or be attributable to any gross negligence or willful misconduct by Monopar or its employees or contractors, as applicable, in the performance of this Agreement.
8. Warranties. The Services shall be performed in a professional manner, consistent with industry standards. In performing the Services, neither pRx nor any of its employees shall make any unauthorized use of any confidential or proprietary information of any other party or infringe the intellectual property rights of any other party.
9. Arbitration. Any controversy or claim between Monopar and pRx arising out of or relating to this Agreement, or the breach thereof, shall be submitted to arbitration in accordance with the rules of the American Arbitration Association. The site of the arbitration shall be Chicago, IL, and except as provided herein the arbitration shall be conducted in accordance with the Rules of the American Arbitration Association prevailing at the time the demand for arbitration is made hereunder. At least one member of the arbitration panel shall be an expert knowledgeable in the area of biopharmaceutical clinical development. Judgment upon any award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction and shall be binding and final. The cost of arbitration shall be borne by the losing Party, as determined by the arbitrator(s).
10. Confidential Information. pRx has executed the attached confidential disclosure agreement referenced herein as **Appendix A** prior to commencement of the Services. pRx hereby represents and warrants that the obligations thereunder shall be binding upon it and its employees, and that it shall obtain written commitments from such employees thereto.
11. Inventions. pRx agrees that all ideas, developments, suggestions and inventions which an employee or other parties contracted conceive or reduce to practice arising out of or during the course of performance under this Agreement shall be the exclusive property of Monopar and shall be promptly communicated and assigned to Monopar. pRx shall require any employees of or other parties contracted by pRx to disclose the same to pRx and to be bound by the provisions of this paragraph. During the period of this Agreement and thereafter at any reasonable time when called upon to do so by Monopar, pRx shall require any employees of or other parties contracted by pRx to execute patent applications, assignments to Monopar (or any designee of Monopar ) and other papers and to perform acts which Monopar believes necessary to secure to Monopar full protection and ownership of the rights in and to the services performed by pRx and/or for the preparation, filing and prosecution of applications for patents or inventions made by any employees of or other parties contracted by pRx hereunder. The decision to file patent applications on inventions made by any employees of or other parties contracted by pRx shall be made by

Monopar and shall be for such countries as Monopar shall elect. Monopar agrees to bear all the expense in connection with the preparation, filing and prosecution of applications for patents and for all matters provided in this paragraph requiring the time and/or assistance of pRx as to such inventions.

12. Miscellaneous.

12.1 Notice. Any notices to be given hereunder by either Party to the other may be effectuated, in writing, by personal delivery or by mail, registered or certified, postage prepaid, with return receipt requested, or by electronic mail. Mailed notices shall be addressed to the Parties at the following addresses:

If to Monopar: Monopar Therapeutics Inc.

5 Revere Dr., Suite 200  
Northbrook, IL, 60062  
Attention: Chandler Robinson, MD MBA MSc  
Email: #

If to pRx: pRx Consulting, LLC

#  
Attention: Patrice Rioux, MD, PhD  
Email: #

or at such other addresses as either Monopar or pRx may designate by written notice to each other. Notices delivered personally shall be deemed duly given on the date of actual receipt; mailed notices shall be deemed duly given as of the fourth day after the date so mailed. If sent by electronic mail, such notice will be deemed given upon confirmation of receipt by recipient.

12.2 Waiver of Breach. The waiver by either Party to a breach of any provision in this Agreement cannot operate or be construed as a waiver of any subsequent breach by either Party.

12.3 Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, that provision shall be deemed modified to the extent necessary to make it valid or enforceable, or if it cannot be so modified, then severed, and the remainder of the Agreement shall continue in full force and effect as if the Agreement had been signed with the invalid portion so modified or severed.

12.4 Choice of Law. This Agreement has been made and entered into in the State of Illinois, and the laws of such state, excluding its choice of law rules, shall govern the validity and interpretation of this Agreement and the performance due

hereunder. The losing party in any dispute hereunder shall pay the attorneys' fees and disbursements of the prevailing party.

12.5 integration. The drafting, execution and delivery of this Agreement by the Parties have been induced by no representations, statements, warranties or agreements other than those expressed herein. This Agreement embodies the entire understanding of the Parties, and there are no further or other agreements or understandings, written or oral, in effect between the Parties relating to the subject matter hereof unless expressly referred to herein.

12.6 Modification. This Agreement may not be modified unless such is in writing and signed by both Parties to this Agreement.

12.7 Assignment. pRx shall not be permitted to assign this Agreement to any other person or entity without the prior written consent of Monopar. pRx hereby agrees that Monopar shall be permitted to assign this Agreement to any affiliate of Monopar. This Agreement shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the parties.

12.8 Survival. The provisions of **Sections 7, 8, 9, 10, and 11** shall survive expiration or termination of this Agreement for any reason. Expiration or termination of this Agreement shall not affect Monopar's obligations to pay any amounts that may then be due to pRx.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

ACCEPTED AND AGREED TO:

pRx Consulting LLC

/s/ Patrice Rioux

Monopar Therapeutics Inc.

/s/ Chandler Robinson

BY: PATRICE RIOUX, MD, PHD  
ITS: PRESIDENT

BY: CHANDLER ROBINSON  
ITS: CHIEF EXECUTIVE OFFICER

---

**APPENDIX A**

See executed CDA attached

**First Amendment to Employment Agreement between Kim R. Tsuchimoto (“Executive”) and Monopar Therapeutics Inc. (“Company”) dated November 1, 2017. The following amendments are made effective March 1, 2018. All other unrevised sections remain in full force.**

**2.1 Position and Duties**, Executive will devote Executive’s best efforts and 50% of Executive’s business time and attention (except for vacation periods and reasonable periods of illness or other incapacities permitted by the Company’s general employment policies or as otherwise set forth in this Agreement) to the business of the Company.

**3.1 Base Salary**, Executive shall receive for services to be rendered hereunder an annual base salary of \$137,500 representing 50% of full-time.

**3.3 Standard Company Benefits**, Executive shall be entitled to all benefits offered by the Company so long as Executive devotes 50% or more time to the business of the Company. In lieu of benefits, Executive shall be reimbursed up to \$1,800 per month for out-of-pocket expenses for medical, dental and vision benefits until such time the Company has benefit plans in place. Based upon 50% service, Executive shall be entitled each year to two (2) weeks leave for vacation at full pay, provided, that the maximum amount Executive may have accrued at any point in time is two (2) weeks (meaning that once Executive has accrued two (2) weeks, Executive will not accrue any additional vacation time until she takes vacation and falls below the two (2) week accrual cap).

Pursuant to section **6.1(a) Other Activities, Exhibit A**

25% of full-time employment with no benefits at Mercaptor Discoveries Inc. as Chief Financial Officer, Secretary, Treasurer and Co-Founder

Minimal time, as needed, at DNACheckup as a volunteer Chief Financial Officer, Secretary and Treasurer

Requested by:

/s/ Kim R. Tsuchimoto

Kim R.  
Tsuchimoto

February 26, 2018  
Date

Approved by:

/s/ Chandler D. Robinson

Chandler D.  
Robinson  
Monopar Therapeutics Inc.

March 1, 2018

Date

Co-Founder, Chief Executive Officer and Director

---



Chandler Robinson Chief Executive Officer  
Monopar Therapeutics LLC 598 Rockefeller Road  
Lake Forest, IL USA 60045

**Cancer Research UK**

Angel Building 407 St John Street London EC1V 4AD United Kingdom

020 7242 0200

**[cruk.org](http://cruk.org)**

21st March 2018

Dear Chandler,

Clinical Trial and Option Agreement between Monopar Therapeutics LLC, Cancer Research UK and Cancer Research Technology Limited dated 15th May 2015 ("the Agreement")

As part of a recent portfolio reprioritisation, Cancer Research UK and Cancer Research Technology have decided to close the project which is the subject of the Agreement. We will be working with Monopar Therapeutics over the coming months to formalise the arrangements necessary to effect termination of the Agreement.

Yours faithfully,

/s/ Nigel Blackburn  
Nigel Blackburn

Director of Drug Development CRUK Centre for Drug Development

Patron Her Majesty The Queen

Presidents HRH The Duke of Gloucester KG GCVO and HRH Princess Alexandra, the Hon Lady Ogilvy KG  
GCVO Chief Executive Sir Harpal S Kumar  
Registered Charity in England and Wales (1089464), Scotland (SC041666) and the Isle of Man (1103)

Registered Company limited by guarantee in England and Wales (4325234) and registered in the Isle of Man  
(5713F) Registered Address Angel Building, 407 St John Street, London EC1V 4AD

---



Exhibit 11

Statement Regarding Computation of Per Share Earnings

The statement regarding computation of per share earnings is set forth in Note 2 of the Notes to the Financial Statements of the Company for the years ended December 31, 2017 and 2016.

---

**MONOPAR THERAPEUTICS INC.**  
**CODE OF BUSINESS CONDUCT AND ETHICS**

***Introduction***

Monopar Therapeutics Inc. and its subsidiaries (the “Company”) are committed to maintaining the highest standards of business conduct and ethics. This Code of Business Conduct and Ethics (the “Code”) reflects the business practices and principles of behavior that support this commitment. We expect every employee, officer and non-employee director to read and understand this Code and its application to the performance of his or her business responsibilities. References in this Code to employees are intended to cover staff, supervisors, managers, officers and, as applicable, non-employee directors.

Officers, managers and other supervisors are expected to develop in staff a sense of commitment to the spirit, as well as the letter, of this Code. Supervisors are also expected to ensure that all agents and contractors conform to Code standards when working for or on behalf of the Company. The compliance environment within each supervisor’s assigned area of responsibility will be a factor in evaluating the quality of that individual’s performance. In addition, any employee who makes an exemplary effort to implement and uphold our legal and ethical standards will be recognized for that effort in his or her performance review. Nothing in this Code alters the at-will employment policy of the Company.

This Code addresses conduct that is particularly important to proper dealings with the people and entities with whom we interact, but reflects only a part of our commitment. From time to time we may adopt additional policies and procedures with which our employees, officers and non-employee directors are expected to comply, if applicable to them. However, it is the responsibility of each employee to apply common sense, together with his or her own highest personal ethical standards, in making business decisions where there is no stated guideline in this Code.

Action by members of your immediate family, significant others or other persons who live in your household (referred to in this Code as “family members”) also may potentially result in ethical issues to the extent that they involve the Company’s business. For example, acceptance of inappropriate gifts by a family member from one of our suppliers could create a conflict of interest and result in a Code violation attributable to you. Consequently, in complying with this Code, you should consider not only your own conduct, but also that of your immediate family members, significant others and other persons who live in your household.

YOU SHOULD NOT HESITATE TO ASK QUESTIONS ABOUT WHETHER ANY CONDUCT MAY VIOLATE THIS CODE, VOICE CONCERNS OR CLARIFY GRAY AREAS. SECTION 20 BELOW DETAILS THE COMPLIANCE RESOURCES AVAILABLE TO YOU. IN ADDITION, YOU SHOULD BE ALERT TO POSSIBLE VIOLATIONS OF THIS CODE BY OTHERS AND REPORT SUSPECTED VIOLATIONS, WITHOUT FEAR OF ANY FORM OF RETALIATION, AS FURTHER DESCRIBED IN SECTION 20. Violations of this Code will not be tolerated. Any employee who violates the standards in this Code may be subject to disciplinary action, which, depending on the nature of the violation and the history of the employee, may range from a warning or reprimand to and including termination of employment and, in appropriate cases, civil legal action or referral for regulatory or criminal prosecution.

---

## **1. *Honest and Ethical Conduct***

It is the policy of the Company to promote high standards of integrity by conducting our affairs in an honest and ethical manner. The integrity and reputation of the Company depends on the honesty, fairness and integrity brought to the job by each person associated with us. Unyielding personal integrity is the foundation of corporate integrity.

## **2. *Legal Compliance***

Obedying the law, both in letter and in spirit, is the foundation of this Code. Our success depends upon each employee's operating within legal guidelines and cooperating with local, national and international authorities. We expect employees to understand the legal and regulatory requirements applicable to their business units and areas of responsibility. We hold periodic training sessions to ensure that all employees comply with the relevant laws, rules and regulations associated with their employment, including laws prohibiting insider trading (which are discussed in further detail in Section 3 below). While we do not expect you to memorize every detail of these laws, rules and regulations, we want you to be able to determine when to seek advice from others. If you do have a question in the area of legal compliance, it is important that you not hesitate to seek answers from your supervisor or the Compliance Officer (as further described in Section 20).

Disregard of the law will not be tolerated. Violation of domestic or foreign laws, rules and regulations may subject an individual, as well as the Company, to civil and/or criminal penalties. You should be aware that conduct and records, including emails, are subject to internal and external audits and to discovery by third parties in the event of a government investigation or civil litigation. It is in everyone's best interests to know and comply with our legal obligations.

## **3. *Insider Trading***

Employees who have access to confidential (or "inside") information are not permitted to use or share that information for stock trading purposes or for any other purpose except to conduct our business. All non- public information about the Company or about companies with which we do business is considered confidential information. To use material non-public information in connection with buying or selling securities, including "tipping" others who might make an investment decision on the basis of this information, is not only unethical, it is illegal. Employees must exercise the utmost care when handling material inside information.

## **4. *International Business Laws***

Our employees are expected to comply with the applicable laws in all countries to which they travel, in which they operate and where we otherwise do business, including laws prohibiting bribery, corruption or the conduct of business with specified individuals, companies or countries. The fact that, in some countries, certain laws are not enforced or that violation of those laws is not subject to public criticism will not be accepted as an excuse for noncompliance. In addition, we expect employees to comply with U.S. laws, rules and regulations governing the conduct of business by its citizens and corporations outside the U.S.

**These U.S. laws and regulations, which extend to all our activities outside the U.S., include:**

- The Foreign Corrupt Practices Act, which prohibits directly or indirectly giving anything of value to a government official to obtain or retain business or favorable treatment and requires the maintenance of accurate books of account, with all company transactions being properly recorded;
  - U.S. Embargoes, which generally prohibit U.S. companies, their subsidiaries and their employees from doing business with countries, or traveling to, subject to sanctions imposed by the U.S. government (including, for example, Belarus, Cuba, Eritrea, Iran, North Korea, Syria and Venezuela), as well as specific companies and individuals identified on lists published by the U.S. Treasury Department;
-

- U.S. Export Controls, which restrict exports from the U.S. and re-exports from other countries of goods, software and technology to many countries, and prohibits transfers of U.S.-origin items to denied persons and entities; and
- Anti-boycott Regulations, which prohibit U.S. companies from taking any action that has the effect of furthering or supporting a restrictive trade practice or boycott imposed by a foreign country against a country friendly to the U.S. or against any U.S. person.

If you have a question as to whether an activity is restricted or prohibited, seek assistance before taking any action, including giving any verbal assurances that might be regulated by international laws.

## 5. *Antitrust*

Antitrust laws are designed to protect the competitive process. These laws are based on the premise that the public interest is best served by vigorous competition and will suffer from illegal agreements or collusion among competitors. Antitrust laws generally prohibit:

- agreements, formal or informal, with competitors that harm competition or customers, including price fixing and allocations of customers, territories or contracts;
- agreements, formal or informal, that establish or fix the price at which a customer may resell a product; and
- the acquisition or maintenance of a monopoly or attempted monopoly through anti-competitive conduct.

Certain kinds of information, such as pricing, production and inventory, should not be exchanged with competitors, regardless of how innocent or casual the exchange may be and regardless of the setting, whether business or social. In addition, the U.S. Federal Trade Commission Act declares "unfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce" unlawful. It is a violation of that Act to engage in deceptive, unfair or unethical practices and to make misrepresentations in connection with sales activities.

Antitrust laws impose severe penalties for certain types of violations, including criminal penalties and potential fines and damages of millions of dollars, which may be tripled under certain circumstances. Understanding the requirements of antitrust and unfair competition laws of the various jurisdictions where we do business can be difficult, and you are urged to seek assistance from your supervisor or the Compliance Officer whenever you have a question relating to these laws.

## 6. *Environmental Compliance*

Federal law imposes criminal liability on any person or company that contaminates the environment with any hazardous substance that could cause injury to the community or environment. Violation of environmental laws can involve monetary fines and imprisonment. We expect employees to comply with all applicable environmental laws.

It is our policy to conduct our business in an environmentally responsible way that minimizes environmental impacts. We are committed to minimizing and, if practicable, eliminating the use of any substance or material that may cause environmental damage, reducing waste generation and disposing of all waste through safe and responsible methods, minimizing environmental risks by employing safe technologies and operating procedures, and being prepared to respond appropriately to accidents and emergencies.

---

## **7. Workplace**

We are committed to the following:

- Providing a safe, violence-free workplace. Violent or threatening behavior is strictly prohibited by anyone on Company premises or engaged in a Company-related activity. This behavior includes, but is not limited to, threats of any kind; intimidating or physically aggressive actions; excessive arguing or swearing; defacing Company property; sabotage; demonstrated pattern of refusing to follow Company policies; and possession of weapons or firearms on Company premises. All reports of workplace violence will be taken with the upmost seriousness and will be investigated promptly and thoroughly.
- Providing a workplace that is free from unlawful harassment, bullying and discrimination. Harassment is unwelcome conduct that is based on race, color, sex, pregnancy, age, national origin, religion, disability, genetic information, sexual orientation, veteran status, gender reassignment or other classes protected by applicable law. We will not tolerate conduct that is severe or pervasive enough to create a work environment that a reasonable person would consider intimidating, hostile, or abusive. No employee will be disadvantaged for reporting this type of conduct in good faith to Human Resources or the Compliance Officer.
- Providing an environment free from combative, verbally abusive or disrespectful behavior. These behaviors can create a climate of fear, hostility, distraction and unproductivity. Such incidents should be reported to your Supervisor or to Human Resources. All reports will be investigated thoroughly and, if found to be valid, may lead to disciplinary action including termination.
- Providing equal employment opportunity for all applicants and employees. We do not discriminate on any basis prohibited under federal, state or local law. This applies to all areas of employment, including recruitment, hiring, training, promotion, compensation, benefits, transfer, disciplinary action, and social and recreational programs.
- Creating a fully inclusive and stimulating environment in which our workforce is free to innovate to meet the needs of our customers around the world. We respect employment laws wherever we operate in the world, including international labor standards, laws governing freedom of expression and rights of association, privacy and equal opportunities.

## **8. Conflicts of Interest**

We respect the rights of our employees to manage their personal affairs and investments and do not wish to impinge on their personal lives. At the same time, employees should avoid conflicts of interest that occur when their personal interests may interfere in any way with the performance of their duties or the best interests of the Company. A conflicting personal interest could result from an expectation of personal gain now or in the future or from a need to satisfy a prior or concurrent personal obligation. We expect our employees to be free from influences that conflict with the best interests of the Company or might deprive the Company of their undivided loyalty in business dealings. Even the appearance of a conflict of interest where none actually exists can be damaging and should be avoided. Whether or not a conflict of interest exists or will exist can be unclear. Conflicts of interest are prohibited unless specifically authorized as described below.

If you have any questions about a potential conflict or if you become aware of an actual or potential conflict, and you are not an officer or director of the Company, you should discuss the matter with your supervisor or the Compliance Officer. Supervisors may not authorize conflict of interest matters or make determinations as to whether a problematic conflict of interest exists without first seeking the approval of the Compliance Officer and providing the Compliance Officer with a written description of the activity. If the supervisor is involved in the potential or actual conflict, you should discuss the matter directly with the Compliance Officer. Officers and directors may seek authorizations and determinations from the Audit Committee of the Board of Directors.

---

Factors that may be considered in evaluating a potential conflict of interest are, among others:

- whether it may interfere with the employee's job performance, responsibilities or morale;
- whether the employee has access to confidential information;
- whether it may interfere with the job performance, responsibilities or morale of others within the organization;
- any potential adverse or beneficial impact on our business;
- any potential adverse or beneficial impact on our relationships with our customers or suppliers or other service providers;
- whether it would enhance or support a competitor's position;
- the extent to which it would result in financial or other benefit (direct or indirect) to the employee;
- the extent to which it would result in financial or other benefit (direct or indirect) to one of our customers, suppliers or other service providers; and
- the extent to which it would appear improper to an outside observer.

Although no list can include every possible situation in which a conflict of interest could arise, the following are examples of situations that may, depending on the facts and circumstances, involve problematic conflicts of interests:

- Employment by (including consulting for) or service on the board of a competitor, customer or supplier or other service provider. Activity that enhances or supports the position of a competitor to the detriment of the Company is prohibited, including employment by or service on the board of a competitor. Employment by or service on the board of a customer or supplier or other service provider is generally discouraged and you must seek authorization in advance if you plan to take such a position.
- Owning, directly or indirectly, a significant financial interest in any entity that does business, seeks to do business or competes with us. In addition to the factors described above, persons evaluating ownership in other entities for conflicts of interest will consider the size and nature of the investment; the nature of the relationship between the other entity and the Company; the employee's access to confidential information and the employee's ability to influence the Company's decisions. If you would like to acquire a financial interest of that kind, you must seek approval in advance.
- Soliciting or accepting gifts, favors, loans or preferential treatment from any person or entity that does business or seeks to do business with us. See Section 12 for further discussion of the issues involved in this type of conflict.
- Soliciting contributions to any charity or for any political candidate from any person or entity that does business or seeks to do business with us.
- Taking personal advantage of corporate opportunities. See Section 9 for further discussion of the issues involved in this type of conflict.
- Moonlighting without permission.
- Conducting our business transactions with your family member or a business in which you have a significant financial interest. Material related-party transactions approved by the Audit Committee of the Board of Directors and involving any executive officer or director will be publicly disclosed as required by applicable laws and regulations.
- Exercising supervisory or other authority on behalf of the Company over a co-worker who is also a family member. The employee's supervisor and/or the Compliance Officer will consult with the Human Resources department to assess the advisability of reassignment.
- Loans to, or guarantees of obligations of, employees or their family members by the Company could constitute an improper personal benefit to the recipients of these loans or guarantees, depending on the facts and circumstances. Some loans are expressly prohibited by law and applicable law requires that our Board of Directors approve all loans and guarantees to employees. As a result, all loans and guarantees by the Company must be approved in advance by the Audit Committee of the Board of Directors.

## **9. Corporate Opportunities**

You may not take personal advantage of opportunities for the Company that are presented to you or discovered by you as a result of your position with us or through your use of corporate property or information, unless authorized by your supervisor, the Compliance Officer or the Audit Committee of the Board of Directors, as described in Section 8. Even opportunities that are acquired privately by you may be questionable if they are related to our existing or proposed lines of business. Significant participation in an investment or outside business opportunity that is directly related to our lines of business must be pre-approved. You may not use your position with us or corporate property or information for improper personal gain, nor should you compete with us in any way.

## **10. Maintenance of Corporate Books, Records, Documents and Accounts; Financial Integrity; Public Reporting**

The integrity of our records and public disclosure depends upon the validity, accuracy and completeness of the information supporting the entries to our books of account. Therefore, our corporate and business records should be completed accurately and honestly. The making of false or misleading statements and entries, whether they relate to financial results or test results, is strictly prohibited. Our records serve as a basis for managing our business and are important in meeting our obligations to customers, suppliers, creditors, employees and others with whom we do business. As a result, it is important that our books, records and accounts accurately and fairly reflect, in reasonable detail, our assets, liabilities, revenues, costs and expenses, as well as all transactions and changes in assets and liabilities. We require that:

- no entry be made in our books and records that intentionally hides or disguises the nature of any transaction or of any of our liabilities, or misclassifies any transactions as to accounts or accounting periods;
- transactions be supported by appropriate documentation and internal approval;
- the terms of sales and other commercial transactions be accurately and timely reflected in the documentation for those transactions and all such documentation be reflected accurately in our books and records;
- employees comply with our system of internal controls; and
- no cash or other assets be maintained for any purpose in any unrecorded or “off-the-books” fund.

Our accounting records are also relied upon to produce reports for our management, stockholders and creditors, as well as for governmental agencies. In particular, we rely upon our accounting and other business and corporate records in preparing the periodic and current reports that we file with the SEC. Securities laws require that these reports provide full, fair, accurate, timely and understandable disclosure and fairly present our financial condition and results of operations. Employees who collect, provide or analyze information for or otherwise contribute in any way in preparing or verifying these reports should strive to ensure that our financial disclosure is accurate and transparent and that our reports contain all of the information about the Company that would be important to enable stockholders and potential investors to assess the soundness and risks of our business and finances and the quality and integrity of our accounting and disclosures.

---

In addition:

- no employee may take or authorize any action that would cause our financial records or financial disclosure to fail to comply with generally accepted accounting principles, the rules and regulations of the SEC or other applicable laws, rules and regulations;
- all employees must cooperate fully with our Finance Department, as well as our independent registered public accounting firm and legal counsel, respond to their questions with candor and provide them with complete and accurate information to help ensure that our books and records, as well as our reports filed with the SEC, are accurate and complete; and
- no employee should knowingly make (or cause or encourage any other person to make) any false or misleading statement in any of our reports filed with the SEC or knowingly omit (or cause or encourage any other person to omit) any information necessary to make the disclosure in any of our reports accurate in all material respects.

Any employee who becomes aware of any departure from these standards has a responsibility to report his or her knowledge promptly to a supervisor, the Compliance Officer or one of the other compliance resources described in Section 20.

### **11. Fair Dealing**

We strive to outperform our competition fairly and honestly. Advantages over our competitors are to be obtained through superior performance of our products and services, not through unethical or illegal business practices. Acquiring proprietary information from others through improper means, possessing trade secret information that was improperly obtained, or inducing improper disclosure of confidential information from past or present employees of other companies is prohibited, even if motivated by an intention to advance our interests. If information is obtained by mistake that may constitute a trade secret or other confidential information of another business, or if you have any questions about the legality of proposed information gathering, you must consult your supervisor or the Compliance Officer, as further described in Section 20.

You are expected to deal fairly with our customers, suppliers, employees and anyone else with whom you have contact in the course of performing your job. Be aware that the Federal Trade Commission Act (the "FTC Act") provides that "unfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce, are declared unlawful." It is a violation of the FTC Act to engage in deceptive, unfair or unethical practices and to make misrepresentations in connection with sales activities.

Employees involved in procurement have a special responsibility to adhere to principles of fair competition in the purchase of products and services by selecting suppliers based exclusively on normal commercial considerations, such as quality, cost, availability, service and reputation, and not on the receipt of special favors.

### **12. Gifts and Other Benefits**

Gifts, hospitality and other benefits may not be offered, provided or accepted by any employee in the course of business without the express permission of the Compliance Officer, the Chief Executive Officer, or the Audit Committee of the Board of Directors and must be consistent with customary business practices and not (a) of more than token or nominal monetary value, (b) in cash or cash equivalent, (c) susceptible of being construed as a bribe or kickback, (d) made or received on a regular or frequent basis, (e) pose a potential conflict of interest, or (f) in violation of any laws, regulations, or industry guidance. This principle applies to our transactions everywhere in the world, even where the practice is widely considered "a way of doing business." Employees should not accept gifts or entertainment that may reasonably be deemed to affect their judgment or actions in the performance of their duties. Our customers, suppliers and the public at large should know that our employees' judgment is not for sale.

---



The Company is further committed to interacting with healthcare professionals in an ethical and professional manner, in compliance with all applicable laws, rules and regulations. Offering anything of value to a healthcare professional intended to influence that person to recommend or purchase a product or service that may be reimbursed through a government-funded system is strictly prohibited by law and Company policy. Employees must avoid engaging in any activity that would inappropriately influence a healthcare professional's medical judgment or treatment decisions. Meals and other nominally-valued items allowable under Company policy must be entered into our expense management system for accurate tracking and reporting purposes.

Under some statutes, such as the U.S. Foreign Corrupt Practices Act (further described in Section 4), giving anything of value to a government official to obtain or retain business or favorable treatment is a criminal act subject to prosecution and conviction. Discuss with your supervisor or the Compliance Officer any proposed entertainment or gifts if you are uncertain about their appropriateness.

### **13. *Political Contributions & Activity***

Political contributions are highly regulated and violations are subject to serious penalties. Accordingly, employees should not make any political contributions on behalf of the Company anywhere in the world. This includes financial and in-kind contributions made by the Company. If you engage in personal political activity, you must do so on your own time with your own resources. Be careful to separate your own political activities from those of the Company and do not use Company property or equipment for personal political purposes, because even the appearance of a Company contribution of time or resources could be viewed as a violation.

### **14. *Quality***

The Company is committed to quality and integrity in all its research, development, and manufacturing operations. Each employee is responsible for knowing and abiding by the laws and regulations that apply to these activities, including without limitation, good laboratory practices, good clinical practices, good manufacturing practices, good distribution practices, and applicable country-specific regulation. The Company will not tolerate the falsification or fabrication of research, clinical or manufacturing data.

### **15. *Product Promotion & Advertising***

The Company is committed to complying with all applicable laws, rules and regulation for the countries in which it markets products. No employee, or consultant acting on behalf of the Company, may promote a product for use before the product is approved for such use. This limitation however, does not restrict the appropriate exchange of scientific information in medical forums and upon specific unsolicited request for such information. The promotion of approved Company products shall be done in a factually accurate and balanced manner, shall not be false nor misleading in any way, and facilitated by only those unaltered materials reviewed and approved by an internal cross-functional committee.

### **16. *Protection and Proper Use of Company Assets***

All employees are expected to protect our assets and ensure their efficient use. Theft, carelessness and waste have an effect on our profitability. Our property, such as office supplies, lab equipment, computer equipment, buildings and products, are expected to be used only for legitimate business purposes, although incidental personal use may be permitted. You may not, however, use our corporate name, any brand name or trademark owned or associated with the Company or any letterhead stationery for any personal purpose.

You may not, while acting on behalf of the Company or while using our computing or communications equipment or facilities, either:

- access confidential systems (also known as "hacking") or other resource of another entity without express written authorization from the entity responsible for operating that resource; or
-

- commit any unlawful or illegal act, including harassment, libel, fraud, sending of unsolicited bulk email (also known as “spam”) in violation of applicable law, trafficking in contraband of any kind or espionage.

If you receive authorization to access another entity’s internal computer system or other resource, you must make a permanent record of that authorization so that it may be retrieved for future reference, and you may not exceed the scope of that authorization.

Unsolicited bulk email is regulated by law in a number of jurisdictions. If you intend to send unsolicited bulk email to persons outside of the Company, either while acting on our behalf or using our computing or communications equipment or facilities, you should contact your supervisor or the Compliance Officer for approval.

All data residing on or transmitted through our computing and communications facilities, including email and word processing documents, is the property of the Company and subject to inspection, retention and review by the Company, with or without an employee’s or third party’s knowledge, consent or approval, in accordance with applicable law. Any misuse or suspected misuse of our assets must be immediately reported to your supervisor or the Compliance Officer.

## **17. Confidentiality**

One of our most important assets is our confidential information. As an employee of the Company, you may learn of information about the Company that is confidential and proprietary. You also may learn of information before that information is released to the general public. Employees who have received or have access to confidential information should take care to keep this information confidential. Confidential information includes non-public information that might be of use to competitors or harmful to the Company or its customers if disclosed, such as business, marketing and service plans, financial information, product architecture, source codes, inventions, chemical structures, designs, databases, customer lists, pricing strategies, personnel data, personally identifiable information pertaining to our employees, customers or other individuals (including, for example, names, addresses, telephone numbers and social security numbers), and similar types of information provided to us by our customers, suppliers and partners. This information may be protected by patent, trademark, copyright and trade secret laws.

In addition, because we interact with other companies and organizations, there may be times when you learn confidential information about other companies before that information has been made available to the public. You must treat this information in the same manner as you are required to treat our confidential and proprietary information. There may even be times when you must treat as confidential the fact that we have an interest in, or are involved with, another company.

You are expected to keep confidential and proprietary information confidential unless and until that information is released to the public through approved channels (usually through a press release, an SEC filing or a formal communication from a member of senior management, as further described in Section 18). Every employee has a duty to refrain from disclosing to any person confidential or proprietary information about us or any other company learned in the course of employment here, until that information is disclosed to the public through approved channels. This policy requires you to refrain from discussing confidential or proprietary information with outsiders and even with other Company employees, unless those fellow employees have a legitimate need to know the information in order to perform their job duties. Unauthorized use or distribution of this information could also be illegal and result in civil liability and/or criminal penalties.

You should also take care not to inadvertently disclose confidential information. Materials that contain confidential information, such as memos, notebooks, computer disks and laptop computers, should be stored securely. Unauthorized posting or discussion of any information concerning our business, information or prospects on the Internet is prohibited. You may not discuss our business, information or prospects in any non-Company hosted public “chat room,” web log (“blog”), or other similar electronic environment, regardless of whether you use your own name or a pseudonym. Be cautious when discussing sensitive information in public places like elevators, airports, restaurants and “quasi-public” areas within the Company. All Company emails, voicemails and other communications are presumed confidential and

should not be forwarded or otherwise disseminated outside of the Company except where required for legitimate business purposes.

In addition to the above responsibilities, if you are handling information protected by any privacy policy published by us, then you must handle that information in accordance with the applicable policy.

## **18. Media/Public Discussions**

It is our policy to disclose material information concerning the Company to the public only through specific limited channels to avoid inappropriate publicity and to ensure that all those with an interest in the Company will have equal access to information. All inquiries or calls from the press and financial analysts should be referred to the Chief Executive Officer, Chief Scientific Officer or Chief Financial Officer. We have designated these individuals as our official spokespersons for financial matters, marketing, technical and other related information. Unless they have made a specific exception, these designees are the only people who may communicate with the press on behalf of the Company. You also may not provide any information to the media about us off the record, for background, confidentially or secretly.

## **19. Waivers**

Any waiver of this Code for executive officers (including, where required by applicable laws, our principal executive officer, principal financial officer, principal accounting officer or controller (or persons performing similar functions)) or directors may be authorized only by our Board of Directors or, to the extent permitted by the rules of Nasdaq, a committee of the Board of Directors and will be disclosed to stockholders as required by applicable laws, rules and regulations.

## **20. Compliance Standards and Procedures**

### **Compliance Resources**

To facilitate compliance with this Code, we have established the position of Compliance Officer to oversee this program. The Compliance Officer is a person to whom you can address any questions or concerns. Our Chief Financial Officer serves as our Compliance Officer. In addition to fielding questions or concerns with respect to potential violations of this Code, the Compliance Officer is responsible for:

- investigating possible violations of this Code, both autonomously and in partnership with other functions as needed (e.g., supporting Human Resources on matters of workplace violence, harassment or discrimination);
- training new employees on the Code and supporting policies;
- maintaining access to an electronic version of the Code and ensuring that each employee receives annual refresher training and certifies to their understanding of and compliance with the Code;
- distributing copies of this Code annually via email to each employee with a reminder that each employee is responsible for reading, understanding and complying with this Code;
- collaborating with Human Resources, management, and other departments as needed on corrective actions to ensure consistent enforcement of disciplinary measures;
- updating this Code as needed and alerting employees to any updates, with appropriate approval of the Audit Committee of the Board of Directors, to reflect changes in the law, Company operations and in recognized best practices, and to reflect Company experience; and otherwise promoting an atmosphere of responsible and ethical conduct.

Your most immediate resource for any matter related to this Code is your supervisor. He or she may have the information you need or may be able to refer the question to another appropriate source. There may, however, be times when you prefer not to go to your supervisor. In these instances, you should feel free to discuss your concern with the Compliance Officer. If you are uncomfortable speaking with the Compliance Officer because he or she works in your department or is one of your supervisors, please contact the Chief Executive Officer. Of course, if your concern involves potential misconduct by another person and relates to questionable accounting or auditing matters, you may report that violation directly to the Audit Committee of the Board of Directors.

### **Clarifying Questions and Concerns; Reporting Possible Violations**

If you encounter a situation or are considering a course of action and its appropriateness is unclear, discuss the matter promptly with your supervisor or the Compliance Officer; even the appearance of impropriety can be very damaging and should be avoided.

If you are aware of a suspected or actual violation of Code standards by others, you have a responsibility to report it. You are expected to promptly provide a compliance resource with a specific description of the violation that you believe has occurred, including any information you have about the persons involved and the time of the violation. Whether you choose to speak with your supervisor or the Compliance Officer, you should do so without fear of any form of retaliation. We will take prompt disciplinary action against any employee who retaliates against you, including termination of employment.

Supervisors must promptly report any complaints or observations of Code violations to the Compliance Officer. If you believe your supervisor has not taken appropriate action, you should contact the Compliance Officer directly. The Compliance Officer will investigate all reported possible Code violations promptly and with the highest degree of confidentiality that is possible under the specific circumstances. Neither you nor your supervisor may conduct any preliminary investigation, unless authorized to do so by the Compliance Officer. Your cooperation in the investigation will be expected. As needed, the Compliance Officer will consult with the Human Resources department and/or the Audit Committee of the Board of Directors. It is our policy to employ a fair process by which to determine violations of this Code.

With respect to any complaints or observations of violations that may involve accounting, internal accounting controls and auditing concerns, the Compliance Officer shall promptly inform the Audit Committee of the Board of Directors, and the Audit Committee of the Board of Directors shall be responsible for supervising and overseeing the inquiry and any investigation that is undertaken.

If any investigation indicates that a violation of this Code has probably occurred, we will take such action as we believe to be appropriate under the circumstances. If we determine that an employee is responsible for a Code violation, he or she will be subject to disciplinary action up to, and including, termination of employment and, in appropriate cases, civil action or referral for criminal prosecution. Appropriate action may also be taken to deter any future Code violations.

---

## CERTIFICATION

I, Chandler D. Robinson, certify that:

1. I have reviewed this Annual Report on Form 10-K of Monopar 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(s) 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)) 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 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
5. The registrant's other certifying officer(s) 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 26, 2018

/s/ CHANDLER D. ROBINSON

Chandler D. Robinson

Chief Executive Officer

---

## CERTIFICATION

I, Kim R. Tsuchimoto, certify that:

1. I have reviewed this Annual Report on Form 10-K of Monopar 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(s) 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)) 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 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
5. The registrant's other certifying officer(s) 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 26, 2018

/s/ KIM R. TSUCHIMOTO

Kim R. Tsuchimoto

Chief Executive Officer

---

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of Monopar 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), we, Chandler D. Robinson, and Kim R. Tsuchimoto, hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (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.

/s/ CHANDLER D. ROBINSON

Chandler D. Robinson

Chief Executive Officer

March 26, 2018

/s/ KIM R. TSUCHIMOTO

Kim R. Tsuchimoto

Chief Executive Officer

March 26, 2018

*This certification accompanies the Form 10-K to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Monopar Therapeutics Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-K), irrespective of any general incorporation language contained in such filing.*

---