As submitted to the Securities and Exchange Commission confidentially on March 21, 2018

Registration No. 333-

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

Confidential Submission No. 2
on
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Evelo Biosciences, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**2834**	**46-5594527**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification No.)**

620 Memorial Drive, Suite 200
Cambridge, Massachusetts 02139
(617) 577-0300
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Balkrishan (Simba) Gill, Ph.D.
President and Chief Executive Officer
Evelo Biosciences, Inc.
620 Memorial Drive, Suite 200
Cambridge, Massachusetts 02139
(617) 577-0300
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Peter N. Handrinos	**Stuart M. Cable**
Wesley C. Holmes	**Edwin M. O'Connor**
Latham & Watkins LLP	**Goodwin Procter LLP**
200 Clarendon Street	**100 Northern Avenue**
Boston, Massachusetts 02116	**Boston, Massachusetts 02210**
(617) 948-6000	**(617) 570-1000**

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

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

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

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

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

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

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

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To Be Registered	**Proposed Maximum Aggregate Offering Price (1)(2)**	**Amount of Registration Fee (3)**
Common Stock, $0.001 par value per share	$	$

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

(2) Includes the aggregate offering price of additional shares that the underwriters have the option to purchase to cover over-allotments, if any.

(3) Calculated pursuant to Rule 457(o) based on an estimate of the proposed maximum aggregate offering price.

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

EXPLANATORY NOTE

This filing is being submitted confidentially solely for the purpose of submitting Exhibits 10.15, 10.16 and 10.17 to the Registration Statement on Form S-1 (the "Registration Statement"). No change is made to the prospectus constituting Part I of the Registration Statement or Items 13, 14 or 17 of Part II of the Registration Statement.

Part II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table indicates the expenses to be incurred in connection with the offering described in this registration statement, other than underwriting discounts and commissions, all of which will be paid by us. All amounts are estimated except the Securities and Exchange Commission registration fee, the Financial Industry Regulatory Authority, Inc., or FINRA, filing fee and the Nasdaq listing fee.

	Amount
Securities and Exchange Commission registration fee	$ *
FINRA filing fee	*
Initial listing fee	*
Accountants' fees and expenses	*
Legal fees and expenses	*
Blue Sky fees and expenses	*
Transfer Agent's fees and expenses	*
Printing and engraving expenses	*
Miscellaneous	*
Total expenses	$ *

* To be filed by amendment.

Item 14. Indemnification of Directors and Officers.

Section 102 of the General Corporation Law of the State of Delaware permits a corporation to eliminate the personal liability of directors of a corporation to the corporation or its stockholders for monetary damages for a breach of fiduciary duty as a director, except where the director breached his duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit. Our restated certificate of incorporation provides that no director of the Registrant shall be personally liable to it or its stockholders for monetary damages for any breach of fiduciary duty as a director, notwithstanding any provision of law imposing such liability, except to the extent that the General Corporation Law of the State of Delaware prohibits the elimination or limitation of liability of directors for breaches of fiduciary duty.

Section 145 of the General Corporation Law of the State of Delaware provides that a corporation has the power to indemnify a director, officer, employee, or agent of the corporation, or a person serving at the request of the corporation for another corporation, partnership, joint venture, trust or other enterprise in related capacities against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with an action, suit or proceeding to which he was or is a party or is threatened to be made a party to any threatened, ending or completed action, suit or proceeding by reason of such position, if such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, in any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful, except that, in the case of actions brought by or in the right of the corporation, no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or other adjudicating court determines that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Our restated certificate of incorporation provides that we will indemnify each person who was or is a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding (other than an action by or in the right of us) by reason of the fact that he or she is or was, or has agreed to become, a director or officer, or is or was serving, or has agreed to serve, at our request as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (all such persons being referred to 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 in connection with such action, suit or proceeding and any appeal therefrom, if such Indemnitee acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, our best interests, and, with respect to any criminal action or proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful. Our restated certificate of incorporation provides that we will indemnify any Indemnitee who was or is a party to an action or suit by or in the right of us to procure a judgment in our favour by reason of the fact that the Indemnitee is or was, or has agreed to become, a director or officer, or is or was serving, or has agreed to serve, at our request as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise, or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees) and, to the extent permitted by law, amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding, and any appeal therefrom, if the Indemnitee acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, our best interests, except that no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to us, unless a court determines that, despite such adjudication but in view of all of the circumstances, he or she is entitled to indemnification of such expenses. Notwithstanding the foregoing, to the extent that any Indemnitee has been successful, on the merits or otherwise, he or she will be indemnified by us against all expenses (including attorneys' fees) actually and reasonably incurred in connection therewith. Expenses must be advanced to an Indemnitee under certain circumstances.

We intend to enter into indemnification agreements with each of our directors and executive officers. These indemnification agreements may require us, among other things, to indemnify our directors and executive officers to the fullest extent permitted by Delaware law, including indemnification of expenses such as attorneys' fees, judgments, fines and settlement amounts incurred by the director or executive officer in any action or proceeding, including any action or proceeding by or in right of us, arising out of the person's services as a director or executive officer.

We maintain a general liability insurance policy that covers certain liabilities of directors and officers of our corporation arising out of claims based on acts or omissions in their capacities as directors or officers.

In any underwriting agreement we enter into in connection with the sale of common stock being registered hereby, the underwriters will agree to indemnify, under certain conditions, us, our directors, our officers and persons who control us within the meaning of the Securities Act of 1933, as amended, or the Securities Act, against certain liabilities.

Item 15. Recent Sales of Unregistered Securities.

Set forth below is information regarding shares of capital stock issued by us within the past three years. Also included is the consideration received by us for such shares and information relating to the section of the Securities Act, or rule of the Securities and Exchange Commission, under which exemption from registration was claimed.

(a) Issuance of Capital Stock.

From June 29, 2015 through December 8, 2016, the registrant issued an aggregate of 11,666,668 shares of Series A Preferred Stock for aggregate consideration of $7.0 million and 1,703,611 shares of Series A Preferred

Stock in converted promissory notes upon the cancellation of principal debt totalling $1.0 million principal plus $22,167 accrued interest to accredited investors, (ii) 10,102,055 shares of Series A-1 Preferred Stock for an aggregate consideration of $6.1 million to accredited investors, (iii) 5,833,334 shares of Series A-2 Preferred Stock for an aggregate consideration of $7.0 million to accredited investors, (iv) 8,749,650 shares of Series A-3 Preferred Stock for an aggregate consideration of $10.5 million to accredited investors, all pursuant to Section 4(a)(2) of the Securities Act and Rule 506 as transactions not involving a public offering.

From January 5, 2017 through January 30, 2018, the registrant issued an aggregate of 28,027,778 shares of Series B Preferred Stock for aggregate consideration of $50.5 million, including $450,000 of consulting services rendered, to accredited investors pursuant to Section 4(a)(2) of the Securities Act and Rule 506 as transactions not involving a public offering.

From February 9, 2018 through March 9, 2018, the registrant issued an aggregate of 25,232,199 shares of Series C Preferred Stock for aggregate consideration of $81.5 million to accredited investors pursuant to Section 4(a)(2) of the Securities Act and Rule 506 as transactions not involving a public offering.

(b) Equity Grants.

From June 8, 2015 to January 25, 2018, the registrant granted stock options to purchase an aggregate of 18,485,182 shares of its common stock with exercise prices ranging between $0.001 and $0.97 per share, and 120,826 shares of restricted common stock to employees, non-employees, and directors in connection with services provided to the registrant by such parties pursuant to Section 4(a)(2) and Rule 701 of the Securities Act as transactions not involving a public offering.

(c) Warrants.

From November 13, 2015 to March 21, 2016, the registrant issued warrants to purchase an aggregate of 100,000 shares of Series A preferred stock at an exercise price of $0.60 per share to Comerica Bank pursuant to Section 4(a)(2) of the Securities Act as transactions not involving a public offering.

On June 10, 2016, the registrant issued a warrant to purchase common stock at an exercise price of $0.01 per share to Mayo Foundation for Medical Education and Research pursuant to Section 4(a)(2) of the Securities Act as a transaction not involving a public offering. The warrant is currently exercisable for an aggregate of 549 shares of common stock.

On August 15, 2016, the registrant issued warrants to purchase an aggregate of (i) 62,497 shares of Series A-1 preferred stock at an exercise price of $0.60 per share and (ii) 31,248 shares of Series A-3 preferred stock at an exercise price of $1.20 per share to Pacific Western Bank pursuant to Section 4(a)(2) of the Securities Act as transactions not involving a public offering.

On February 7, 2018, the registrant issued warrants to purchase an aggregate of 34,722 shares of Series B preferred stock at an exercise price of $1.80 per share to Pacific Western Bank pursuant to Section 4(a)(2) of the Securities Act as transactions not involving a public offering.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits.

Exhibit Number	Description of Exhibit
1.1*	Form of Underwriting Agreement
3.1**	Amended and Restated Certificate of Incorporation of the Registrant, as amended (currently in effect)
3.2**	Bylaws of the Registrant (currently in effect)
3.3*	Form of Restated Certificate of Incorporation of the Registrant (to be effective upon the closing of this offering)
3.4*	Form of Amended and Restated Bylaws of the Registrant (to be effective upon the closing of this offering)
4.1**	Fourth Amended and Restated Investors' Rights Agreement, dated February 9, 2018, by and among the Registrant and the investors named therein
4.2*	Specimen Stock Certificate evidencing the shares of common stock
4.3**	Common Stock Purchase Warrant issued to Mayo Foundation for Medical Education and Research, dated June 10, 2016
4.4**	Warrant to Purchase Stock issued to Comerica Bank, dated November 13, 2015, to purchase Series A preferred stock
4.5**	Amended and Restated Warrant to Purchase Stock issued to Pacific Western Bank, dated August 15, 2016, to purchase Series A-1 preferred stock
4.6**	Warrant to Purchase Stock issued to Pacific Western Bank, dated August 15, 2016, to purchase Series A-3 preferred stock
4.7**	Second Warrant to Purchase Stock issued to Pacific Western Bank, dated February 7, 2018, to purchase Series B preferred stock
5.1*	Opinion of Latham & Watkins LLP
10.1#**	2015 Stock Incentive Plan, as amended through December 27, 2017, and forms of agreements thereunder
10.2#*	2018 Incentive Award Plan and forms of agreements thereunder
10.3#*	2018 Employee Stock Purchase Plan and forms of agreements thereunder
10.4#*	Non-Employee Director Compensation Program
10.5#*	Form of Indemnification Agreement for Directors and Officers
10.6**	Lease between the Registrant and 620 Memorial Leasehold LLC, dated July 14, 2015, as amended on January 24, 2018
10.7*	Sublease Agreement between the Registrant and Bio-Rad Laboratories, Inc., dated December 27, 2017
10.8#*	Employment Agreement between the Registrant and Mark Bodmer, Ph.D. (to be effective upon the closing of this offering)

10.9#*	Employment Agreement between the Registrant and Balkrishan (Simba) Gill, Ph.D. (to be effective upon the closing of this offering)
10.10#*	Employment Agreement between the Registrant and Duncan McHale, M.D., Ph.D. (to be effective upon the closing of this offering)
10.11#*	Offer Letter between the Registrant and Mark Bodmer, Ph.D., dated October 6, 2015
10.12#*	Offer Letter between the Registrant and Balkrishan (Simba) Gill, Ph.D., dated June 25, 2015
10.13#*	Employment Agreement between the Registrant and Duncan McHale, M.D., Ph.D., dated December 15, 2017
10.14*	Agreement for the Supply of Services, dated January 1, 2017, as amended on July 22, 2017, between the Registrant and Weatherden Ltd.
10.15†	Patent License Agreement between Mayo Foundation for Medical Education and Research and the Registrant, dated August 6, 2017
10.16†	Exclusive License Agreement between The University of Chicago for an Immuno-oncology Technology and the Registrant, dated March 10, 2016
10.17†	Exclusivity and Commitment Agreement between Biose and the Registrant, dated February 15, 2018
10.18*	Loan and Security Agreement between Pacific Western Bank and the Registrant, dated August 15, 2016, as amended on June 14, 2017, August 18, 2017 and February 7, 2018
21.1**	Subsidiaries of the Registrant
23.1*	Consent of Ernst & Young LLP
23.2*	Consent of Latham & Watkins LLP (included in Exhibit 5.1)
24.1	Power of Attorney (included on signature page)

* To be filed by amendment.
** Previously filed.
# Indicates management contract or compensatory plan.
† Portions of this exhibit (indicated by asterisks) have been omitted pursuant to a request for confidential treatment pursuant to Rule 406 under the Securities Exchange Act of 1933.

(b) Financial Statement Schedules. Schedules not listed above have been omitted because the information required to be set forth therein is not applicable or is shown in the audited consolidated financial statements or notes thereto.

Item 17. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriter, at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Cambridge, Commonwealth of Massachusetts, on this day of , 2018.

EVELO BIOSCIENCES, INC.

By: _____

Balkrishan (Simba) Gill, Ph.D.
President and Chief Executive Officer

SIGNATURES AND POWER OF ATTORNEY

We, the undersigned officers and directors of Evelo Biosciences, Inc., hereby severally constitute and appoint Balkrishan (Simba) Gill, Ph.D. and , and each of them singly (with full power to each of them to act alone), our true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution in each of them for him or her and in his or her name, place and stead, and in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement (or any other registration statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933), and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as full to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their, his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities held on the dates indicated.

Signature	Title	Date
Balkrishan (Simba) Gill, Ph.D.	President, Chief Executive Officer and Director (principal executive officer, principal financial officer and principal accounting officer)	, 2018
Noubar B. Afeyan, Ph.D.	Chairman of the Board of Directors	, 2018
Lord Ara Darzi	Director	, 2018
David R. Epstein	Director	, 2018
Theodose Melas-Kyriazi	Director	, 2018
David P. Perry	Director	, 2018

Confidential Treatment Requested Evelo Biosciences, Inc.

MAYO FOUNDATION FOR MEDICAL EDUCATION AND RESEARCH
PATENT LICENSE AGREEMENT

This patent license agreement ("**Agreement**") is by and between **Mayo Foundation for Medical Education and Research**, a Minnesota charitable corporation, located at 200 First Street SW, Rochester, Minnesota 55905-0001 ("MAYO"), and **Evelo Biosciences, Inc.** ("COMPANY"), a Delaware corporation, having a place of business at 620 Memorial Drive, Suite 200 West, Cambridge, Massachusetts 02139, each a "Party," and collectively "Parties".

WHEREAS, MAYO desires to make its intellectual and tangible property rights available for the development and commercialization of products, methods and processes for public use and benefit;

WHEREAS, COMPANY represents itself as being knowledgeable in developing and commercializing therapeutic technologies based on oral administration of bacteria; and

WHEREAS, MAYO is willing to grant and COMPANY is willing to accept an exclusive license under such rights for the purpose of developing such technology.

NOW THEREFORE, in consideration of the foregoing and the terms and conditions set forth below, the Parties hereby agree as follows:

Article 1.00 – Definitions

For purposes of this Agreement, the terms defined in this Article will have the meaning specified and will be applicable both to the singular and plural forms:

1.01 For MAYO, **"Affiliate"**: any corporation or other entity within the same "controlled group of corporations" as MAYO or its parent MAYO Clinic. For purposes of this definition, the term "controlled group of corporations" will have the same definition as Section 1563 of the Internal Revenue Code as of November 10, 1998, but will include corporations or other entities which if not a stock corporation, more than fifty percent (50%) of the board of directors or other governing body of such corporation or other entity is controlled by a corporation within the controlled group of corporations of MAYO or Mayo Clinic. MAYO's Affiliates include, but are not limited to: Mayo Clinic; Mayo Collaborative Services, LLC; Mayo Clinic Hospital, Rochester; Mayo Clinic Florida; Mayo Clinic Arizona; and its Mayo Clinic Health System entities.

For COMPANY, **"Affiliate"**: any corporation or other entity that controls, is controlled by, or is under common control with, COMPANY. For purposes of this definition, "control" means ownership of: (a) at least fifty percent (50%) or the maximum percentage, if less than fifty percent (50%), as allowed by applicable law, of the outstanding voting securities of such entity; or (b) at least fifty percent (50%) of the decision-making authority of such entity.

1.02 "Confidential Information": all proprietary unpublished or nonpublic information or materials including, but not limited to, written, oral or virtually presented information and such items as electronic media products, trade secrets, financial information, equipment, databases

and the like provided by one Party to the other under this Agreement, or which is observed by a Party while on the other Party's premises. Confidential Information does not include any information or material that receiving party evidences is: (a) already known to the receiving party at the time of disclosure (other than from the disclosing party); (b) publicly known other than through acts or omissions of the receiving party; (c) disclosed to the receiving party by a third party who was not and is not under any obligation of confidentiality; or (d) independently developed by employees of the receiving party without knowledge of or access to the Confidential Information.

1.03 "Effective Date": August 6, 2017.

1.04 "Field": All uses

1.05 "Know-How": research and development information, materials, technical data, unpatented inventions, trade secrets, know-how and supportive information of Joseph A. Murray, M.D., Eric V. Marietta, Ph.D., Susan H. Barton, M.D., Veena Taneja, Ph.D. and Ashutosh Mangalam, Ph.D., owned and controlled by MAYO as of the Effective Date, to the extent it is necessary for the development or manufacture of a Licensed Product ([***]). For clarity, "materials" herein shall not mean Licensed Materials defined herein.

1.06 "Licensed Product": any product or process that: (a) incorporates a composition, or is made by a method, or that entails use of a method or which infringes an issued claim of the Patent Rights, or that would infringe but for the exception in 35 U.S.C. §271(e)(1), or similar exception in the United States or other countries, or that is covered by a Valid Claim of the Licensed Patents, or (b) incorporates, utilizes, or is derived from the Know-How or Licensed Materials.

1.07 "Licensed Materials": means *Prevotella histicola* strain B-50329 and any progeny and derivatives thereof.

1.08 "Net Sales": shall mean the amounts invoiced from the sale of Licensed Product by COMPANY, its Affiliates or a Sublicensee to any third parties, in accordance with generally accepted accounting principles, less the following deductions:

(a) Allowances and rebates actually paid, granted or accrued, including rejections, damaged or defective goods, returns, recalls, retroactive price reductions, rebates, charge backs and prompt payment and volume discounts, billing errors, reimbursements or similar payments to wholesalers or other distributors, buying groups health insurance carriers or other institutions, pharmacy benefit management companies, health maintenance organizations or any governmental or regulatory authority or agency (including their purchasers and/or reimbursers), adjustments from consumer discount programs; and

(b) In the event gross sales includes freight, transportation, packing, handling, storage fees, governmental duties relating to sales or taxes and/or insurance charges associated with transportation, such amounts will be deducted to calculate Net Sales subject to Royalty. When such fees are invoiced separately, these amounts will be excluded from any gross to Net Sales calculations.

(c) Taxes based on sales when included in gross sales, duties and other governmental charges (including value added tax), but not taxes assessed on income derived from such sales.

(d) Any invoiced amounts that are not collected by Company and its Licensed Entities, including bad debts relating to such Licensed Products, provided such deductions for uncollected amounts or bad debts may not exceed [***] of Net Sales in any one year. Company will provide Mayo with documentation upon request of such write-offs of uncollected amounts or bad debts.

Net Sales accrues with the first of delivery or invoice.

In the event that a Licensed Product is sold in combination with another product that is not a Licensed Product ("Combination Product"), Net Sales, for purposes of royalty payments on the Combination Product, shall be calculated by multiplying the Net Sales on sale of that combination by the fraction A/B, where A is the gross selling price of the Licensed Product sold separately and B is the gross selling price of the Combination Product. In the event that no such separate sales are made by the COMPANY, Net Sales for royalty determination shall be calculated by multiplying Net Sales of the combination by the fraction C/(C+D) where C is the fully allocated cost of the Licensed Product and D is the fully allocated cost of other components, such standard costs being determined using the COMPANY's standard accounting procedures.

For the avoidance of doubt, Net Sales shall not include sales by Company to its Affiliates or a Sublicensee for resale, provided that if Company sells a Licensed Product to an Affiliate or a Sublicensee for resale, Net Sales shall include the amounts invoiced by such Affiliate or Sublicensee, to third parties on the resale of such Licensed Product subject to the deductions above.

1.09 "**Non-commercial Research Purpose":** means the use of Licensed Patents or Licensed Material or both for academic research, education, or other not-for-profit scholarly purposes which are undertaken at a non-profit or government institution. For clarity, Non-Commercial Research Purposes excludes use in humans.

1.10 "Patent Rights": means, to the extent owned and/or controlled by Mayo: (i) the patents and patent applications listed on Schedule A attached hereto, including all divisions, continuations, foreign counterparts, and any patents which may issue from such patent applications and any reexamination, reissues, substitutions, extensions of or to or supplementary protection certificates referencing any such patents or patent applications; and (ii) any claims in continuations-in-part of any of the foregoing to the extent such claims are fully supported under 35 U.S.C. §112 by the patents and/or patent applications in (i) above.

1.11 "Sublicensee": any third party or any Affiliate to whom COMPANY has conveyed rights or the forbearance of suit under the Patent Rights, Know-How or Licensed Materials.

1.12 "Term": begins on the Effective Date and ends, subject to Article 10 (Term and Termination), upon the date of the last to expire of the Patent Rights, unless the Know-How or Licensed Materials are still in use, or were used such that Section 3.04 (Earned Royalties) and Article 4 (Accounting and Reports) still apply, in which case the Term shall end upon the date of the satisfaction of these provisions.

1.13 "Territory": worldwide.

1.14 "Valid Claim": A claim of (a) a pending patent application within the Patent Rights that has not been pending for more than [***] from its earliest priority date, or (b) an issued claim of any unexpired Patent Rights or a claim of any pending Patent Rights that have not been held unenforceable, unpatentable, or invalid by a decision of a court or governmental body of competent jurisdiction in a ruling that is unappealable or unappealed within the time allowed for appeal, and that has not been disclaimed or admitted to be invalid or unenforceable through reissue, re-examination, disclaimer or otherwise.

Article 2.00 - Grant of Rights

2.0l GRANT. Subject to the terms and conditions of this Agreement, MAYO grants to COMPANY: (a) an exclusive license with the right to sublicense, within the Field and Territory, under the Patent Rights to make, have made, use, offer for sale, sell, and import Licensed Products; and (b) an exclusive license, with the right to sublicense, within the Field and Territory, to use the Licensed Materials to develop, make, have made, use, offer for sale, sell, and import Licensed Products; and (c) a nonexclusive license within the Field and Territory, to use the Know-How to develop, make, have made, use, offer for sale, sell, and import Licensed Products.

To facilitate the practice of the license granted to COMPANY, during the [***] following the last signature hereto, MAYO will deliver to COMPANY the Licensed Materials and provide physical and electronic documents embodying the Know How. In addition, MAYO shall provide reasonable access to knowledgeable personnel to transfer Know-How or Licensed Materials to COMPANY and enable its use by the COMPANY, but in no event shall MAYO be required to provide any Know-How or Licensed Materials in tangible form if it does not exist in tangible form as of the Effective Date, and in no event shall MAYO be required to provide more than forty-eight (48) hours of service of such access.

2.02 RESERVATION OF RIGHTS. COMPANY acknowledges that the inventions claimed in the Patent Rights were made with funds provided by the U.S. Government. All rights granted to COMPANY herein are subject to: (a) the rights and obligations to and requirements of the U.S. government set forth in 35 U.S.C. §§200 et al., 37 C.F.R. Part 401 et al. ("Bayh-Dole Act"); and (b) MAYO's and its Affiliates' reserved, irrevocable, noncommercial, internal right to practice and have practiced the Patent Rights and Licensed Material in connection with MAYO's

and its Affiliates' Non-commercial Research Purpose, including MAYO's reference laboratory, Mayo Collaborative Services, LLC, and Mayo Clinic Care Network. COMPANY agrees to comply with the provisions of the Bayh-Dole Act, including promptly providing to MAYO with information requested to enable MAYO to meet its compliance requirements and substantially manufacturing Licensed Product in the U.S to the extent required by 35 U.S.C. § 204. For clarity, Non-commercial Research Purposes excludes use in humans.

2.03 NO OTHER RIGHTS GRANTED. This Agreement does not grant any right, title or interest in or to any tangible or intangible property right of MAYO or its Affiliates, including any improvements thereon, or to any Patent Rights or Know-How or Licensed Materials outside the Field or Territory that is not expressly stated in Section 2.01 (Grant). All such rights, titles and interests are expressly reserved by MAYO and COMPANY agrees that in no event will this Agreement be construed as a sale, an assignment or an implied license by MAYO or its Affiliates to COMPANY of any such tangible or intangible property rights.

2.04 SUBLICENSES. Any sublicense by COMPANY shall be to a Sublicensee that agrees in writing to be bound by substantially the same terms and conditions of this Agreement, excluding financial terms and conditions, or such sublicense shall be null and void. Sublicenses granted by COMPANY hereunder may be transferable, including by further sublicensing, delegatable or assignable. COMPANY will notify MAYO within [***] after the grant of any Sublicense and provide MAYO with a copy of each sublicense agreement promptly after execution; provided such Sublicense may be redacted to delete any terms that are not material to compliance with this Agreement. COMPANY is responsible for the performance of all Sublicensees as if such performance were carried out by COMPANY itself, including the payment of any royalties or other payments provided for hereunder triggered by such Sublicense, regardless of whether the terms of any sublicense require that Sublicensee pay such amounts (such as in a fully paid-up license) to COMPANY or that such amounts be paid by the Sublicensee directly to MAYO. Each sublicense agreement shall name MAYO as a third party beneficiary; provided, MAYO may only exercise its rights as a third party beneficiary if COMPANY has failed to take steps to correct any breach by a Sublicensee identified by MAYO. COMPANY shall not grant any fully-paid up, royalty-free or exclusive sublicenses without MAYO's prior written consent; provided, COMPANY and its Sublicensees may grant sublicenses, with MAYO's consent, to third parties performing contract services on behalf of the COMPANY with regard to Licensed Products, e.g, pre-clinical toxicology, manufacturing, clinical trial conduct, etc. In the event of any termination of this Agreement, any Sublicensee that is not then in material breach of this Agreement shall have the right to retain its sublicense to the Patent Rights, Know How and Licensed Materials by providing notice to MAYO, and in such event any Sublicensee shall pay directly to MAYO any amounts that would be due to MAYO from COMPANY hereunder for activities conducted by such Sublicensee.

Article 3.00 - Royalties

3.01 UP-FRONT. Within [***] of the Effective Date, COMPANY will make a nonrefundable and noncreditable up-front payment to MAYO of TWO HUNDRED AND TWENTY-FIVE THOUSAND DOLLARS (US $225,000) for entering into this agreement.

3.02 ANNUAL LICENSE MAINTENANCE FEE. Beginning on the second anniversary of the Effective Date and continuing for the term of this Agreement, COMPANY will pay to MAYO Annual License Maintenances fees on the applicable anniversary of the Effective Date. The first License Maintenance fee payment will be [***]. The Annual License Maintenance fee due in subsequent years will be [***]. Annual License Maintenance Fees shall not be due in any year where the aggregate amount of the Milestone Fees and Earned Royalties are greater than the applicable Annual License Maintenance Fee. If in any year during the Term the aggregate amount of the Milestone Fees and Earned Royalties payments made during such year is less than the applicable Annual License Maintenance Fee for such year (a "Shortfall"), then COMPANY shall make an Annual License Maintenance Fee payment to MAYO in the amount of the Shortfall together with the Milestone Fees and Earned Royalty payment for such year.

3.03 MILESTONE FEES. COMPANY will pay the following nonrefundable and noncreditable milestone fees to MAYO upon the achievement each of the following events:

	EVENT	MILESTONE PAYMENT
1	Completion of all GLP toxicology studies necessary to file an IND	[***]
2	Commencement of the first human testing of the first Licensed Product (first person, first dose). For clarity, this includes a healthy volunteer study.	[***]
3	Completion of the first human testing of the first Licensed Product	[***]
4	First patient dosed in the first Phase III Clinical Trial for the first Licensed Product	[***]
5	First Commercial Sale (first indication) of Licensed Product in the US	[***]
6	BLA approval for a second indication of each Licensed Product by the FDA	[***]
7	Upon reaching US Net Sales of Licensed Product of over [***] in one calendar year	[***]

Each milestone payment shall be payable only once, upon the first occurrence of the corresponding milestone event, whether achieved by the same or a different Licensed Product than had achieved any other milestone event, except that milestones 5 and 6 are payable not more than twice regardless of how many Licensed Products achieve these milestones.

As used herein: "**Completion"** means with respect to milestone 1, completion of the final reports of such studies; "**Commencement**" means with respect to milestone 2, first dosing of the first human subject; "**Completion**" means with respect to milestone 3, lock of the trial database; "**Phase III Clinical Trial**" means with respect to milestone 4, a human clinical study

of a biopharmaceutical product, the design of which is acknowledged by the FDA to be sufficient for such clinical study to satisfy the requirements of 21 C.F.R. 312.21(c) (as amended or any replacement thereof), or a similar human clinical study prescribed by the regulatory authority in a country other than the United States of America, the design of which is acknowledged by such regulatory authority to be sufficient for such clinical study to satisfy the requirements of a pivotal efficacy and safety clinical study; and "**First Commercial Sale**" means with respect to milestone 5, with respect to a particular Licensed Product, the first commercial sale in an arms-length transaction of such Product by COMPANY, its Affiliates or its Sublicensees to a Third Party in a country in the Territory after receipt of all regulatory approvals (including without limitation, pricing approvals) for such Licensed Product in such country, provided, however, that the First Commercial Sale shall not include any transfer of a Licensed Product (i) between or among COMPANY and its Affiliates or its Sublicensees for resale to a Third Party, or (ii) Licensed Products sold or distributed for clinical studies, compassionate use, named patient programs, sales under a treatment IND, non-registrational studies or other circumstances where any Licensed Product(s) are sold at cost or supplied without charge, such as promotional samples, or donations (e.g., to not for profit institutions for non-commercial purposes).

3.04 EARNED ROYALTIES. Subject to Section 3.06, COMPANY shall pay MAYO a nonrefundable and noncreditable tiered royalty of the Net Sales of the Licensed Product sold by COMPANY, on a Licensed Product by Licensed Product basis ("Earned Royalties"), as follows:

(a) Valid Claims Royalty: In country(ies) in which a Licensed Product is covered by a Valid Claim, COMPANY will pay to MAYO:

i. [***] on the portion of annual Net Sales that are less than [***]

ii. [***] on the portion of annual Net Sales that are between [***]

iii. [***] on the portion of annual Net Sales that are greater than [***]

(b) Licensed Material Royalty: In country(ies) in which a Licensed Product is not covered by a Valid Claim, but includes Licensed Material, COMPANY will pay to MAYO:

i. [***] on the portion of annual Net Sales that are less than [***]

ii. [***] on the portion of annual Net Sales that are between [***]

iii. [***] on the portion of annual Net Sales that are greater than [***]

In no event will a Licensed Material Royalty be due for any Net Sales after fifteen (15) years from the First Commercial Sale of the applicable Licensed Product, on a country-by-country basis and Licensed Product-by-Licensed Product basis.

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

The Earned Royalties are payable as described in Section 4.01 (Reports and Payments). Licensed Products transferred to MAYO or its Affiliates are not considered transfers for purposes of determining Net Sales or for calculating Earned Royalties. No Earned Royalties are due MAYO on transfers to MAYO or MAYO Affiliates. Earned Royalties subject to Section 3.04 (a) above shall terminate on a Licensed Product-by-Licensed Product and country-by-country basis upon the first date when there is no longer a Valid Claim covering such Licensed Product in the country where such Product is made or sold.

3.05 ROYALTY STACKING. If COMPANY is a party to a license agreement with any third party under which COMPANY obtains a license for intellectual property or technology required for the manufacture, use or sale of a Licensed Product and the total royalty due in the aggregate to one or more third parties exceeds [***], then COMPANY may reduce the Earned Royalties due to MAYO pursuant to Section 3.04 (Earned Royalties) on such Licensed Product (on a product-by-product basis) by [***] of the amounts that are payable to such third party; provided, however, that in no event will the Earned Royalties otherwise due under Section 3.04 (Earned Royalties) be reduced to less than [***] of the Earned Royalties that would otherwise be payable to MAYO pursuant to Section 3.04 (Earned Royalties) by operation of the foregoing reduction. For the avoidance of doubt, the Earned Royalties otherwise due under Section 3.04 (Earned Royalties) be not be reduced to more than [***] regardless of the number of additional licenses to which COMPANY is a party. COMPANY agrees to notify MAYO immediately if COMPANY enters into any additional license(s) with a third party or parties that would affect the Earned Royalty amount received by MAYO.

3.06 NO MULTIPLE ROYALTIES. If a Licensed Product is covered by more than one patent or patent application within the Patent Rights or a Valid Claim and uses Licensed Materials, multiple royalties shall not be due. Net Sales shall not be counted for both a Valid Claims Royalty and a Licensed Material Royalty.

3.07 [***]. MAYO may, at its sole option, purchase the Licensed Product for use within MAYO's and its Affiliates' educational research, and clinical programs in any quantity at [***] offered by COMPANY to any third party for the applicable Licensed Product. The [***] will be determined on each January 1st and will be reported to MAYO with the report due February 1st pursuant to Section 4.01 (Reports and Payment), and will apply for the 12-month period starting March 1st of such year. COMPANY will also report such sales to MAYO as part of the royalty report described in Section 3.04 (Earned Royalties), however, pursuant to Section 3.04 (Earned Royalties), no royalties are due on sales to MAYO or MAYO Affiliates.

3.08 TAXES. COMPANY is responsible for all taxes, duties, import duties, assessments and other governmental charges, however designated, which are now or hereafter imposed by any authority on COMPANY: (a) by reason of the performance by MAYO of its obligations under this Agreement, or the payment of any amounts by COMPANY to MAYO under this Agreement; (b) based on the Patent Rights; or (c) related to use, sale or importation of the Licensed Product. The parties acknowledge that MAYO is a U.S. not-for profit entity and is not expected to have any tax liability, and shall provide to COMPANY a tax certificate reflecting its not for profit status. If COMPANY is nevertheless required by law to withhold on remittance of the royalty payments, COMPANY shall PAY to MAYO amounts which shall result in the net

amount being received by MAYO being equal to the amount which would have been received by MAYO had no such deduction or withholding been made. In any such case, COMPANY will provide MAYO with reasonable assistance, at MAYO's expense, in obtaining, any tax reduction (including avoidance of double taxation), tax refund or tax exemption available to MAYO by treaty or otherwise.

3.09 U.S. CURRENCY. All payments to MAYO under this Agreement will be made by draft drawn on a U.S. bank, and payable in U.S. dollars. In the event that conversion from foreign currency is required in calculating a payment under this Agreement, the exchange rate used shall be the Interbank rate quoted by US Bank at the end of the last business day of the quarter in which the payment accrued.

3.10 OVERDUE PAYMENTS. If overdue, the payments due under this Agreement shall bear interest until paid at a per annum rate of [***] in effect at US Bank on the due date. MAYO shall be entitled to recover, in addition to all other remedies, reasonable attorneys' fees and costs related to the administration or enforcement of this Agreement, including collection of payments, following COMPANY's such failure to pay. The acceptance of any payment, including such interest, shall not foreclose MAYO from exercising any other right or seeking any other remedy that it may have as a consequence of the failure of COMPANY to make any payment when due.

Article 4.00 - Accounting and Reports

4.01 REPORTS AND PAYMENT. Commencing with the First Commercial Sale of a Licensed Product, COMPANY will deliver to MAYO on or before the following dates: 1 August, a written report setting forth a full accounting showing how any amounts due to MAYO for the preceding calendar year have been calculated as provided in this Agreement, including an accounting of total Net Sales with a reporting of any applicable foreign exchange rates, deductions, allowances, and charges and any payments due from Sublicensees. Each report will include product names, part numbers and quantity sold for each country in which the Licensed Product was sold. Furthermore, the report will include detailed information about Licensed Products sold to MAYO or MAYO Affiliates at cost, pursuant to Section 3.04 (Earned Royalties) or 3.07 ([***]). If no Licensed Product transfers have occurred and no other amounts are due to MAYO, COMPANY will submit a report so stating. Each such report will be accompanied by the payment of all amounts due for such calendar year.

4.02 ACCOUNTING. COMPANY will, throughout the Term, keep complete, continuous, true and accurate books of accounts and records sufficient to support and verify the calculation of Net Sales, all royalties and any other amount believed due and payable to MAYO under this Agreement. Such books and records will be open once per year during COMPANY's ordinary business hours for inspection by a nationally recognized accounting firm selected by MAYO for audit and verification of royalty statements under this Agreement. The MAYO representative will be required to enter into a written confidentiality agreement with the COMPANY and will be a firm reasonably acceptable to COMPANY. MAYO will provide to the COMPANY a copy of any report by the accounting firm that concludes that any underpayment occurred, along with supporting documentation. In the event such audit reveals an underpayment by COMPANY in

any year, and COMPANY does not reasonably dispute such conclusion, COMPANY will within [***] pay the amount underpaid royalty due in excess of the royalty actually paid. In the event the audit reveals an underpayment by COMPANY of more than [***] of the amount due to MAYO in any year, COMPANY will pay interest on the royalty due in excess of the royalty actually paid at the highest rate then permitted by law and COMPANY will pay all of MAYO's costs in conducting the audit.

Article 5.00 - Diligence

5.01 DEVELOPMENT PLAN. COMPANY will make commercially reasonable efforts to bring Licensed Products to market in the Field in the Territory. COMPANY has provided MAYO with a development plan that describes how COMPANY intends to bring Licensed Products to market, attached to this Agreement as Schedule B, *Development Plan*, incorporated herein by reference. The Development Plan is subject to reasonable revision by Evelo based on data and results generated in development of Licensed Products. Activities conducted by the COMPANY and its Affiliates and Sublicensees shall be treated as efforts by the Company in determining compliance with this Section 5.

5.02 DILIGENCE REPORTS. COMPANY will provide MAYO with annual reports within [***] of each anniversary of the Effective Date describing in detail: (a) as of that reporting period, all development and marketing activities for the Licensed Product and the names of all Sublicensees, including which of the Sublicensees are Affiliates. MAYO shall have the right to audit COMPANY's and Sublicensees' records relating to development of Licensed Products. The foregoing Diligence Report obligations will terminate upon first commercial sale of a Licensed Product.

Article 6.00 – Intellectual Property Management

6.01 CONTROL. MAYO will have the responsibility to prepare, file, prosecute, abandon, or otherwise handle the Patent Rights with prior advice and comment from COMPANY. COMPANY shall pay all costs and expenses associated with the filing, prosecution and maintenance of the Patent Rights, whether arising before or during the Term; provided, COMPANY may with [***] prior written notice to MAYO discontinue its financial support for such activities with respect to any patent application or patent within the Patent Rights, and in such case, the COMPANY's license to the applicable patent or patent application shall terminate. Unless otherwise agreed by the parties in writing, MAYO shall have sole control over the protection, defense, enforcement, maintenance, abandonment and other handling of the Know-How and Licensed Materials. Provided that MAYO considers COMPANY's comments in good faith, MAYO will have no liability to COMPANY for any act or omission in the preparation, filing, prosecution, maintenance, abandonment, or other handling of the Patent Rights, Know-How and Licensed Materials.

6.02 ENFORCEMENT. If COMPANY becomes aware of a third party infringement of any unexpired claim within the Patent Rights, COMPANY will promptly provide MAYO with written notice and if possible provide MAYO the available information supporting that infringement has occurred. The parties shall discuss in good faith whether the article infringes one more claims of the Patent Rights. COMPANY will have the first right, but not the obligation to assert the Patent Rights against any such infringement, using counsel of its choice, and at its expense. MAYO shall not be required to join such action unless it has agreed to do so in writing prior to the commencement thereof, or unless a necessary party, but in all cases MAYO shall reasonably cooperate in any such proceeding if requested to do so by COMPANY and at COMPANY'S expense. In the event of any recovery in such an action, COMPANY may first recover its costs and expenses, and any remainder shall be treated as Net Sales. In the event that COMPANY does not choose to assert the Patent Rights against any such infringement, COMPANY will provide written notice to MAYO advising of COMPANY's decision and, at MAYO's request, the parties shall discuss COMPANY's strategy to protect revenues from the sale of Licensed Products.

6.03 PATENT TERM EXTENSION. MAYO shall consult with COMPANY in selecting the patent covering each Licensed Product for patent term extension for or supplementary protection certificate under in accordance with the applicable laws of any country; provided, COMPANY shall have the first right to decide as to whether a patent term extension shall be sought for any patent within the Patent Rights with regard to a particular Licensed Product. If COMPANY declines to pursue and pay a patent term extension and MAYO decides to pay for the patent term extension, COMPANY'S license to the Patent Rights shall terminate. Each Party agrees to execute any documents and to take any additional actions as the other Party may reasonably request in connection therewith. For the avoidance of doubt, the Company shall have the right, at its discretion, whether to elect to seek patent term restoration for any Licensed Patent in any country.

6.04 PATENT MARKING. To the extent commercially feasible, COMPANY will mark all Licensed Products that are manufactured or sold under this Agreement with the number of each issued patent within the Patent Rights that cover such Licensed Product(s). Any such marking will be in conformance with the patent laws and other laws of the country of manufacture or sale.

6.05 DEFENSE. COMPANY will have the first right, but not the obligation, to take any measures deemed appropriate by COMPANY, regarding (a) challenges to the Patent Rights (including interferences, inter partes review, post grant review, cover business method, ex parte examination, or derivation proceedings in the U.S. Patent and Trademark Office and oppositions in foreign jurisdictions) and (b) defense of the Patent Rights (including declaratory judgment actions) at COMPANY's expense.

6.06 THIRD PARTY LITIGATION. In the event a third party institutes a suit against COMPANY for patent infringement involving a Licensed Product, COMPANY will promptly inform MAYO and keep MAYO regularly informed of the proceedings. COMPANY agrees to indemnify, defend and hold harmless MAYO for any claims, demands or law suits related thereto.

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

Article 7.00 – Use of Name

7.01 USE OF NAME AND LOGO. Except as permitted by Section 8.03, COMPANY will not use for publicity, promotion or otherwise, any logo, name, trade name, service mark or trademark of MAYO or its Affiliates, including, but not limited to, the terms "MAYO®," "MAYO Clinic®" and the triple shield MAYO logo, or any simulation, abbreviation or adaptation of the same, or the name of any MAYO employee or agent, without MAYO's prior, written, express consent. MAYO may withhold such consent in MAYO's absolute discretion. With regard to the use of MAYO's name, all requests for approval pursuant to this Section must be submitted to the [***], at the following e-mail address: [***] at least five (5) business days prior to the date on which a response is needed.

Article 8.00 - Confidentiality

8.01 TREATMENT OF CONFIDENTIAL INFORMATION. Except as provided for in Section 8.02 (Right to Disclose), neither Party will disclose, use or otherwise make available the other's Confidential Information during the Term and for three (3) years thereafter and will use at least the same degree of care it employs to protect its own confidential information.

8.02 RIGHT TO DISCLOSE.

(a) To the extent it is reasonably necessary or appropriate to fulfill its obligations or exercise its rights under this Agreement, COMPANY may disclose Confidential Information of MAYO to its Sublicensees, consultants, and outside contractors and potential investors and business partners on the condition that each such entity or person agrees to obligations of confidentiality and non-use at least as stringent as those herein.

(a) To the extent it is reasonably necessary or appropriate to fulfill its obligations or exercise its rights under this Agreement, MAYO may disclose Confidential Information of COMPANY to its consultants and outside contractors on the condition that each such entity agrees to obligations of confidentiality and non-use at least as stringent as those herein.

(b) If a Party is required by law, regulation or court order to disclose any of the Confidential Information, it will have the right to do so, provided it: (i) promptly notifies the disclosing Party; and (ii) reasonably assists the disclosing Party to obtain a protective order or other remedy of disclosing Party's election and at disclosing Party's expense, and only disclose the minimum amount necessary to satisfy such obligation.

8.03 CONFIDENTIALITY OF AGREEMENTS. Except as otherwise required by law, the specific terms and conditions of this Agreement shall be Confidential Information but the existence of this Agreement will not be Confidential Information and the Parties may state that COMPANY is licensed under the Patent Rights.

Article 9.00 – Warranties, Representations, Disclaimers and Indemnification

9.01 REPRESENTATIONS AND WARRANTIES OF COMPANY. COMPANY warrants and represents to MAYO that:

(a) it is engaged in the development, production, quality control, service, manufacture, marketing and sales of products similar to the subject matter of the Patent Rights, and that it will commit itself to a thorough, vigorous and diligent program of developing and marketing the Licensed Products;

(b) it has independently evaluated the Patent Rights, Know-How and Licensed Materials and Confidential Information, if any, their applicability or utility in COMPANY's activities, is entering into this Agreement on the basis of its own evaluation and not in reliance of any representation by MAYO, and assumes all risk and liability in connection with such determination;

(c) it now maintains and will continue to maintain throughout the Term and beyond insurance coverage as set forth in Section 9.03 (Indemnification and Insurance) and that such insurance coverage sufficiently covers the MAYO Indemnitees;

(d) the execution and delivery of this Agreement has been duly authorized and no further approval, corporate or otherwise, is required in order to execute this binding Agreement;

(e) it shall comply and require its Sublicensees to comply with all applicable international, national and state laws, ordinances and regulations in its performance under this Agreement; and

(f) its rights and obligations under this Agreement do not conflict with any contractual obligation or court or administrative order by which it is bound.

9.02 Representations, Warranties and Covenants of MAYO. MAYO represents and warrants that:

(a) It is a not for profit entity, validly existing and in good standing under the laws of Minnesota;

(b) to the best of Mayo Clinic Ventures knowledge as of the Effective Date, except for the rights retained by the US government, MAYO is the sole and exclusive owner of the Patent Rights, Licensed Materials and Know How;

(c) the execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action on the part of MAYO, and no further approval, corporate or otherwise is required to enter this binding Agreement; and

(d) to the best of Mayo Clinic Ventures knowledge as of the Effective Date, it has not granted any right, license or interest in or to the Patent Rights or Licensed Materials, or any portion thereof, inconsistent with the licenses granted to the Company in this Agreement.

9.03 DISCLAIMERS.

(a) EXCEPT AS EXPRESSLY PROVIDED IN SECTION 9.02, MAYO HAS NOT MADE AND DOES NOT MAKE ANY PROMISES, COVENANTS, GUARANTEES, REPRESENTATIONS OR WARRANTIES OF ANY NATURE, DIRECTLY OR INDIRECTLY, EXPRESS, STATUTORY OR IMPLIED, INCLUDING WITHOUT LIMITATION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY, DURABILITY, CONDITION, QUALITY OR ANY OTHER CHARACTERISTIC OF THE PATENT RIGHTS, KNOW-HOW, LICENSED MATERIALS OR CONFIDENTIAL INFORMATION.

(b) EXCEPT AS EXPRESSLY PROVIDED IN SECTION 9.02, THE PATENT RIGHTS, KNOW-HOW, LICENSED MATERIALS AND CONFIDENTIAL INFORMATION ARE PROVIDED “AS IS,” “WITH ALL FAULTS” AND “WITH ALL DEFECTS,” AND COMPANY EXPRESSLY WAIVES ALL RIGHTS TO MAKE ANY CLAIM WHATSOEVER AGAINST MAYO FOR MISREPRESENTATION OR FOR BREACH OF PROMISE, GUARANTEE, REPRESENTATION OR WARRANTY OF ANY KIND RELATING TO THE PATENT RIGHTS, KNOW-HOW, LICENSED MATERIALS OR CONFIDENTIAL INFORMATION. MAYO EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTIES ARISING FROM ANY COURSE OF DEALING, USAGE OR TRADE PRACTICE, WITH RESPECT TO: THE SCOPE, VALIDITY OR ENFORCEABILITY OF THE PATENT RIGHTS, KNOW-HOW, LICENSED MATERIALS AND CONFIDENTIAL INFORMATION; THAT ANY PATENT WILL ISSUE BASED UPON ANY PENDING PATENT APPLICATION; OR THAT THE USE, SALE, OFFER FOR SALE OR IMPORTATION OF THE LICENSED PRODUCT, PATENT RIGHTS, KNOW-HOW OR LICENSED MATERIALS WILL NOT INFRINGE OTHER INTELLECTUAL PROPERTY RIGHTS. NOTHING IN THIS AGREEMENT WILL BE CONSTRUED AS AN OBLIGATION FOR MAYO TO BRING, PROSECUTE OR DEFEND ACTIONS REGARDING THE PATENT RIGHTS, KNOW-HOW, LICENSED MATERIALS AND CONFIDENTIAL INFORMATION.

(c) COMPANY AGREES THAT MAYO AND ITS AFFILIATES WILL NOT BE LIABLE FOR ANY LOSS OR DAMAGE CAUSED BY OR ARISING OUT OF ANY RIGHTS GRANTED OR PERFORMANCE MADE UNDER THIS AGREEMENT, WHETHER TO OR BY COMPANY, SUBLICENSEE OR A THIRD PARTY. IN NO EVENT WILL MAYO'S LIABILITY OF ANY KIND INCLUDE ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE LOSSES OR DAMAGES, EVEN IF MAYO HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, OR EXCEED THE TOTAL AMOUNT OF ROYALTIES THAT HAVE ACTUALLY BEEN PAID TO MAYO BY COMPANY AS OF THE DATE OF FILING AN ACTION AGAINST MAYO THAT RESULTS IN THE SETTLEMENT OR AWARD OF DAMAGES TO COMPANY.

9.04 INDEMNIFICATION AND INSURANCE.

(a) COMPANY will defend, indemnify and hold harmless MAYO, MAYO's Affiliates and their respective trustees, officers, agents, independent contractors and employees ("MAYO Indemnitees") from any and all claims, actions, demands, judgments, losses, costs, expenses, damages and liabilities (including attorneys' fees, court costs and other expenses of litigation), regardless of the legal theory asserted, arising out of or connected with: (i) the practice or exercise of any rights granted hereunder by or on behalf of COMPANY or any Sublicensee; (ii) research, development, design, manufacture, distribution, use, sale, importation, exportation or other disposition of Licensed Products; and (iii) any act or omission of COMPANY or any Sublicensee hereunder, including the negligence or willful misconduct thereof or breach of Section 11.05 (Anti-Corruption Compliance). MAYO and MAYO's Affiliates shall have no obligation to indemnify COMPANY hereunder**.**

(b) The Parties agree that this indemnity should be construed and applied in favor of maximum indemnification of MAYO Indemnitees.

(c) COMPANY will continuously carry occurrence-based liability insurance, including products liability and contractual liability, in an amount and for a time period sufficient to cover the liability assumed by COMPANY hereunder during the Term and after, such amount being [***]. In addition, such policy will name MAYO and its Affiliates as additional-named insureds. The minimum limits of any insurance coverage required herein shall not limit COMPANY's liability.

(d) COMPANY expressly waives any right of subrogation that it may have against MAYO Indemnitees resulting from any claim, demand, liability, judgment, settlement, costs, fees (including attorneys' fees) and expenses for which COMPANY is obligated to indemnify, defend and hold MAYO Indemnitees harmless under this Agreement.

9.05 PROHIBITION AGAINST INCONSISTENT STATEMENTS. COMPANY shall not make any statements, representations or warranties, or accept any liabilities or responsibilities whatsoever that are inconsistent with any disclaimer or limitation included in this section or any other provision of this Agreement. COMPANY shall not settle any matter that will incur liability for MAYO or require MAYO to make any admission of liability without MAYO's prior written consent.

Article 10.00 - Term and Termination

10.01 TERM. This Agreement will expire at the end of the Term.

10.02 TERMINATION FOR BREACH. If COMPANY commits a material breach of this Agreement, including without limitation, the failure to make any required royalty or fee payments hereunder, MAYO will notify COMPANY in writing of such breach and COMPANY will have [***] after such notice to cure such breach to MAYO's reasonable satisfaction. If COMPANY fails to timely cure such breach, MAYO may terminate this Agreement in whole by sending COMPANY written notice of termination.

10.03 TERMINATION FOR SUIT. MAYO may immediately terminate this Agreement if COMPANY or any Sublicensee directly or indirectly brings any action or proceeding against MAYO or its Affiliates, except for an uncured material breach of this Agreement by MAYO.

10.04 INSOLVENCY OF COMPANY. This Agreement terminates immediately without an obligation of notice of termination to COMPANY in the event COMPANY ceases conducting business in the normal course, becomes insolvent or bankrupt, makes a general assignment for the benefit of creditors, admits in writing its inability to pay its debts as they are due, permits the appointment of a receiver for its business or assets or avails itself of or becomes subject to any proceeding under any statute of any governing authority relating to insolvency or the protection of rights of creditors.

10.05 RETURN/DESTRUCTION OF LICENSED MATERIALS. In the event of a termination pursuant to this Article 10 (Term and Termination) and at MAYO's sole discretion, COMPANY shall either return the Licensed Materials to MAYO or destroy it. If COMPANY is instructed by MAYO to destroy the Licensed Materials, COMPANY shall provide to MAYO destruction certification within [***] of destroying.

10.06 SURVIVAL. The termination or expiration of this Agreement does not relieve either Party of its rights and obligations that have previously accrued. After the Term, all rights granted immediately revert to MAYO. All Confidential Information of a Party shall be returned or destruction certified, at the disclosing party's election. Rights and obligations that by their nature prescribe continuing rights and obligations shall survive the termination or expiration of this Agreement including Sections 4.02 (Accounting), 9.03 (Indemnification and Insurance), 10.05 (Return/Destruction of Licensed Material), 10.06 (Survival) and Articles 7 (Use of Name), 8 (Confidentiality) and 11 (General Provisions). COMPANY, on behalf of itself and its Sublicensees, shall provide an accounting for and pay, within [***] of termination or expiration, all amounts due hereunder.

Article 11.00 - General Provisions

11.01 AMENDMENTS. This Agreement may not be amended or modified except by a writing signed by both Parties and identified as an amendment to this Agreement.

11.02 CONSTRUCTION. Each Party acknowledges that it was provided an opportunity to seek advice of counsel and as such this Agreement shall not be construed for or against either Party.

11.03 ENTIRE AGREEMENT. This Agreement constitutes the final, complete and exclusive agreement between the Parties with respect to its subject matter and supersedes all past and contemporaneous agreements, promises, and understandings, whether oral or written, between the Parties, including without limitation, the Material Transfer Agreement entered by COMPANY and MAYO effective [***].

11.04 EXPORT CONTROL. The Parties agree not to use or otherwise export or re-export anything exchanged or transferred between them pursuant to this agreement except as authorized by United States law and the laws of the jurisdiction in which it was obtained. In particular, but without limitation, items exchanged may not be exported or re-exported (a) into any U.S. embargoed countries or (b) to anyone on the U.S. Treasury Department's list of Specially Designated Nationals or the U.S. Department of Commerce Denied Person's List or Entity List. By entering into this Agreement, each Party represents and warrants that they are not located in any such country or on any such list. Each Party also agrees that they will not use any item exchanged for any purposes prohibited by United States law, including, without limitation, the development, design, manufacture or production of missiles, or nuclear, chemical or biological weapons. In the event either Party becomes aware of any suspected violations of this paragraph that Party will promptly inform the other Party of such suspected violations, and cooperate with one another in any subsequent investigation and defense, be they civil or criminal.

11.05 ANTI-CORRUPTION COMPLIANCE. The Parties, their Affiliates, and any Sublicensee, shall conduct themselves in an ethical, lawful, businesslike and professional manner in performance of this Agreement and shall comply with all applicable laws, regulations and directives that may apply to them in the United States or elsewhere. Without limiting the foregoing and for avoidance of doubt, COMPANY, its Affiliates, and any Sublicensee, shall obey the U.S. Foreign Corrupt Practices Act ("FCPA") (15 USC §§ 78dd-1, et seq.) and any similar applicable anti-bribery provisions, laws or regulations. Each party shall reasonably assist the other party(ies) to assure such compliance at all times during the term of this Agreement. COMPANY's, its Affiliates, or any Sublicensee's failure to adhere to the requirements of this section shall be grounds for Mayo to terminate this Agreement immediately for cause.

11.06 GOVERNING LAW AND JURISDICTION. The terms and conditions of this Agreement, as well as all disputes arising under or relating to this Agreement, shall be governed by Minnesota law, specifically excluding its choice-of-law principles, except that the interpretation, validity and enforceability of the Patent Rights will be governed by the patent laws of the country in which the patent application is pending or issued. This is not an Agreement for the sale of goods and as such Article 2 of the Uniform Commercial Code as enacted in Minnesota does not apply. The exclusive fora for the foregoing are the State or District Court of Olmsted County, Minnesota, unless such action cannot by law be brought in such forum, in which case the venue required by law shall govern. COMPANY agrees unconditionally that it is personally subject to the jurisdiction of such courts.

11.07 HEADINGS. The headings of articles and sections used in this document are for convenience of reference only.

11.08 INDEPENDENT CONTRACTORS. It is mutually understood and agreed that the relationship between the Parties is that of independent contractors. Neither Party is the agent, employee, or servant of the other. Except as specifically set forth herein, neither Party shall have nor exercise any control or direction over the methods by which the other Party performs work or obligations under this Agreement. Further, nothing in this Agreement is intended to create any partnership, joint venture, lease or equity relationship, expressly or by implication, between the Parties.

11.09 INDUCEMENT OF REFERRALS. It is not the purpose of this Agreement or the intent of the Parties to induce or encourage the referral of patients, and there is no requirement under this Agreement or under any other Agreement between the Parties that COMPANY or its staff refer patients to MAYO for products or services. No payment made under this Agreement is made in return for the referral of patients, or is made in return for the purchasing, leasing, or ordering of any products or services.

11.10 LIMITATION OF RIGHTS CREATED. This Agreement is personal to the Parties and shall be binding on and inure to the sole benefit of the Parties and their permitted successors and assigns and shall not be construed as conferring any rights to any third party. Specifically, no interests are intended to be created for any customer, patient, research subjects, or other persons (or their relatives, heirs, dependents, or personal representatives) by or upon whom the Licensed Products may be used.

11.11 NO ASSIGNMENT. Neither Party may assign its rights hereunder to any third party without the prior written consent of the other Party; provided, that a Party may assign this Agreement and/or its rights arising hereunder without the prior written consent of the other Party to (i) any affiliate or other entity that controls, is controlled by or is under common control with such Party; or (ii) in connection with a merger, acquisition, or other consolidation by COMPANY or sale of all or substantially all assets relating to the relevant rights provided the assignee agrees to be legally bound to all of COMPANY'S applicable obligations under this Agreement. Any purported assignment in violation of this clause is void. Such written consent, if given, shall not in any manner relieve the assignor from liability for the performance of this Agreement by its assignee.

11.12 NOTICES. All notices and other business communications between the Parties related to this Agreement shall be in writing, sent by certified mail, addressed as follows:

To MAYO: Mayo Foundation for Medical Education and Research
Mayo Clinic Ventures – BB4
200 First Street SW

Rochester, Minnesota 55905-0001
Attn: Ventures Operations
Phone: [***]
Facsimile: [***]
Email: [***]
Fed Tax ID: [***]

To COMPANY:
Fed Tax ID: 46-5594527

Legal Contact:
Evelo Biosciences, Inc.
Legal Department
620 Memorial Drive, Suite 200
Cambridge, Massachusetts 02139
Facsimile: [***]
Email: [***]

Invoicing Contact:
Evelo Biosciences, Inc.
Accounts Payable
620 Memorial Drive, Suite 200
Cambridge, Massachusetts 02139
Facsimile: [***]
Email: [***]

Expense Reimbursement Contact:
Evelo Biosciences, Inc.
Finance Department
620 Memorial Drive, Suite 200
Cambridge, Massachusetts 02139
Facsimile: [***]
Email: [***]

Notices sent by certified mail shall be deemed delivered on the third day following the date of mailing. Either Party may change its address or facsimile number by giving written notice in compliance with this section.

11.13 REGISTRATION OF LICENSES. COMPANY will register and give required notice concerning this Agreement, at its expense, in each country in the Territory where an obligation under law exists to so register or give notice.

11.14 SEVERABILITY. In the event any provision of this Agreement is held to be invalid or unenforceable, the remainder of this Agreement shall remain in full force and effect as if the invalid or unenforceable provision had never been a part of the Agreement.

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

11.15 WAIVER. The failure of either Party to complain of any default by the other Party or to enforce any of such Party's rights, no matter how long such failure may continue, will not constitute a waiver of the Party's rights under this Agreement. The waiver by either Party of any breach of any provision of this Agreement shall not be construed as a waiver of any subsequent breach of the same or any other provision. No part of this Agreement may be waived except by the further written agreement of the Parties.

This Agreement may be executed in any number of counterparts which, when taken together, will constitute an original, and photocopy, facsimile, electronic or other copies shall have the same effect for all purposes as an ink-signed original. Each Party hereto consents to be bound by photocopy, facsimile, or electronic signatures of such Party's representative hereto.

MAYO FOUNDATION FOR MEDICAL EDUCATION AND RESEARCH

By /s/ James A. Rogers, III
Name: James A. Rogers, III
Title: Assistant Secretary

Date: 8/7/17

EVELO BIOSCIENCES, INC.

By /s/ Balkrishan Simba Gill
Name: Balkrishan Simba Gill
Title: Chief Executive Officer

Date: 8/7/17

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

Schedule A - Licensed Patents

[***] Patent [***], titled [***]

[***] Patent [***], titled [***]

[***] Patent [***], titled [***]

[***] Patent Application No. [***], filed [***], titled [***]

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

Schedule B- Development Plan

Subject to reasonable revision based on data generated in development of Licensed Products. Company will:

1. Secure board approval of *Prevotella histicola* as a candidate for clinical development within [***] of effective date
2. File for IND or CTA within [***] of Effective Date
3. Begin clinical study in patients (not a healthy volunteer study) within [***] of IND or CTA filing

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

FINAL

EXCLUSIVE LICENSE AGREEMENT
BETWEEN THE UNIVERSITY OF CHICAGO AND EVELO BIOSCIENCES
FOR AN IMMUNO-ONCOLOGY TECHNOLOGY

This License Agreement ("Agreement"), dated March 10, 2016 (the "Effective Date"), is between The University of Chicago, an Illinois not-for-profit corporation ("University"), and Evelo Biosciences, Inc., a Delaware corporation, having an address at 620 Memorial Drive, Suite 200 Cambridge, Massachusetts 02139. ("Company"). Each hereunder may be referred to separately as the "Party", or together as the "Parties".

WHEREAS, University has certain Licensed Patents and Technical Information arising from the disclosure entitled, "Treatment of Cancer by Manipulation of Commensal Microflora" regarding the work of Thomas Gajewski, Leticia Corrales, and Ayelet Sivan, funded in part by the U.S. government;

WHEREAS, Company wishes to obtain an exclusive license under such Licensed Patents and access such Technical Information to diligently develop and commercialize Licensed Products; and

WHEREAS, University is willing to grant such rights in accordance with the terms and conditions of this Agreement to afford the public access to Licensed Products.

NOW, THEREFORE, for good and valuable consideration, the Parties agree as follows:

1. **Definitions**

The capitalized terms listed below and used in this Agreement will have the following meanings:

A. "Affiliate" means any corporation or other entity that directly or indirectly controls, is controlled by, or is under common control with, a party hereto where "control" means direct or indirect ownership of, or other beneficial interest in, fifty percent (50%) or more of the voting stock, other voting interest, or income of a corporation or other entity or the ability to direct the affairs of such other entity through contract rights or otherwise.

B. "Calendar Quarter" means each of the four, three-month periods ending on March 31st, June 30th, September 30th, and December 31st.

C. "Combination Product" means a product that contains one or more Licensed Product(s) and one or more other therapeutically active components sold as a unit at a single price. For clarity, a Combination Product may contain multiple Licensed Products (e.g., bacterial strains).

D. "Commence" or "Commencement" means, with respect to any clinical trial, the first dosing of the first patient in such clinical trial.

E. "EMA" means the European Medicines Agency or any successor agency thereto.

F. "FDA" means the United States Food and Drug Administration or any successor agency thereto.

G. "Field" means all uses.

H. "First Commercial Sale" means the first sale, lease, provision of service, use, or transfer of a Licensed Product by a Licensed Entity to a third party for consideration.

I. "First Human Testing" means the Commencement of dosing of a Licensed Product in human patients.

J. "IND" means an Investigational New Drug application, or similar application or submission filed by Company for approval to conduct human clinical investigations filed with or submitted to a regulatory authority in conformance with the requirements of such regulatory authority.

K. "Intent to Treat Population" means, with respect to a clinical trial, the target population of patients (identified by enrollment criteria) as having a condition for which the Licensed Product will be tested for efficacy as a primary endpoint.

L. "Licensed Entity" means Company, an Affiliate of Company, or a Sublicensee.

M. "Licensed Patents" means, (i) the patent applications listed on Schedule A attached hereto, (ii) all divisions, continuations, foreign counterparts of any of the foregoing, (iii) any claims in continuations-in-part of any of the foregoing that are fully supported under 35 U.S.C. §112, and (iv) any patents which may issue from such patent applications and any reexamination, reissues, substitutions, extensions of or to or supplementary protection certificates referencing any of the foregoing patents or patent applications. For clarity, "Licensed Patents" shall not include any claims in continuations-in-part of the foregoing that are not fully supported under 35 U.S.C. §112 by the patents and patent applications listed on Schedule A.

N. "Licensed Product" means: (i) any product, device, system, article of manufacture, machine, composition of matter, process, or service (or component thereof); (ii) any method of using any of the foregoing; or (iii) any process for making any of the foregoing, that, in the case of (i), (ii), or (iii), either (a) is covered by a Valid Claim of the Licensed Patents, or (b) materially incorporates, utilizes, or is made with the use of Technical Information.

O. "Net Sales" means the gross amount invoiced by Company and Licensed Entities for sales, leases or other transfers, provision of service, or use of Licensed Products after deduction of all the following determined in accordance with U.S. Generally Accepted Accounting Principles ("**U.S. GAAP**") or International Financial Reporting Standards ("**IFRS**"), as designated and used by Company and Licensed Entities, as applicable, in preparing its consolidated financial statements from time to time, in each case, solely to the extent documented to University as directly attributable to one or more Licensed Products and included in the invoiced amount for such Licensed Products:

i. customary trade, quantity, or cash discounts and rebates (including chargebacks and allowances), actually allowed and taken (e.g., rebates and similar payments made with respect to sales paid for by any governmental or regulatory authority such as, by way of illustration and not in limitation of the Parties' rights hereunder, Federal or state Medicaid, Medicare or similar state program or equivalent foreign governmental program);

ii. amounts repaid or credited to customers on account of rejections, returns or recall of goods, rebates or bona fide price reductions;

iii. customs, and excise duties, sales taxes and other governmental customs charges paid by or on behalf of a Licensed Entity;

iv. reasonable charges for delivery or transportation and insurance relating to such delivery or transportation provided by and paid by a Licensed Entity to a third party (excluding amounts reimbursed); and

v. any invoiced amounts that are not collected by Company and its Licensed Entities, including bad debts relating to such Licensed Products, such deductions only to be taken after Company's and Licensed Entities' write-off of such uncollected amounts or bad debts.

Net Sales also includes the fair market value of any non-cash consideration received by a Licensed Entity for the sales, leases, or other transfers or use of Licensed Products, or any right, title, or interest in Licensed Products. Fair market value will be calculated as of the time of transfer of such non-cash consideration to Licensed Entity. Transfer of a Licensed Product within or between Licensed Entities for sale by the transferee will not be considered a Net Sale for purposes of calculating Royalties. In such circumstances, the gross sales price and resulting Net Sales price will be based upon the sale of the Licensed Product by the transferee. For Licensed Products consumed by a Licensed Entity, the price used to calculate Net Sales will be equal to the list price of the same or a substantially similar Licensed Product.

In the event that one or more Licensed Products are sold in a Combination Product, Net Sales from the sale of such Combination Product for each applicable Calendar Quarter will be determined as calculated by multiplying the Net Sales (as determined without reference to this paragraph) of such Combination Product by the fraction A/(A+B), where A is the average gross selling price in the applicable country of the Licensed Product(s) without any other active components and B is the average gross selling price in the applicable country of any product containing the other therapeutically active component(s) included in such Combination Product when sold separately in finished form, each during the applicable Calendar Quarter or, if sales of all such products did not occur during such Calendar Quarter, the most recent Calendar Quarter in which sales of all such products occurred. In the event that the average gross selling price(s) cannot be determined for (i) the Licensed Products without other therapeutically active components or (ii) the product containing the other therapeutically active components included in the Combination Product, the average gross selling price(s) in the above described equation will be replaced with an estimate of the fair market value of the product(s) for which no such sales exist, which estimate shall be agreed in good faith by the Parties in writing. For Clarity, Net Sales of a Combination Product in which Licensed Products are the only therapeutically active components will be subject to Net Sales as determined without reference to this Paragraph.

P. “Non-Commercial Research Purposes” means use of the Licensed Patents or Technical Information for academic research or other not-for-profit scholarly purposes which are undertaken at a non-profit or government institution, and publishing in connection therewith.

Q. “Phase II Clinical Trial” means a human clinical trial, in any country, that would satisfy the requirements of 21 C.F.R.3 l2.2l(b).

R. “Phase III Clinical Trial” means a human clinical trial, in any country, that would satisfy the requirements of 2l C.F.R.312.21 (c).

S. “Regulatory Approval” shall mean, with respect to a Licensed Product in a particular jurisdiction, all approvals, licenses, registrations or authorizations necessary for the marketing and sales of such Licensed Product in the Field within such jurisdiction, including approval of a BLA, and approval of labeling and satisfaction of all applicable regulatory and notification requirements in such jurisdiction. For clarity, Regulatory Approval does not require pricing approval, no matter the applicable law.

T. “Royalty(ies)” means all amounts payable under Section 3.B of this Agreement.

U. “Sublicense” means any agreement entered into by Company or an Affiliate or a Sublicensee with any third party pursuant to which Company or any Affiliate or Sublicensee receives financial consideration in exchange for: (i) any license to the Licensed Patents or Technical Information is granted, including any rights to make, offer for sale, use, sell, or import Licensed Products); or (ii) a covenant by Company or an Affiliate or a Sublicensee not to sue a third party for the practice or use of any part of the

Licensed Patents or Technical Information; or, (iii) a commitment by third party not to practice or use any part of the Licensed Patents or Technical Information in return for not selling a generic product based on a Licensed Product. Sublicense shall not include any agreement which Company or its Affiliates enters with a third party to: (a) have Licensed Products made, packaged and labeled by third party contractor(s) and delivered to Company and its Affiliates or Sublicensees for sale, or (b) distribute Licensed Products.

V. "Sublicense Revenue" shall mean payments received by Company or its Affiliates from a Sublicensee, including upfront fees, option fees (except to the extent such amounts are used for costs incurred in the research and/or development of Licensed Products), milestone payments, license maintenance fees, and other payments received by Company or its Affiliates from such third party in consideration for the grant of a Sublicense; provided Sublicense Revenue shall not include: (a) royalties and profit sharing payments (the Net Sales on which such royalties and profit sharing payments are based shall be subject to royalties under Section 3.B below); (b) amounts received as payment for equity or debt securities of Company or its Affiliates; (c) option fees, solely to the extent such funds are expended for research and development of Licensed Products; (d) any amounts paid to Company or its Affiliates for reasonable reimbursement of research and/or product development of Licensed Products, or patent prosecution, defense, enforcement and maintenance expenses for Licensed Patents; and/or (e) payments received for reasonable pre-clinical or clinical research, development, regulatory activities, manufacturing or commercialization activities for Licensed Products undertaken by or on behalf of Company or its Affiliates (including, without limitation, fully loaded research and development expenses and related full-time equivalent costs). If intellectual property or products other than the Licensed Patents, Technical Information or Licensed Products are licensed concurrently to such third party, then Sublicense Revenue shall include only those amounts attributable to the sublicense of the Licensed Patents, Technical Information or Licensed Products, as the case may be, which shall be determined by Company or its Affiliates in good faith. In any such case, Company shall notify University of its proposed allocation, and the parties shall discuss such matter in good faith. If the Parties are unable to agree on the allocation of Sublicensee Revenue attributable to the Licensed Patents and Technical Information, either Party may request that such matter be resolved by arbitration by the American Arbitration Association (AAA) in accordance with its procedures under its Commercial Arbitration Rules. The award of the arbitrator(s) will be binding, and judgment upon the award may be entered in any court having jurisdiction thereof. All ADR proceedings will be conducted in the English language. Each Party will have the right to be represented by counsel in all aspects of any ADR proceeding. The Parties shall equally share the costs of any such determination.

W. "Sublicensee" means any person, company, or other entity to which any of the rights granted to Company hereunder are granted under a Sublicense.

X. "Technical Information" means, to the extent owned and/or controlled by University, any data (i) specifically listed in Schedule B that is delivered to Company (electronic or hard copy) or (ii) that is delivered to Company by the inventors during the term of this Agreement and is not the subject of any other agreements with Company.

Y. "Territory" means worldwide.

Z. "University Personnel" means each of the inventors named on the Licensed Patents and the staff of UChicagoTech.

AA. "Valid Claim" means a claim of (a) a pending patent application within the Licensed Rights that has not been pending for more than [***] from the date of its earliest filing priority, or (b) an issued claim of any unexpired Licensed Patent or a claim of any pending Licensed Patent that has not been held unenforceable, unpatentable, or invalid by a decision of a court or governmental body of competent jurisdiction in a ruling that is unappealable or unappealed within the time allowed for appeal, and that has not been disclaimed or admitted to be invalid or unenforceable through reissue, re-examination, disclaimer or otherwise. Any claim that has been pending for more than [***] from the date of its earliest filing priority that later issues shall be a Valid Claim upon its issuance.

2. **Grant**

A. Grant. Subject to the terms and conditions of this Agreement, University hereby grants to Company and its Affiliates and Company on behalf of itself and its Affiliates accepts:

i. an exclusive, royalty-bearing license under the Licensed Patents in the Field and Territory to make, have made, use, import, have sold, offer to sell and sell Licensed Products within the Field and within the Territory; and

ii. a non-exclusive, royalty-bearing license to use the Technical Information in the Field and Territory to discover, develop, make, have made, use, import, have sold, offer to sell and sell Licensed Products within the Field and within the Territory.

B. Technical Information.

i. Technical Information is provided by University to Company solely for the use permitted in Section 2.A.ii., and nothing herein will be construed as constituting a sale thereof. Unless otherwise specified in writing by University, Licensed Entities will maintain Technical Information as University's confidential information during and after the term of this Agreement unless such information is: (a) already known to Licensed Entity at the time of disclosure as evidenced by the Licensed Entity's written records; (b) in the public domain other than through acts or omissions of the Licensed Entity, or anyone that accessed the confidential information from the Licensed Entity; (c) lawfully disclosed to the Licensed Entity by a third party without restriction; or (d) independently developed by the Licensed Entity without knowledge of or access to the confidential information as evidenced by the Licensed Entity's written records.

ii. Delivery. Within [***] of the Effective Date, University shall deliver (and shall cause its personnel to deliver) to Company, all data, reports, analyses and other information within the Technical Information that exists and is reasonably available and transferable in a tangible form as of the Effective Date. If at any time during the Term, documents, data or information that exists and is reasonably available and transferable in a tangible form and are within the Technical Information that were not previously delivered to Company, University shall [***].

C. Ongoing Obligations of Former Affiliates. While an entity is entitled to the benefits of an Affiliate under this Agreement for only the period of time the entity qualifies as an Affiliate under the definition (in accordance with Section 7.C), all obligations under this Agreement that accrued to such entity while an Affiliate will survive until fulfilled even though the entity no longer qualifies as an Affiliate. For clarity, and without limitation, any entity that is or was an Affiliate of Company may become a Sublicensee.

D. Sublicense. Subject to the terms and conditions of this Agreement and Company's and Sublicensee's compliance therewith, Company and its Affiliates and Sublicensees will have the right to grant Sublicenses through multiple tiers. Each Sublicense must be granted pursuant to a valid and binding written agreement that expressly states that such Sublicense is subject to, and the applicable Sublicensee must comply with, all the terms and conditions of this Agreement applicable to the Company. Company will ensure that all Licensed Entities will comply with all the terms and conditions of this Agreement applicable to the Company. Company will have the same responsibility for the activities of any Licensed Entity as if the activities were directly those of Company. In the event of any inconsistency between the Sublicense and this Agreement, this Agreement will control. Any Sublicense that does not comply with the terms and conditions of this Agreement is null and void *ab initio*. Company will provide University with a copy of each Sublicense and any amendments thereof; provided such Sublicense may be redacted to delete any terms not material to compliance with this Agreement.

E. Reservation of Rights. The License granted pursuant to the Agreement shall be subject, if applicable, to the rights of the United States government reserved under Public Laws 96-517, 97- 256 and 98-620, codified at 35 U.S.C. 200-212 and UChicago and University's Affiliates's rights to use any inventions claimed in the Licensed Patents for Non-Commercial Research Purposes at its own discretion without any payment to Company for such use. University reserves the worldwide right to practice or have practiced, and to grant to third parties the right to practice or have practiced Technical Information for any Non-Commercial Research Purposes.

Until the first Regulatory Approval of a Licensed Product in any country, Non-Commercial Research Purposes excludes use in humans except as follows:

(a) [***]; and/or

(b) [***].

(c) [***].

(d) For the purposes of clarification, the exclusions described in Sections 2.E.(a), (b) and (c) shall no longer be in effect after the first Regulatory Approval of a Licensed Product in any country.

F. U.S. Government Rights. Company understands that this Agreement is subject to any rights of or obligations to the U.S. Government, including under 35 U.S.C. § 200 *et seq*., 37 C.F.R. § 401 *et seq*. ("Bayh-Dole Act"), or any other applicable law or regulation, including but not limited to the grant to the U.S. Government of a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced any Subject Invention (as defined in the Bayh-Dole Act) for or on behalf of the U.S. Government throughout the world. Company agrees to comply and permit University to comply with the Bayh-Dole Act, including to provide the reporting required and to substantially manufacture Subject Inventions and products produced through the use of Subject Inventions in the United States to the extent required under 35 U.S.C. § 204, unless waived. Company represents to University that as of the Effective Date, Company is a "small business firm" as defined in 15 U.S.C. §632. Company shall promptly notify University if it ceases to be "small business firm".

G. No Other Rights. No rights in and to the Licensed Patents and Technical Information other than those provided in this Section 2, express or implied, are conveyed by University. No rights to any patents except those included in the Licensed Patents are conveyed by University. Nothing contained in this Agreement or a party's performance hereunder will be construed as conferring, by implication, estoppel or otherwise, upon any Licensed Entity, any party in privity with any Licensed Entity, or any customer of any of the foregoing, any right, title or interest under any intellectual or tangible property right at any time, except for those rights expressly granted in Section 2.A. No rights are granted in this Agreement to any intellectual property owned by Company.

H. Responsibility for Licensed Entities. Any act or omission taken or made by a Licensed Entity will be deemed an act or omission by Company under this Agreement. Any act, error, or omission of a Licensed Entity that would be a breach of this Agreement if done by Company will be deemed to be a breach of this Agreement by Company. In the event that Company becomes aware that any Licensed Entity has made any act, error, or omission that would be a breach of this Agreement if done by Company, Company will promptly notify University thereof. In the event that University believes that any Licensed Entity has breached this Agreement, it shall notify Company with an explanation of its concerns. In any such case, Company and University shall discuss in good faith such concerns, and means to address any such breach by a Licensed Entity.

3. **Payments**

A. Upfront Payment. Company will pay University within [***] following the Effective Date, the sum of [***].

B. Royalties. Subject to the terms of this Section, Company will pay to University, on a country-by-country and Licensed Product-by-Licensed Product basis, Royalties on annual Net Sales of Licensed Products by Company and Licensed Entities as follows:

i. Valid Claims Royalty. In country (ies) in which a Licensed Product is covered by a Valid Claim, Company will pay to University:

(a) [***] for the portion of such annual Net Sales that are less than [***];

(b) [***] for the portion of such annual Net Sales that are [***]; and

(c) [***] for the portion of such annual Net Sales that are greater than [***].

Royalties due under this Section 3.B.i will be payable until the later of (i) the expiration of the last-to-expire Valid Claim(s) covering such Licensed Product in such country or (ii) the expiration of any period of regulatory exclusivity for any Licensed Product obtained as a result of Valid Claims (e.g., orphan drug designation).

ii. Technical Information Royalty; Unpublished. With regard to annual Net Sales of Licensed Products by Company and Licensed Entities in any country(ies) where there is not a Valid Claim and the relevant Technical Information has not been published by any person affiliated with the University, Company will pay University a Royalty on a country-by-country and Licensed Product-by-Licensed Product basis, as follows:

(a) [***] for the portion of such Net Sales on such annual Net Sales that are less than [***];

(b) [***] for the portion of such Net Sales on such annual Net Sales that are between [***]; and

(c) [***] for the portion of such Net Sales on such annual Net Sales that are greater than [***]

Royalties due under this Section 3.B.ii will be payable on a country-by-country and Licensed Product-by-Licensed Product basis until the earlier of: (i) [***] from the first Commercial Sale of the applicable Licensed Product in the applicable country, or (ii) until a substantially similar product to the Applicable Licensed Product commences sales in the applicable country. For purposes of this Section 3.ii., a “substantially similar product” is one that [***].

iii. Technical Information Royalty; Published. With regard to annual Net Sales of Licensed Products by Company and Licensed Entities in any country(ies) where there is not a Valid Claim and the relevant Technical Information has been published by any University employee, Company will pay University a Royalty on a country-by-country and Licensed Product-by-Licensed Product basis, as follows:

(a) [***] for the portion of such Net Sales on such annual Net Sales that are less than [***];

(b) [***] for the portion of such Net Sales on such annual Net Sales that are between [***]; and

(c) [***] for the portion of such Net Sales on such annual Net Sales that are greater than [***].

Royalties due under this Section 3.B.iii will be payable on a country-by-country and Licensed Product-by-Licensed Product basis until the earlier of: (i) [***]from the first Commercial Sale of the applicable Licensed Product in the applicable country, or (ii) until a substantially similar product to the Applicable Licensed Product commences sales in the applicable country. For purposes of this Section 3.iii., a "substantially similar product" is one that [***].

iv. Importance of Technical Information. Company has requested, and University has agreed, to grant certain rights to Technical Information. Company requires these rights in order to develop and commercialize the technology licensed. Because of the importance of Technical Information, Company has agreed to pay certain Royalties to University on Licensed Products, as specified above, even if not covered by a Valid Claim, in order to obtain rights to Technical Information. Company has agreed to these payments because of the commercial value of Technical Information, separate and distinct from the commercial value of the Licensed Patents. Company acknowledges that the reduced royalty for Licensed Products that are not covered by a Valid Claim is fair and reasonable in order to compensate University for Company's continuing license of the Technical Information.

v. Third Party Licenses. In the event that (a) any patent owned and controlled by any unaffiliated third party (defined as a third party that is not an Affiliate of any Licensed Entity) will be infringed by the sale of a Licensed Product by the Licensed Entities, (b) the Licensed Product is not sold in combination with other products that are not Licensed Products, and (c) the total royalties due to such unaffiliated third party(ies) ("Third Party Royalty") exceeds [***] of Net Sales of such Licensed Product in a Calendar Quarter ("Stacking Threshold"), then the Royalty percentage payable to University may be reduced thereafter, for so long as Licensed Entities are licensed under the third party patent, by [***]. However, in no event will the Royalty paid to University as a result of the application of this provision be reduced below [***] of the Royalty otherwise due hereunder.

vi. Single Royalty. Only one Royalty under Section 4.2 shall be paid with respect to each unit of Licensed Product sold, without regard to whether more than one Valid Claim within the Licensed Patents is applicable to such unit, or multiple bacterial strains that are covered by Valid Claims are included in a particular Licensed Product, or a particular Licensed Product is covered by either one or more Valid Claims and embodies Technical Information. For clarity, the Royalty due shall be at the highest applicable rate, but shall not be additive of the Royalties due under Section 3.B (i) and (ii). It is understood and agreed that no Royalty shall be due with respect to any use or transfer of Licensed Products for use in research or development activities conducted for the development of Licensed Products and for which no compensation above manufacturing cost is received by a Licensed Entity.

vii. Acknowledgement. Except as expressly set forth in this Section 4.2, Licensee shall have no obligation to pay any Royalties to University in consideration for the rights granted in or to the Licensed Patents or Technical Information.

viii. Combination Products. The Parties agree that in the event that any Licensed Product is a Combination Product, in no event will the Royalty paid to University with respect to such Licensed Product be reduced by more [***] of the Royalty otherwise due for such Licensed Product in accordance with Sections 3.B(i), 3.B(ii) and 3.B.(iii).

C. License Maintenance Fees/Minimum Royalties. Company will pay to University a minimum royalty of [***] per calendar year or part thereof during which this Agreement is in effect. The first of such minimum royalty payment will be due [***] and subsequent payment will be due on [***] thereafter during the term of this Agreement. Upon termination or expiration of this Agreement, any minimum royalties owed for the period prior to termination will be due within [***] of such termination or expiration. It is understood that such minimum royalty payments will be fully creditable against Royalties on a calendar year basis, and that sales of Licensed Products requiring the payment of Royalties made during a prior or subsequent calendar year will have no effect on the annual minimum royalty due University for any other given calendar year. In the event that this Agreement is in effect for only a portion of any calendar year, the minimum royalty payments set forth in this Section 3.C will be prorated for such portion.

D. Milestone Payments. Company will notify University within [***] when each of the following events are accomplished regarding each Licensed Product by a Licensed Entity and pay to University the following amounts (which sums are nonrefundable and noncreditable against Royalties):

i. $[***] paid on Commencement of the First Human Testing of the first Licensed Product. For clarity, this milestone would not be due or paid for the commencement of a healthy volunteer study.

ii. $[***] on acceptance of an IND for the first Licensed Product by the FDA.

iii. $[***] paid on Commencement of the first Phase III Clinical Trial for the first Licensed Product.

iv. $[***] paid on Regulatory Approval of each Licensed Product by FDA.

v. $[***] paid on first Regulatory Approval of each Licensed Product by an applicable regulatory authority in the European Union, such as the (EMA).

vi. $[***] paid on Regulatory Approval for a 2nd indication of a Licensed Product in the United States (FDA).

vii. $[***] paid on Regulatory Approval for a 2nd indication of a Licensed Product in the European Union, such as the (EMA).

Milestones Payments (i)-(iii) shall be paid of maximum of once, regardless of the number of Licensed Products that achieve the applicable milestone event. Milestones Payments (iv)-(vii) shall be paid of maximum of twice each, regardless of the number of Licensed Products that receive Regulatory Approval.

E. Payment and Reporting.

i. Company will pay Royalties owing to University on a quarterly basis, with such amounts due and received by University on or before the [***] following the end of the Calendar Quarter in which such amounts were earned.

ii. Except as otherwise directed, Company will pay all amounts owing to University under this Agreement in U.S. dollars to University at the address provided in Section 9.D or paid via wire transfer, if agreed upon. Any necessary conversion of currency into United States dollars will be at the applicable rate of exchange of Citibank, N.A. (or its successor), in New York, New York, on the last day of the Calendar Quarter in which such transaction occurred. University is exempt from paying income taxes under U.S. law. Therefore, Company will make all payments due under this Agreement without deduction for taxes, assessments, or other charges of any kind which may be imposed on University by any government outside of the United States or any political subdivision of such government with respect to any amounts payable to University pursuant to this Agreement. At Company's request, University shall cooperate with Company to document University's tax exempt status so that any such deductions or charges can be avoided. Company or the applicable Licensed Entity will assume all such taxes, assessments, or other charges that may reduce University's net royalties, such as bank transfer fees.

iii. Company will submit to University a full accounting showing how any amounts owing to University under Section 3 have been calculated along with each such payment therefore. For Royalties, such accounting will be on a per country and Licensed Product basis and will be summarized on the form shown in Schedule C of this Agreement. Such accounting will include completing a quarterly Royalty forecast section. In the event no payment is owed to University, within [***] after the end of each Calendar Quarter, Company will provide to University a statement setting forth that fact.

iv. Regardless of the circumstances, no payment made to University is refundable and only Royalty payments are creditable toward the minimum royalty as set forth in Section 3.C.

F. Sublicense Revenue. In addition to payments due pursuant to Sections 3.B and 3.D, Company will pay to University a share of Sublicense Revenue, as follows:

i. With respect to any Sublicense entered by Company on or before [***], Company will pay to University [***] of any Sublicense Revenue received with regard to such Sublicense;

ii. With respect to any Sublicense entered by Company after [***] but before the filing of an IND for the first Licensed Product, Company will pay to University [***] of any Sublicense Revenue received with regard to such Sublicense; provided, in such case, the aggregate Sublicensee Revenue payments to University would be a maximum of [***];

iii. With respect to any Sublicense entered by Company after the filing of an IND for the first Licensed Product, Company will pay to University [***] of any Sublicense Revenue received with regard to such Sublicense; provided, in such case, the aggregate Sublicensee Revenue payments to University would be a maximum of [***]

Sublicense Revenue payments shall be made to University within [***] of receipt of such Sublicense Revenue by Company.

G. Overdue Payments. Any payments by Company that are not received by University on or before the date such payments are due under this Agreement will accrue interest at the lesser of: (i) [***]; and (ii) the maximum rate allowed by law. Interest will accrue beginning on the first day following the due date for payment and will be compounded monthly. Payment of such interest by Company will not limit, in any way, University's right to exercise any other remedies University may have as a consequence of the lateness of any payment. Company will be responsible for all costs of collection incurred by University including attorney's fees and court costs.

H. Good Faith. It is the expectation of the Parties that Company will pay to University the amounts set forth in this Agreement for the commercial exploitation of the Licensed Patents and Technical Information, and Company will use reasonable efforts to comply with its obligations hereunder.

4. **Diligence**

A. Development Obligations. Company will use commercially reasonable efforts to diligently develop and bring Licensed Products to market. In particular, Company will use commercially reasonable efforts to meet the development milestones for advancement of Licensed Products in accordance with Schedule D attached hereto. Activities conducted by the Company and its Affiliates and Licensed Entities shall be treated as efforts by the Company in determining compliance with this Section 4.

B. Development Plan. Within [***] following the Effective Date, Company will provide University with a development plan for achievement within [***] of at least [***] development objectives for a Licensed Product. Such plan will include detailed plans (including proposed expenses for such activities), timetables for achieving milestones and necessary government or regulatory approvals, market research information on competitors and market size, and sales and marketing plans for the [***] period following the Effective Date, as well as a general plan and estimated timetable for achieving milestones and Company's strategic development plans for the following three years. Company will revise the development plan on an annual basis and provide University with such revised plan within [***] of December 31st, concurrent with the progress report due under Section 5.B. Upon request, Company will meet with University in a timely manner to review any such development plan. Company will use reasonable commercial efforts to perform in substantial compliance with the then-current development plan.

C. Delay in Achievement of Milestones. If there is a delay in achieving a development objective set forth in a development plan subject to section 4.B., then Company may nonetheless establish that it is using commercially reasonable efforts and not in breach of this Agreement:

i. If Company fails to timely accomplish any development objectives due to one or more factors outside of Company's control, then [***]. It is understood and agreed that factors outside Company's control shall include, without limitation, [***]; or

ii. If Company fails to timely accomplish any development objectives to factors within Company's control, then Company may nonetheless establish that it is using commercially reasonable efforts, as follows: (A) if Company believes it can achieve the development objectives within [***] of the development objective date in the

applicable Development Plan, then Company will notify the University that the development objectives has not been timely achieved but believes it can achieve the development objectives within [***] of its notice to University. In such case, Company will have the right to achieve the development objectives within the applicable period, and if the development objective is met within such period, Company will have established that it has used commercially reasonable diligence efforts; or (B) Company may submit to University evidence that [***].

In the event that Company has demonstrated diligent efforts as described in this Section 4.C., Company shall not be in breach of this Agreement and University may not terminate the Agreement for failure by Company to exercise commercially reasonable development efforts.

D. Extension of Timelines. If Company has failed to achieve one or more development objectives, and Company is not able to demonstrate that it has exercised commercially reasonable efforts as described in Section 4.C. then Company may once (and only once) pay to University a license maintenance fee of [***] to maintain the license. Within [***] of such payment, Company will submit new development targets and associated timelines to University, and the Parties shall discuss such new development objectives and timelines in good faith. In such case, University's approval of such new development objectives and timelines shall not be unreasonably withheld, conditioned or delayed. However, if Company fails to achieve the new development objectives, University and Company will negotiate in good faith for [***] to reach new development targets that are reasonable. If University is unwilling to accept these new development objectives, University may then terminate this Agreement pursuant to Section7.C.(ii).

E. Specific Obligations. Notwithstanding the other Sections of this Section 4, if Company has failed to (i) file an IND with respect to at least one Licensed Product within [***] following the Effective Date, or (ii) Commence a clinical trial intended to enroll at least [***] in an intent to treat clinical trial for at least one Licensed Product within [***] of the Effective Date, then University may then terminate this Agreement pursuant to Section7.C.(ii).

F. Promotion and Marketing. Company will use commercially reasonable efforts (and in no event less effort or relative expense than the level of resources and talent as is that Company uses for its other products with similar market potential and proprietary protection) to promote, advertise, and sell the Licensed Products.

5. **Records and Review**

A. Full and Accurate Records. University may from time to time and at any reasonable time, not exceeding once every [***], through independent auditors reasonably acceptable to Company, as University may designate, inspect and copy the books and records of Company in order to verify the payments due hereunder, the accuracy of any reported

statement by Company, or of any other obligation under this Agreement. Company and its Affiliates will keep, and will cause Sublicensees to keep, continuous, full and accurate books and records in sufficient detail so that Company's compliance with its obligations under this Agreement can be properly determined without undue delay or difficulty. Company will use commercially reasonable efforts to obtain the right for University to inspect and audit the records of Company's Licensed Entities on the same terms applicable to Company's books and records. Company agrees to include usual and customary audit provisions in its Sublicenses, and agrees to share with University the results of any audit it conducts that are relevant to the Licensed Products. If University makes a reasonable determination that an audit of a Licensed Entity may be appropriate, University will notify Company and the Parties will discuss in good faith the best course of action. University reserves the right to require Company to audit a Licensed Entity. The books and records of Company and Licensed Entities will be maintained for at least [***] after the activity or Royalty reporting period(s) to which they relate. Books and records will include but not be limited to: accounting general ledgers; invoice/sales registers; original invoice and shipping documents; federal and state business tax returns;company financial statements; sales analysis reports; inventory and/or manufacturing records; sublicense and distributor agreements; price lists, product catalogs and other marketing materials, in each case, solely as they relate to Licensed Products. Company will, and will cause all other Licensed Entities to, comply with this Section 5.A.

University shall provide to Company a full copy of any audit report that concludes that Company has underpaid any amount to University, to allow Company to respond to any such report. Any audit inspection will be made at the expense of University, unless such examination discloses a discrepancy of [***] or more in the amount of payments due University in any audit period. In such case Company will be responsible for reimbursing University for the examination fee and expenses charged by the auditor along with the underpayment. Any underpayment will bear interest as described in Section 3.G. Company will pay past due payments for any error, including any payment deficiency for periods prior to the period under inspection, within [***] of written notice thereof. University and the auditor will maintain in confidence such inspection and the resulting report. The auditor shall, prior to any audit, enter into a confidentiality agreement with Company and, if the audit involves any Licensed Entity that is not the Company, with the relevant Licensed Entity, and may from time to time consult University and any of its employees or third party counsel on questions as they relate to this Agreement; provided, the auditor may not disclose to University or its representatives any financial or proprietary information except as required to conduct the inspection, to report and substantiate the results, as otherwise permitted by this Agreement, or if the information is already publicly known.

B. Progress Reports. Within [***] of each June 30 and December 31 during the term of this Agreement, Company will deliver a written report to University, in substantially the form of Schedule E attached hereto. The report will describe the progress of Company toward achieving the goals of the development plan and bringing Licensed Products to market (and any proposed revisions to the plan developed during the preceding six months). Company will promptly notify University in writing upon the First Commercial Sale of each Licensed Product and when Company's obligation to begin making Royalty payments begins. Upon the First Commercial Sale of each Licensed Product, Company will provide in writing to University the following information: the date of First Commercial Sale, the generic name, and the tradename of each commercial product. Notwithstanding anything to the contrary in this Section 5.B, if Company has made at least one Royalty payment to University, Company shall only be required to deliver a written report once annually within [***] after December 31 of each calendar year during the term of this Agreement.

6. **Patents**

A. Prosecution, Defense and Maintenance. University will control the preparation, filing, prosecution, maintenance and abandonment of the Licensed Patents; provided, Company (or its designee) shall have the first right (but not the obligation) to control the conduct of any post grant proceedings (including any IPR, oppositions, post-grant proceedings and declaratory judgment actions), solely to the extent such post grant proceedings relate to the Licensed Patents. The party controlling any such activity (i.e., University or Company, as the case may be) will cooperate, and in the case of Company, will cause other Licensed Entities to cooperate in a timely manner in the applicable activities by (i) disclosing such information as may be requested by the controlling party, (ii) by promptly executing such documents as the controlling party may reasonably request in connection therewith, and (iii) considering in good faith comments by the non-controlling party in connection with any such activities. In particular, the controlling party shall provide the non-controlling party with a reasonable opportunity to review and comment on any communications with any patent office before any such communications are filed. Notwithstanding the foregoing, if a post grant proceeding is filed in connection with another claim against the University, or if the outcome of the action could be materially detrimental to the University or any of its employees, University will retain control of the proceedings. Company will, and will cause each other Licensed Entity to, bear its own costs in connection with their cooperation with University under this Section 6.A. Upon request, University will provide, or will have its legal counsel provide, Company copies of material documents received or prepared by University in the filing, prosecution and maintenance of the Licensed Patents.

B. Patent Costs. University shall conduct the activities it controls pursuant to section 6.A using patent counsel reasonably acceptable to Company. University shall timely file patent applications and patents with the Licensed Patents in any countries and jurisdictions selected by Company. Company will pay all necessary and reasonable fees and expenses incurred by University relating to the preparation, filing, prosecution, defense, and maintenance of the Licensed Patents that University controls ("Patent Costs").

i. Payment for Patent Costs incurred by University on or after the Effective Date will be invoiced to Company and Company will pay amounts on such invoices within [***] of Company's receipt of the applicable invoice.

ii. If Company fails to pay invoices for Patent Costs [***], then upon request by University, Company will make estimated advanced payments for Patent Costs. University will specify the amount of any such advanced payments on an invoice provided to Company, identifying the applicable Licensed Patent, country and estimated cost. Company will pay such advance payments of Patent Costs to University prior to the relevant patent deadlines. Invoices for advanced payments will be reconciled with the advance payments made by Company every [***]. Any excess payment by Company will be credited to future Patent Costs specified in this Section 6.B.

iii. Notwithstanding any provisions to the contrary in this Agreement, if University does not receive, by the date specified, full payment for any Patent Costs, University may, at its sole discretion at any time, do any one or more of the following: (a) without further notice to Company, abandon any Licensed Patent to which such payment applies and any related Licensed Patents, including any Licensed Patent that claims priority to such Licensed Patent; or (b) notify Company that it is in breach of the Agreement for such failure to pay, in which case the terms of Section 7.B. shall apply.

iv. Company may at any time, elect to discontinue its support of Patent Costs for one or more patent applications or patents within the Licensed Patent(s). If Company decides to discontinue its support of Patent Costs for one or more patent applications or patents within the Licensed Patent(s), Company will notify University in writing [***] prior to any such discontinuation. Company will be responsible for reimbursing University for any Patent Costs associated with such Licensed Patent(s) that University incurs in the [***] period following such notice, whether or not such costs were invoiced to University during such period; provided, University shall use reasonable efforts to mitigate such Patents Costs.

v. Upon Company's election to discontinue support pursuant to Section 6.B.v or its failure to pay Patent Costs in accordance with Section B(ii) above for any Licensed Patents, all of Company's rights in or to the applicable Licensed Patents shall automatically terminate (regardless of whether Schedule A reflects such termination) and all rights to the applicable patent applications and patents will immediately revert to University. Without limiting any other rights of University, University may in its sole discretion, abandon the applicable patent or patent application or license such patent or patent application to a third party at any time after such termination. If:

(a) University continues to prosecute and/or maintain any such former Licensed Patents,

(b) Company has continued to support at least the European and United States counterparts of such formerly Licensed Patents, and

(c) such formerly Licensed Patents have not been licensed by University to a third party,

for a [***] period from the issuance of any such Licensed Patent, Company may elect to re-acquire its exclusive license to any such former Licensed Patent by paying to University before the end of the [***] period both:

(d) [***] of the Patent Costs incurred by University in the period following the termination of Company's license to the applicable former Licensed Patent and

(e) any Royalties that would have been owed for the sale of Licensed Products under the applicable Licensed Patent from the date of First Commercial Sale in the applicable territory.

C. Challenges. If any Licensed Entity brings an action or proceeding, or assists any third party in bringing an action or proceeding, seeking a declaration or ruling that any claim in any of the Licensed Patents is invalid or unenforceable, or asserts that any product or process does not infringe the Licensed Patents, then to the extent not prohibited by applicable law and in addition to, not in lieu of, other rights and remedies of University:

i. during the pendency of such action or proceeding, the Royalty rate applicable to payments made pursuant to Section 3.B.i with regard to Licensed Products covered by the Licensed Patent in suit will automatically increase to [***] the royalty rate currently set forth in Section 3.B.i;

ii. should the outcome of such action or proceeding determine that any claim of a Licensed Patent challenged is valid and enforceable, and the applicable Licensed Product is covered by the applicable Licensed Patent, then the Royalty rate applicable to payments made pursuant to Section 3.B.i with regard to Licensed Products covered by the Licensed Patent in suit will automatically increase to [***] the royalty rate currently set forth in Section 3.B.i. and Company will pay, if it had not already, University's attorneys' fees, expert witness fees, court costs, third party costs, and other litigation expenses incurred in connection with such action or proceeding;

iii. For clarity, Company will have no right to recoup any Royalties or other amounts paid before such action or proceeding or during the period in which such action or proceeding is pending (including on appeal);

iv. Company will continue to make all payments directly to University and will not, and will not seek to, pay into any escrow or other similar account;

v. For clarity, University will have full control and authority to defend the Licensed Patents in such an action or proceeding; and

vi. Company will provide written notice to University at least [***] before any Licensed Entity initiates any action or proceeding seeking a declaration or ruling that any claim of any Licensed Patent is invalid or unenforceable or of its intention to assert that any product or process does not infringe any claim in the Licensed Patent. Company will include with such written notice an identification of all prior art it believes is material.

D. Infringement.

i. Notice. In the event either Party becomes aware of any possible or actual infringement, misappropriation, or other violation of any Licensed Patents in the Field in the Territory (an "Infringement"), that Party will promptly notify the other Party and provide it with details regarding such Infringement.

ii. Company's Right to Bring Infringement Action. Company will have the first right, but not the obligation, to take action in the prosecution, prevention, or termination of any Infringement. Before Company commences an action with respect to any Infringement, Company will consider in good faith the views of University and potential effects on the public interest in making its decision whether to sue. Company will keep University reasonably informed of the progress of the prosecution, prevention and/or termination of actions and will give University a reasonable opportunity in advance to consult with Company and offer its views about major decisions. Company will give careful consideration to those views, but will have the right to control the action regarding Infringement; provided, however, that if Company fails to defend in good faith the validity and/or enforceability of the Licensed Patents in the action, or if Company's license to a Valid Claim in the suit terminates, then University may elect, but shall not be obligated, to take control of the action and any recovery will be apportioned in the same manner as an action initiated by University pursuant to Section 6.D.iii. So long as Company controls any enforcement action, reasonable attorneys' fees for counsel selected by University and out of pocket expenses incurred by University in connection with the prosecution, prevention, termination, adjudication, and/or settlement regarding a Licensed Patent initiated by Company, including any related appeals, will be paid for by Company, and Company will hold University free, clear and harmless from and against any and all such expenses. Any such expenses shall be paid out of any recovery. Notwithstanding any of the foregoing, Company will not compromise or settle any action involving the Licensed Patents without the prior written consent of University, which consent will not be unreasonably withheld or delayed. In the event that Company controls the action pursuant to this Section 6.D.ii, it will first reimburse

itself from any sums recovered in such suit or in settlement thereof for all out-of-pocket and documented costs and expenses, including reasonable attorneys' fees, necessarily incurred in the prosecution of any such suit. If, after such reimbursement, any funds remain, then such amounts shall be treated as Net Sales and shall be subject to Section 3.B.

iii. University's Right to Bring Infringement Action. If Company does not take action in the prosecution, prevention, or termination of any Infringement pursuant to Section 6.D.ii above, and has not commenced negotiations with the infringer for the discontinuance of said Infringement within [***] after it becomes aware of such Infringement or, at any time thereafter, ceases to diligently continue such prosecution, prevention, or termination, University may elect, but is not obligated, to do so. Should University elect to bring suit against an infringer, Company will cooperate fully with University, including joining as party plaintiff in any such suit if requested by University. Company will have the right to approve the counsel selected and paid for by University to represent University and Company, such approval not to be unreasonably withheld or delayed. In the event University exercises its right pursuant to this Section 6.D.iii, it will recover for its own account any damages, awards or settlements.

iv. Own Counsel. Each Party will always have the right to be represented by counsel of its own selection and at its own expense in any suit instituted by the other Party under this Section 6.D.

v. Cooperation. Each Party will cooperate fully in any action under this Section 6.D that is controlled by the other Party, provided that the controlling Party reimburses the cooperating Party promptly for any costs and expenses incurred by the cooperating Party in connection with providing such assistance.

vi. Declaratory Judgement. If a declaratory judgment action is brought alleging invalidity or unenforceability of any claims within the Licensed Patents, the Parties shall promptly notify the other, providing a copy of the complaint, and Company will have the first right to control such action pursuant to Section 6.A.

vii. Technical Information. University will have the exclusive right (but not the obligation), to the extent applicable, to institute legal action against any third party arising out of such third party's actual or threatened infringement or misappropriation of any Technical Information, and University will retain any and all proceeds from any such actions and settlements in connection therewith. Company will have no right to make any demands or claims, bring suit, effect any settlements or take any other action with respect to any such infringement or misappropriation without the prior written consent of University.

7. **Term and Termination**

A. Term. This Agreement and the rights and licenses hereunder will take effect on the Effective Date and will expire on a country-by-country and Licensed Product-by-Licensed Product basis on the later of: (i) the expiration date of the last to expire of the Licensed Patents covering the applicable Licensed Product in the applicable country; and (ii) [***] from the First Commercial Sale, unless earlier terminated pursuant to the terms of this Agreement. On a Licensed Product-by-Licensed Product basis, following the expiration of the Royalty obligations in a given country, Company shall retain with respect to the Technical Information, a non-exclusive, fully paid, perpetual, irrevocable license, with the right to grant and authorize sublicenses, to make, have made, use, import, offer for sale and sell such Licensed Product.

B. University's Right to Terminate. Without limiting other rights, University will have the right to terminate this Agreement as follows, in addition to all other available remedies:

i. If Company fails to make any payment when due, this Agreement will terminate effective [***] after University's written notice to Company describing such failure, unless Company makes such payment within such [***].

ii. If Company breaches any material obligation of this Agreement other than an obligation to make a payment when due or a failure to perform the obligations in Section 4, this Agreement will terminate in its entirety, effective [***] after University's written notice to Company describing such material failure, unless Company cures such failure within such [***]; provided, in the event that Company disputes such material breach, no such termination shall be effective until the matter has been finally resolved pursuant to Section 9.G.

iii. If Company files, or has filed against it, a petition under any bankruptcy or insolvency law, Company will immediately notify University. If such petition is not dismissed within [***] of Company's filing, or if Company makes an assignment of all or substantially all of its assets for the benefit of its creditors, then, unless prohibited by applicable law, this Agreement will automatically terminate at the end of such [***] with respect to Company unless University provides written notice to Company within such [***]. If Company becomes aware that any Licensed Entity is likely to become insolvent, it will notify University.

iv. If Company will be dissolved, liquidated or otherwise ceases to exist, other than for reasons specified in Section 7.B.iv, unless prohibited by applicable law, this Agreement will automatically terminate with respect to Company as of: (a) the date articles of dissolution or a similar document is filed on behalf of Company with the appropriate governmental authority; or (b) the date of establishment of a liquidating trust or other arrangement for the winding up of the affairs of Company.

C. Termination and Affiliates.

i. For the avoidance of doubt, if this Agreement expires or terminates for any reason, the rights and licenses granted to Company's Affiliates hereunder will expire or terminate to the same extent as such rights and licenses expire or terminate with respect to Company; provided if such Affiliates have become Sublicensees, such Sublicenses shall continue pursuant to Section 7.G (iii).

ii. In the event that any entity ceases to be an Affiliate of Company, whether as the result of a sale, merger, corporate reorganization, or otherwise, the licenses granted to such entity pursuant to Section 2.A shall automatically and immediately terminate.

D. Company's Right to Terminate. In the event Company desires to terminate this Agreement in its entirety, or as to any country or any Licensed Patent or Technical Information, Company will provide written notice to University thereof and this Agreement shall terminate with respect to the applicable country or Licensed Patent or Technical Information [***] thereafter.

E. Survival. The rights and obligations accruing prior to any termination or expiration of this Agreement for any reason will survive, including: (i) all causes of action accruing to either Party under this Agreement; (ii) Company's obligation to pay amounts payable under this Agreement accrued prior to the date of termination or expiration, including Royalties and Patent Costs; (iii) Company's obligation to report Net Sales and keep records, as required by Sections 3.E and 5; (iv) University's right to audit under Section 5.A; (v) any obligation to abate an Infringement that arose prior to the date of termination or expiration under Section 6; and (vi) Sections 5 (records and review), 7.E (survival), 7.F (post-termination obligations of Company), 8 (representations and warranties), and 9 (miscellaneous) of this Agreement until their purposes are fulfilled.

F. Post Termination, Post Expiration Obligations of Company. Upon the termination of this Agreement for any reason, subject to the terms of Section 7.G., all rights of Company to use the Licensed Patent(s) and Technical Information will immediately thereafter cease and revert to University and Company will not practice the Licensed Patents or Technical Information. Except to the extent set forth in Section 7.E, any other rights conferred to Company by this Agreement will also immediately thereafter cease. Except as necessary to comply with applicable laws, regulations, or the terms and conditions of this Agreement, promptly following the termination of this Agreement, Company will, and will cause all other Licensed Entities to, deliver to University, or at University's request irretrievably destroy, all tangible materials embodying or relating to any unexpired Licensed Patents or any Technical Information; provided, however, Company shall have no obligation to destroy or seek to destroy electronic records (e.g., backup files) maintained for archival purposes that may retain Technical Information. Company will provide to University a certification that such delivery or destruction has been completed. Company will not thereafter operate or conduct business in any manner that might tend to

create the impression that this Agreement is still in force, or that Company has any right to use any one or more of Licensed Patents or Technical Information. Upon termination or expiration, all payments including fees and costs due under this Agreement and not yet paid will become immediately due and payable.

G. Consequences of Termination.

i. Accrued Rights and Obligations. Expiration or termination of this Agreement for any reason shall not affect either Party's rights or obligations accrued to such Party as of the effective date of termination or based upon any event occurring prior to the effective date of termination.

ii. Stock on Hand. In the event this Agreement is terminated for any reason, Company shall have the right to sell or otherwise dispose of all Licensed Products in the process of manufacture, testing, in use or in stock, provided that Company shall remain obligated to make payment of Royalties to University for such Licensed Products in accordance with Section 3.B.

iii. Sublicenses. In the event this Agreement is terminated pursuant to Section 7.B.iii or iv, [***].

8. **Representations, Warranties, Disclaimers; Indemnification; Insurance; Primary Responsibility**

A. Representations, Warranties and Covenants of Company. Company hereby represents, warrants and covenants that:

i. Company is a corporation duly organized, validly existing and in good standing under the laws of Delaware, has the corporate power and authority to execute and deliver this Agreement, including on behalf of its Affiliates, and perform all obligations under this Agreement.

ii. The execution, delivery and performance have been duly and validly authorized by Company, and upon execution and delivery by Company, this Agreement will constitute a valid, enforceable and binding agreement of Company and of its Affiliates.

iii. Company has no other agreements that conflict with the obligations undertaken and rights and licenses granted in this Agreement.

iv. Company will comply and require all other Licensed Entities to comply with applicable laws, including to ensure that any manufacture of Licensed Product(s) by a Licensed Entity, and/or its respective vendor(s), suppliers agents or contractors, will comply with and conform with applicable law and to all applicable specifications required by any regulatory body and/or market approval granted.

v. No Licensed Entity will take any action or engage in any activity that substantially increases the risk that any Licensed Patent is likely to be found invalid or unenforceable.

vi. Company will make all payments to University as and when required by this Agreement.

B. Representations, Warranties and Covenants of University. University represents and warrants that, to the knowledge of the University Personnel:

i. it is a not-for-profit corporation duly organized validly existing and in good standing under the laws of Illinois;

ii. the execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action on the part of University;

iii. to the actual knowledge of the personnel in the University's Center for Technology Development and Ventures (UChicagoTech), University is the sole and exclusive owner of all right, title and interest in and to the Licensed Patents, and all named inventors on the Licensed Patents have assigned to the University their entire right, title and interest in the applicable Licensed Patents; and

iv. it has not previously granted and will not grant during the term of this Agreement, any right, license or interest in or to the Licensed Patents, or any portion thereof, inconsistent with the licenses granted to the Company in this Agreement.

C. Disclaimer of Warranties. EXCEPT AS EXPRESSLY PROVIDED IN SECTION 8.B., THE LICENSED PATENTS AND TECHNICAL INFORMATION ARE PROVIDED AS IS AND WHERE IS. UNIVERSITY MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, WHETHER EXPRESS, STATUTORY, IMPLIED OR OTHERWISE. IN PARTICULAR, UNIVERSITY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES, INCLUDING ABOUT (I) THE VALIDITY, SCOPE OR ENFORCEABILITY OF ANY OF THE LICENSED PATENTS; (II) THE ACCURACY, SAFETY OR USEFULNESS FOR ANY PURPOSE OF ANY INFORMATION PROVIDED BY UNIVERSITY TO ANY LICENSED ENTITY; (III) FURNISHING ANY TECHNICAL INFORMATION; (IV) WHETHER THE PRACTICE OF ANY CLAIM CONTAINED IN ANY OF THE LICENSED PATENTS OR TECHNICAL INFORMATION WILL OR MIGHT INFRINGE INTELLECTUAL PROPERTY RIGHTS ; (V) THE PATENTABILITY OF ANY INVENTION CLAIMED IN THE LICENSED PATENTS; (VI) THE ACCURACY, SAFETY, OR USEFULNESS FOR ANY PURPOSE OF ANY PRODUCT OR PROCESS MADE OR CARRIED OUT IN ACCORDANCE WITH OR THROUGH THE USE OF THE LICENSED PATENTS; AND (VII) ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

D. Indemnification. Company agrees, and will cause each other Licensed Entity, to indemnify, defend and hold harmless University, its Affiliates and the trustees, directors, officers, students, employees, fellows and agents of any of the foregoing (collectively the "Indemnified Persons") from and against any and all third party claims, demands, liabilities, losses, damages, penalties, costs and/or expense (including attorneys' and witnesses' fees and court costs) of any kind or nature, based upon, arising out of, or otherwise relating to this Agreement and/or a Sublicense, including without limitation (i) any claim arising from the development, production, use, sale, export, import or other disposition of any Licensed Product and all activities associated therewith, or (ii) any use of information provided by University to any Licensed Entity. Company agrees, and will cause each other Licensed Entity to agree, not to sue any Indemnified Person in connection with the development, production, use, sale or other disposition of Licensed Products and all activities associated therewith. University shall promptly notify Company of any claim or action that may be subject to this Section 8.D., provide to Company a full description of all relevant facts, and cooperate fully with Company in the defense of any such action. Company shall control any legal proceeding subject to this Section 8, provided; provided, however, that University's failure to promptly notify Company shall only relieve Company of its obligations under this Section to the extent Company is actually prejudiced by such failure. University will be entitled to participate, at its option and expense, through counsel of its own selection, and may join in any legal actions related to any such claims, demands, losses, damages, costs, expenses and penalties. No Licensed Entity will enter into any settlement affecting any rights or obligations of any Indemnified Person or which includes an express or implied admission of liability, negligence or wrongdoing by any Indemnified Person, without the prior written consent of such Indemnified Person.

E. Assumption of Risk. The entire risk as to the performance, safety and efficacy of any subject matter claimed in any Licensed Patent, the Technical Information and of any Licensed Product is assumed by the Company on behalf of the Licensed Entities. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, UNIVERSITY WILL NOT BE LIABLE TO ANY LICENSED ENTITY OR ANY OTHER PERSON OR ENTITY FOR INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, EXEMPLARY, PUNITIVE OR ANY OTHER DAMAGES OR LOSSES OF ANY KIND OR NATURE, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), PRODUCTS OR STRICT LIABILITY OR ANY OTHER FORM OF ACTION; AND IN NO EVENT WILL UNIVERSITY'S TOTAL AGGREGATE LIABILITY UNDER OR IN CONNECTION WITH THIS AGREEMENT TO ALL LICENSED ENTITIES AND OTHER PERSONS AND ENTITIES EXCEED THE TOTAL AMOUNTS PAID BY COMPANY TO UNIVERSITY HEREUNDER. The above limitations on liability apply even though the Indemnified Person may have been advised of the possibility of such injury, loss or damage. Company will not, and will cause all other Licensed Entities not to, make any agreements, statements, representations or warranties or accept any liabilities or responsibilities whatsoever with regard to any person or entity which are inconsistent with this Section 8.E.

F. Insurance. Company agrees, and will cause each other Licensed Entity to agree to continuously maintain during the term of this Agreement and beyond liability insurance that will cover its obligations hereunder, including any claims for bodily injury, property, or other damage alleged to relate to Licensed Products or activities undertaken in connection with this Agreement, Licensed Patents, or Licensed Products, including the development, manufacture, use, sale or other disposition of Licensed Products and all activities associated therewith. Each Licensed Entity will list University and its Affiliates, at such Licensed Entity's expense, as additional named insureds under each liability insurance policy (including excess or umbrella liability policies) that such Licensed Entity has or will obtain, that includes any coverage of claims relating to Licensed Products. Such insurance will be primary and noncontributory to any insurance University and its Affiliates may have. At University's request, Company will supply University from time to time with copies of each such policy, and will notify University in writing at least [***] prior to any termination of or change in coverage under any such policies.

9. **Miscellaneous**

A. Marking. Company will mark all Licensed Products (or their packaging, as appropriate) sold, offered for sale, imported, or otherwise disposed of in such a manner not inconsistent with the requirements of the patent laws and practices of the country to which such products are shipped or in which such products are manufactured or sold, including, if in the U.S., 35 U.S.C. § 287.

B. Export Regulations. Without limiting Section 8.A, Company will-comply with United States export control and asset control laws, regulations, and orders, as they may be amended from time to time, applicable to the export, re-export, or import of goods or services, including software, processes, or technical data to foreign countries. Such regulations include but are not limited to the International Traffic in Arms Regulations (22 C.F.R. § 120 *et seq*.), the Export Administration Regulations (15 C.F.R. § 730 *et seq*.), the regulations administered by the Treasury Department's Office of Foreign Assets Control (31 C.F.R. § 500 *et seq*.), and the Anti-Boycott Regulations (15 C.F.R. § 760).

C. Entire Agreement, Amendment. This Agreement together with the schedules attached hereto constitutes the entire agreement between the Parties regarding the subject matter hereof, and supersedes all prior written or oral agreements or understandings (express or implied) between them concerning the same subject matter. In entering into this Agreement, no Party has relied upon another person's statement, representation, warranty or agreement except for those expressly contained in this Agreement. The only conditions precedent to this Agreement's effectiveness are those expressly stated in it. This Agreement cannot be amended or modified except in a document signed by duly authorized representatives of each Party.

D. Notice. Any notice required or otherwise made under this Agreement will be in writing, sent by registered or certified mail properly addressed, or by facsimile with confirmed answer-back, to the other Party at the address set forth below or at such other address as may be designated by written notice to the other Party. Notice will be deemed effective three (3) business days following the date of sending such notice if by mail, on the day following deposit with an overnight courier, if sent by overnight courier, or upon confirmed answer-back if by facsimile.

If to University:	UChicagoTech Center for Technology Development & Ventures The University of Chicago Edelstone Center, 2S 6030 S. Ellis Ave Chicago, Illinois 60637 Facsimile Number: [***] Attention: [***]
If to Company:	Evelo Biosciences, Inc. Legal Department 620 Memorial Drive, Suite 200 Cambridge, Massachusetts 02139 Facsimile Number: [***] Attention: [***]

E. Assignment. This Agreement will be binding on the Parties and upon their respective successors and assigns and inure to the benefit of the Parties and their respective permitted successors and assigns.

Company may at any time, upon written notice to University, assign or transfer this Agreement to (i) any Affiliate of the Company, or (ii) a successor to all or substantially all of its business pertaining to this Agreement. Any such assignment will be conditioned on and will not be effective until the assignee or transferee has executed and delivered a written agreement assuming and undertaking all of the duties and obligations of Company under this Agreement. Except as provided above, Company will not assign, transfer or delegate any right or obligation hereunder without the prior written consent of University and any attempted conveyance in violation of any term of this Agreement will be null and void. University may assign or transfer this Agreement or its rights and obligations hereunder at any time to any third party on written notice to Company. In the event of an assignment by University, the assignee will be substituted for University as a party hereto, and University will no longer be bound hereby.

F. Force Majeure. In the event either Party hereto is prevented from or delayed in the performance of any of its obligations hereunder by reason of acts of God, war, strikes, riots, storms, fires, earthquake, power shortage or failure, failure of the transportation system, or any other cause whatsoever beyond the reasonable control of the Party ("**Force Majeure Event**"), the Party so prevented or delayed shall be excused from the performance of any such obligation during a period that is reasonable in light of the Force Majeure Event, but no less than the duration of the Force Majeure Event itself.

G. Governing Law. Illinois law (without regard to any jurisdiction's conflict-of-laws principles) exclusively governs all matters based upon, arising out of, or relating in any way to this Agreement, including, without limitation, all disputes, claims or causes of action arising out of or relating to this Agreement as well as the interpretation, construction, performance and enforcement of this Agreement. The Parties will bring and litigate all actions or proceedings arising out of or relating to this Agreement in courts located within Chicago, Cook County, Illinois, and the Parties hereby consent to the jurisdiction of such courts. Without limiting the foregoing, any dispute regarding the validity or enforceability of any of the Licensed Patents, or whether any product would infringe (but for this Agreement) any claim in the Licensed Patents, will be litigated exclusively in the U.S. District Court for the Northern District of Illinois situated in Cook County, Illinois, and each Party will submit to the exclusive jurisdiction of such court, and waives any objection to venue, for such purposes.

H. Confidential Terms. Each Party agrees not to disclose to any Third Party the terms and conditions of this Agreement, without the prior approval of the other Party, except to advisors (including consultants, financial advisors, attorneys and accountants), potential and existing investors, and others on a need to know basis, in each case under circumstances that reasonably protect the confidentiality thereof, or to the extent necessary to comply with the terms of agreements with Third Parties, or to the extent required by applicable law, including securities laws. Each Party may issue press releases relating to this Agreement or activities conducted hereunder, provided that such Party shall submit the text of such press releases to the other Party for its review prior to the issuance thereof. Both Parties may use information from any previous press release without having to submit such subsequent press release to the other Party.

I. Independent Contractors. The Company is an independent contractor under this Agreement. This Agreement does not, is not intended to, and will not be construed to, establish a partnership or joint venture, nor does this Agreement create or establish an employment, agency or any other relationship. Company has no right, power or authority, nor will it represent itself or allow another Licensed Entity to represent itself as having any authority to assume, create or incur any expense, liability or obligation, express or implied, on behalf of the University, or otherwise act as an agent for the University for any purpose.

J. No Use of Name. Neither Party will use (and Company will prohibit any Licensed Entity from using) the name, insignia, or symbols of University in any commercial activity, marketing, advertising or sales brochures except with the prior written consent of the other Party, which consent may be granted or withheld at other Party's sole discretion. Company agrees not to use, and will prohibit each other Licensed Entity from using, the name of any University employee(s) in any commercial activity, marketing, advertising or sales brochures.

K. Limitation of Liability. EXCEPT FOR EITHER PARTY'S BREACH OF CONFIDENTIALITY OBLIGATIONS UNDER ARTICLE 8, AND INDEMNIFICATION OBLIGATIONS, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY OR ANY THIRD PARTY FOR ANY SPECIAL, CONSEQUENTIAL, EXEMPLARY, INCIDENTAL, STATUTORY OR PUNITIVE DAMAGES (INCLUDING LOST OR ANTICIPATED REVENUES OR PROFITS RELATING TO THE SAME), ARISING FROM ANY CLAIM RELATING TO THIS AGREEMENT, OR THE SUBJECT MATTER HEREOF, WHETHER SUCH CLAIM IS BASED ON CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EVEN IF ADVISED OF THE POSSIBILITY OR LIKELIHOOD OF SAME.

L. Waiver. No term or provision of this Agreement will be waived and no breach excused unless such waiver or consent is in writing and signed by the Party claimed to have waived or consented. No waiver of a breach will be deemed to be a waiver of a different or subsequent breach. No delay in enforcing a term or provision will be deemed a waiver thereof.

M. Construction. Each Party has consulted counsel of their choice regarding this Agreement, and each acknowledges and agrees that this Agreement will be construed without regard to the Party or Parties responsible for the preparation of the same and will be deemed as prepared jointly by the Parties. Any ambiguity or uncertainty existing herein will not be interpreted or construed against any Party. No course of dealing, course of performance, or usage of trade may be considered in the interpretation or enforcement of this Agreement. Both Parties waive any right they may have to introduce any such evidence.

N. Execution. This Agreement may be executed by the Parties in any number of identical counterparts, each of which, for all purposes will be deemed to be an original, and all of which will constitute, collectively, one instrument.

O. Severability. If any provision of this Agreement is held to be invalid, illegal, unenforceable, or in conflict with any laws of any federal, provincial, state, or local government that may exercise jurisdiction over this Agreement, the validity and enforceability of the remaining portions or provisions will not be affected thereby nor the validity and enforceability of such provision where valid, legal, enforceable and not in such a conflict. Any invalid or unenforceable provision will be promptly reformed by the Parties to effectuate their intent as evidenced on the Effective Date.

FINAL

IN WITNESS WHEREOF, the Parties hereto have caused this agreement to be executed by their respective duly authorized officers or representatives on the Effective Date.

University	Evelo Biosciences, Inc.
By: /s/ Alan Thomas	By: /s/ Simba Gill
Alan Thomas, Associate Vice President and Director, UChicagoTech	Simba Gill, President & Chief Executive Officer
Date of signature: March 10, 2016	Date of signature: 10 March, 2016

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

FINAL

Schedule A

Licensed Patents

University of Chicago Reference Number	Country	Application or Patent Number	Filing or Issue Date	Title
[***]	United States	#62/248,741	10/30/2015	Treatment of Cancer by Manipulation of Commensal Microflora
[***]	United States	#62/169,112	6/01/2015	Treatment of Cancer by Manipulation of Commensal Microflora

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

FINAL

Schedule B

Technical Information

Characterization of bacteria populations from [***] (other than Taconic and Jackson colonies)

Characterization of bacteria populations from [***]

Analysis of bacterial genera [***]

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

FINAL

Schedule C

UNIVERSITY OF CHICAGO ROYALTY REPORT

Company: _____ Agreement No: _____
Period Covered: From: _____ Through: _____
Prepared By: _____ Date: _____
Approved By: _____ Date: _____

Following First Commercial Sale of a second Licensed Product, please prepare a separate report for each. Then combine all Licensed Products into a summary report.

Report Type: ☐ **Single Product Line Report:** _____
☐ **Multiproduct Summary Report.** Page 1 of _____ Pages
☐ **Product Line Detail.** Line: _____ Tradename: _____ Page: _____

Report Currency: ☐ **U.S. Dollars** ☐ **Other:** _____

Country	Gross Invoiced Amount	* Less Allowances	Net Sales	Royalty Rate	Period Royalty Amount This Year	Period Royalty Amount Last Year
TOTAL:						

Total Royalty: _____ Conversion Rate: _____ Royalty in U.S. Dollars: $_____

The following Royalty forecast is non-binding and for University's internal planning purposes only:

Royalty Forecast Under This Agreement: Next Quarter: _____ Q2: _____ Q3: _____ Q4: _____

FINAL

* On a separate page, please indicate the reasons for returns or other adjustments if significant. Also, note any unusual occurrences that affected royalty amounts during this period. To assist University's forecasting, please comment on any significant expected trends in sales volume.

FINAL

Schedule D

Product Development Plan

Subject to reasonable revision based on data generated in development of Licensed Products, Company will:

1) Start First Human Testing by [***].

2) File for IND within [***] of Effective Date, if positive data from food study

3) Begin clinical study with Intent to Treat Population greater than [***] or begin a Phase II trial within [***] of IND acceptance.

FINAL

Schedule E

Progress Report Form

For the time period _____to _____ regarding the Agreement, effective February __, 2016 between The University of Chicago and Evelo Biosciences UChicagoTech No. AGR

UCHI No. [***]

Please fill out the fields below to the extent that they are relevant. Any additional documents that may be helpful for illustration may be sent along as attachments. In some cases a conversation with University's Center for Technology Development & Ventures ([***]) may be useful as a follow-up.

Company Contact Name:_____

Company Contact Address & Phone:_____

Summary

Accomplishments during this time period regarding Licensed Products:

Objectives for the next time period regarding Licensed Products:

Research & Development

Current status of Licensed Products in development:

Plans for future research and development regarding Licensed Products:

Products & Marketing

Licensed Products launched (include tradenames) and estimate for time to the market for future Licensed Products:

Sales:

Projected sales:

Market development:

Sublicenses (If appropriate, have there been any new Sublicenses or progress in previous Sublicenses?):

Industry News (mergers & acquisitions, development partnerships, company expansion, etc.)

Financing & Corporate Development (non-dilutive capital, fundraising, diligence materials)

Confidential Treatment Requested Evelo Biosciences, Inc.

EXCLUSIVITY AND COMMITMENT AGREEMENT

This Exclusivity and Commitment Agreement (the "**Agreement**") is entered into as of February 15, 2018 (the "**Effective Date**"), by and between Biose Industrie, a French corporation with offices at Rue des Freres Lumieres 15130 Arpajon sur Cere France registered under number B 529 243 271 ("**Biose**" or **"Company"**) and Evelo Biosciences, Inc., a Delaware company with a principal place of business at 620 Memorial Drive, Cambridge, Massachusetts 02139 USA ("**Evelo**"). Evelo and Biose are each individually a "**Party**" and collectively referred as "Parties".

BACKGROUND

A. Biose specializes in the development and manufacturing of live biotherapeutic products.

B. Evelo specializes in developing immunotherapies for cancer, autoimmune and inflammatory diseases.

C. Biose and Evelo wish to expand their business relationship by entering into this Agreement, pursuant to which Biose will (i) exclusively manufacture certain microbial biotherapeutic Products for Evelo and (ii) reserve for Evelo agreed manufacturing resources to conduct Runs for such Products during the Term, on the terms and conditions herein and (iii) Evelo pays for Committed Run Resources as described in this Agreement.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, do hereby agree as follows:

ARTICLE 1. DEFINITIONS

1.1 **Defined Terms**. Capitalized terms used in this Agreement, shall have the meanings specified below.

1.2 **"Affiliate"** means, with respect to a Party, any Person that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the Party. "Control" and, with correlative meanings, the terms "controlled by" and "under common control with" mean (a) the power to direct the management or policies of a Person, whether through ownership of voting securities or by contract relating to voting rights or corporate governance, resolution, regulation or otherwise, or (b) to own 50% or more of the outstanding voting securities or other ownership interest of such Person.

1.3 "**Agreement Year**" means a period commencing on the Effective Date, or its annual anniversary, and ending 12 months thereafter. By way of example the second Agreement Year shall commence on the first anniversary of the Effective Date and end on the second anniversary of the Effective Date.

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

1.4 "**Biose Strain"** means a Strain already developed or commercialized by Biose as of the Effective Date of this Agreement, i.e. Lcr35 and Bifidobacterium Longum CBi0703.

1.5 **"Business Days"** shall mean a day on which commercial banks are open for business in United States of America and in France.

1.6 "**Calendar Quarter**" means a period commencing on January 1, April 1, July 1, and October 1 and in each case ending 3 months later.

1.7 "**Change of Control**" means, with respect to Biose, (a) a merger or consolidation in which the stockholders of Biose immediately prior to such transaction would own, in the aggregate, less than 50% of the total combined voting power of all classes of capital stock of the surviving entity normally entitled to vote for the election of directors of the surviving entity or (b) the sale by it of all or substantially all its assets in one transaction or in a series of related transactions.

1.8 "**Committed Run Resources**" means the manufacturing resources for the timely performance of the Runs described on Exhibit A.

1.9 **"Confidential Information"** means any technical, trade, business and any other confidential or proprietary information, whether or not marked as confidential or proprietary, provided to a Party (the "Receiving Party") by the other Party (the "Disclosing Party"), its Affiliates, its or their suppliers, customers, employees, officers, agents, or others in connection with the services or any proposed services, regardless of whether such information is in written, oral, electronic, or other form.

1.10 **"Engineering Run**" means a fermentation run, at the same scale as the intended GMP batch, conducted for the purpose of testing a manufacturing process, identifying and resolving any potential issues with equipment or cGMP documentation prior to clinical GMP manufacturing, and supplying material for non-clinical use and/or stability studies. An Engineering Run is not for the purpose of manufacturing Product in conformance with cGMP.

1.11 "**GMP Run**" means a production run manufactured according to cGMP guidelines to produce Product that will be tested and released for clinical studies and/or commercial supplies.

1.12 **"Person"** means an individual, sole proprietorship, partnership, limited partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, incorporated association, joint venture or similar entity or organization, including, without limitation, a government or political subdivision, department or agency of a government.

1.13 "**Run**" means a [***] batch fermentation for a particular Strain. A Run may be (a) an Engineering Run, or (b) a GMP Run.

1.14 "**Product**" means drug substance and/or final drug product comprising a single Strain. By way of illustration, but without limitation, a dietary supplement is excluded from the definition of Product.

1.15 **"Regulatory Approval"** means any and all approvals or authorizations of a Regulatory Authority with respect to any jurisdiction, including pricing approvals that are necessary for the commercial manufacture, distribution, use, marketing or sale of a Product in such jurisdiction.

1.16 **"Regulatory Authority"** means, in respect of a particular jurisdiction, the governmental authority having responsibility for granting Regulatory Approvals in such country or jurisdiction.

1.17 "S**train**" means the descendants and modified or unmodified derivatives of a single isolation in pure culture in accordance with the International Code of Nomenclature of Prokaryotes.

1.18 **Interpretation**. Whenever the context requires, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." All references to "Party" and "Parties" shall be deemed references to the parties to this Agreement unless the context shall otherwise require. Except as specifically otherwise provided in this Agreement, a reference to an Article, Section or Exhibit is a reference to an Article, Section or Exhibit of this Agreement, and the terms "hereof," "herein," and other like terms refer to this Agreement as a whole, including the Exhibits. The term "or" is used in its inclusive sense ("and/or"). The terms "Dollars" and "$" shall mean United States Dollars.

ARTICLE 2. EXCLUSIVITY

2.1 **Exclusivity**. Subject to Section 2.2 below, Biose agrees that during the Term it will manufacture and supply exclusively to Evelo (and to no third party) non-genetically modified, single Strain Product(s) intended for oral delivery. Biose shall not conduct any such activities (manufacture and supply of non genetically modified single Strain Product(s) intented for oral delivery) for any third party, or enable any third party to conduct any such activities.

2.2 **Limitation**. For clarity, Section 2.1 above does not prohibit Biose, during the Term, from continuing to develop and manufacture (a) non-genetically modified, single Strain products intended for oral delivery for which development and clinical trials are financed by Biose, or (b) the Biose Strain(s); or (c) [***] and [***] for single Strain, orally delivered Products pursuant to [***]. For clarity, Biose shall not agree to manufacture or otherwise conduct any activities with respect to any other non-genetically modified single Strain Products intended for oral delivery, except as expressly described above.

2.3 **Exclusivity Fees**. In consideration for the exclusivity rights granted in Section 2.1 Evelo will pay to Biose an "Exclusivity Fee" of [***] each year during the Term. The first Exclusivity Fee payment will be due within [***] of the Effective Date. The second and third Exclusivity Fee payments will be due within [***] of the first and second anniversaries of the Effective Date, respectively.

2.4 **Business Development**. Biose remains free to conduct any business development activities, during the term of this Agreement for the manufacture and supply of non-genetically modified single Strain Product intended for oral delivery, as long as performance of such manufacturing and/or supply activities begins after the termination of this Agreement.

ARTICLE 3. COMMITTED RUN RESOURCES; RUNS

3.1 **Reservation**. During the Term, Biose will reserve personnel with appropriate expertise, facilities and equipment sufficient and in an fully operational state to allow it to conduct Runs for Evelo to manufacture Product(s) as set forth on Exhibit A ("**Committed Run Resources**") meeting the specifications.

The Parties acknowledge that Biose can conduct Runs for Evelo on no more than [***] Strains per Agreement Year. For the sake of clarity, new Strain refers to an Evelo Strain that was never produced by Biose at its GMP facility.

3.2 **Priority**. In allocating access to its [***] fermenter, Biose shall make its best efforts to treat Evelo with higher or equal priority in relation to other Biose's customers so long as Evelo provides Biose with a minimum of [***] advance notice for Committed Run Resources.

3.3 **Run Fees; Payment Commitment; Released Resources**.

(a) For a Run, Evelo will pay to Biose amounts as follows: (i) an Engineering Run fee will be [***]; and (ii) a GMP Run fee will be [***]; provided, however, if Evelo elects to forego an Engineering Run for a given Strain before having Biose perform a GMP Run with such Strain, Evelo will pay to Biose [***] for such GMP Run (i.e., an additional [***] more than the normal [***] GMP Run fee). The Run fees above are fixed for the term of this Agreement, and do not include [***].

(b) During the Term, Evelo shall have no obligation to utilize any of the Committed Run Resources. If the Committed Run Resources are available for use by Evelo in accordance with the schedule in Exhibit A, but Evelo elects to not conduct any Run(s) utilizing all or part of the applicable Committed Run Resources in an Agreement Year, then Evelo shall, notify Biose, as soon as practicable but in case at least [***] prior to the start date of the subject Run(s), of Evelo's election, that it either (i) authorizes Biose to seek an alternative customer for use of such Committed Run Resources, or (ii) does not authorize Biose to seek an alternative customer for use of the applicable Committed Run Resources, in which case, Evelo will be obligated to pay Biose for such unused Committed Run Resources, subject to the terms Section 7.6(b) and (c), if applicable.

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

(c) If Evelo authorizes Biose to seek an alternative customer for use of such Committed Run Resources ("**Released Resources**"), then Biose shall have the option to seek an alternative customer for the use of such Released Resources. For the sake of clarity, an alternative customer is a customer that was not scheduled in Biose's manufacturing planning at the time Evelo notifies Biose that it may seek an alternative user of the applicable Released Resources.

(i) If Biose utilizes such Released Resources for a third party, then Biose (x) may retain any amount paid by such third party for such manufacturing, and (y) will reimburse Evelo for any Run fees previously paid by Evelo for the applicable Released Resources.

(ii) If Biose itself uses the Released Resources for which Evelo authorized Biose to seek an alternative customer to manufacture a Run that was not already scheduled in Biose's manufacturing planning, then Biose will reimburse Evelo for any portion of the Run fees previously paid by Evelo for the applicable Released Resources.

(iii) If Biose is unable to locate another alternative customer to use such Released Resources, and Biose does not use such Released Resources for manufacturing purposes, then Evelo shall be obligated to pay Biose for the applicable unused Released Resources at the rate of [***] (taking into account any advance payments made by Evelo for such Released Resources).

(d) Subject to Section 3.3(c) above, any amounts due to Biose for Committed Run Resources that are unused by Evelo in a particular Calendar Quarter shall be paid by Evelo to Biose on the same payment terms as if this Committed Run Resources had been used by Evelo. Any amounts due to Biose for Committed Run Resources that are unused by Evelo in a particular Calendar Quarter shall be paid by Evelo to Biose with [***] of the end of the applicable Calendar Quarter after a financial reconcilation of all (i) amounts paid by Evelo for such Committed Run Resources for such Calendar Quarter, (ii) additional payments due to Biose for use or non-use of such Committed Run Resources for such Calendar Quarter, and (iii) reimbursements due to Evelo from Biose with respect to Released Resources.

(e) Notwithstanding the other terms of this Section 3.3, if any Committed Run Resources cannot be used by Evelo due to matters outside of Evelo's control (e.g., relating to contamination of Committed Run Resources or other Biose operational issues or decisions), then Evelo shall not be obligated to pay Biose for any Committed Run Resources that cannot be used for Evelo due to such unavailability. For clarity, if any Committed Run Resources are available for use by Evelo, and Evelo elects not to use such Committed Run Resources for reasons unrelated to Biose's abililty to perform (e.g., delays in clinical trial progress), then the terms of this Section 3.3(e) shall not apply.

3.4 **Pricing**. Evelo shall be entitled to credit 100% of the fees paid by Evelo pursuant to Section 3.3 when paid upfront or as a prepayment for the applicable Run against any corresponding payments due for such Run. For clarity, the Run fees include the manufacture of Product by Biose but not any raw materials.

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ARTICLE 4. PAYMENTS

4.1 **Payment Method and Terms.** For any amounts that are due to Biose pursuant to Section 2.3 above, Biose will provide an invoice to Evelo. Invoiced charges are due net [***] from the invoice date. All payments due under this Agreement shall be made by bank wire transfer in immediately available funds to a bank account designated by Biose.

4.2 **Invoice and Payment Instructions**. Invoices should be sent to Evelo:

Evelo Biosciences, Inc.
620 Memorial Drive, Suite 200 West
Cambridge, MA 02139
United States of America
Attention: Accounts Payable
Purchase Order: _____

and to the email address: [***]

Evelo will pay by wire transfer or, at the request of Company, by mailing a check payable to Company at:

Biose Industrie
Rue des frères Lumière
15130 Arpajon sur Cère – France
Attention: [***]

Any amount that is not paid by Evelo to Company when due under this Agreement shall bear default interest at the rate of [***], pro-rated from the day following the due date until paid in full.

4.3 **Taxes**. All prices and charges are exclusive of any applicable taxes, levies, imposts, duties and fees of whatever nature imposed by any law or regulations in any country in respect of the services, importation or exportation of materials, or Product, which shall be paid by Evelo. Evelo shall pay or reimburse Biose for all customs duties and taxes in connection with the purchase, sale, importation or exportation of any materials, or Product or the provision of services, except to the extent such duties and taxes are recoverable by or refundable to Biose. Biose agrees to assist Evelo in claiming exemption under double taxation or similar agreement or treaty from time to time in force to obtain a refund of any customs duties, value added taxes, and other taxes payable by Biose.

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ARTICLE 5. CONFIDENTIALITY

5.1 **Confidentiality Obligations.** The Receiving Party agrees to treat all Confidential Information as the confidential and exclusive property of the Disclosing Party, and agrees not to disclose any of the Confidential Information to any third-party without first obtaining the written consent of the Disclosing Party. The Receiving Party agrees to limit access to Confidential Information to those of its directors, officers, employees, agents or other third-party who have a need to know such information and who have been informed of and are obligated in writing to maintain the confidential nature of such Confidential Information as set forth herein and not use it other than as permitted in this Agreement. In particular, and subject to the conditions of the preceding sentence, the Receiving Party may disclose intellectual property licensed to it herein to implement this Agreement and the rights and licenses granted hereunder. The provisions of this paragraph will survive for a period of [***] after the termination or expiration of this Agreement; provided, however, with respect to any trade secrets disclosed hereunder, the provisions of this paragraph will survive while the status of the trade secret remains. The Receiving Party will ensure that Confidential Information will not be used by its directors, officers, employees or agents for any other purpose other than as set forth herein. The above provisions of confidentiality will not apply to that part of Confidential Information, which the Receiving Party can demonstrate by documentary evidence:

(a) was lawfully in the Receiving Party's possession prior to receipt from the Disclosing Party;

(b) was in the public domain and generally known at the time of receipt from the Disclosing Party;

(c) becomes part of the public domain through no fault of the Receiving Party, its directors, officers, employees or agents; or

(d) is lawfully received by the Receiving Party from a third-party without an obligation of confidentiality to the Disclosing Party.

5.2 **Disclosures Required by Law.** Notwithstanding the foregoing, the Receiving Party may disclose that part of Confidential Information that is required to be disclosed to comply with applicable laws or with a court or administrative order or with the request of any Regulatory Authority, provided that the Receiving Party gives the Disclosing Party prompt and reasonable notification of such requirement prior to such disclosure, takes all reasonable and lawful actions to obtain confidential treatment for such disclosure and to minimize the extent of such disclosure.

5.3 **Destruction of Confidential Information.** The Receiving Party agrees that upon the Disclosing Party's request, the Receiving Party will destroy all parts of Confidential Information and any copies, summaries of documents, materials, and other tangible manifestations thereof in the possession or control of the Receiving Party, except that the Receiving Party, subject to the obligations under this Agreement, may retain one copy of such Confidential Information in a secure location for the sole purpose of monitoring its ongoing obligations in respect of such information and (ii) will not be required to destroy any copies of such Confidential Information that are securely stored in automated electronic backups.

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

5.4 **No License.** Neither anything contained in this Agreement, nor any delivery of any Confidential Information to the Receiving Party will be deemed to grant to the Receiving Party any rights or licenses under any intellectual property rights (including, without limitation, patent applications, patents, extensions, trade secrets, trademarks, copyrights and/or rights in non-public information) of the Disclosing Party, except (i) as necessary to perform the services, or as necessary to implement this Agreement and/or (ii) with regard to the rights and licenses expressly granted hereunder.

5.5 **Publicity/Publication.** Neither Party will publicly disclose the existence or substance of this Agreement, except as required by applicable laws or in filings with Regulatory Authorities. Neither Party will use the name of the other Party or of any of its employees without such Party's prior written consent.

Notwithstanding anything to the contrary in this Agreement, this Agreement may be filed by Evelo with the Securities and Exchange Commission, and Evelo may include in any such filing descriptions of the existence and terms thereof. Evelo shall reasonably consider Biose's timely proposed redactions before such filing.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES

6.1 **Mutual Representations and Warranties**. Biose hereby makes the following representations and warranties to Evelo, and Evelo hereby makes the following representations and warranties to Biose.

(a) It is a company duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized. It has all requisite corporate power and authority to own its respective properties and to carry on its respective business as conducted as of the date of this Agreement and as proposed to be conducted. It is duly licensed or qualified to transact business and is in good standing in each jurisdiction wherein the character of the property owned or leased, or the nature of the activities conducted, make such licensing or qualification necessary, except where the failure to be so licensed or qualified would not have a material adverse effect on its business or properties. It has the requisite power and authority to execute, deliver and perform its obligations under this Agreement.

(b) All corporate action on the part of it, its officers, directors and stockholders necessary for the authorization, execution and delivery of this Agreement, and the performance of all obligations hereunder and thereunder, have been taken, and this Agreement, when executed and delivered by it, shall constitute valid and legally binding obligations of it, enforceable against it in accordance with their terms except to the extent that (i) such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditor's rights generally and (ii) the remedy of specific performance or injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

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(c) The execution, delivery and performance of this Agreement (with or without the giving of notice, the lapse of time or both), and the consummation of the transactions contemplated hereby, (i) do not require the consent of any third party; (ii) do not conflict in any material respect with, result in a material breach of, or constitute a material default under, its organizational documents or any other material contract or agreement to which it is a party or by which it may be bound or affected; and (iii) do not violate in any material respect any provision of applicable law or any order, injunction, judgment or decree of any government authority by which it may be bound, or require any regulatory filings or other actions to comply with the requirements of applicable law. It is not a party to, nor is it bound by, any agreement or commitment that prohibits the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

ARTICLE 7. TERM; TERMINATION

7.1 **Term**. The term of this Agreement shall commence on the Effective Date, and, unless terminated earlier as provided in this Article 7, shall continue in full force and effect until the end of the third anniversary of the Effective Date (the "Term").

7.2 **Termination at Will**. Evelo may terminate this Agreement at any time with [***] prior notice to Biose, subject to the terms of Section 7.6.

7.3 **Termination Following Biose Change of Control.** If a Change of Control of Biose occurs and Evelo can reasonably justify that such Change of Control may adversely affect Evelo's interests, Evelo may terminate this Agreement with [***] prior notice to Biose. In any such case, Biose shall, within [***] from the effective date of termination, refund to Evelo (i) any Run fees paid by Evelo for any Run scheduled to occur after the effective date of termination, and (ii) a pro rata share of the Exclusivity Fee paid under Section 2.3 for the applicable Agreement Year, based on the date of termination in relation to the end of the applicable Agreement Year.

7.4 **Termination upon Material Breach.**

(a) If a Party breaches any of its material obligations under the Agreement with respect to any Run subject to the Committed Run Resources, the Party not in default may give the breaching party written notice specifying the nature of the default and stating its intention to terminate this Agreement if such breach is not cured and in such case the breaching Party shall act promptly and in good faith to cure such breach. If such breach is not cured within [***] (or [***] with respect to breach of a payment obligation) after the receipt of such notice, the Party not in default shall be entitled, without prejudice to any of its other rights conferred under this Agreement, and in addition to any other remedies available to it by law or in equity, to terminate this Agreement by written notice to the other Party.

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(b) The right of a Party to terminate this Agreement, as provided in this Article 7, shall not be affected in any way by its waiver or failure to take action with respect to any prior default or breach.

7.5 **Termination for Insolvency**. If voluntary or involuntary proceedings by or against a Party are instituted in bankruptcy under any insolvency law, or a receiver or custodian is appointed for such Party, or proceedings are instituted by or against such Party for corporate reorganization, dissolution, liquidation or winding-up of such Party, which proceedings, if involuntary, shall not have been dismissed within [***] after the date of filing, or if such Party makes an assignment for the benefit of creditors, or substantially all of the assets of such Party are seized or attached and not released within [***] thereafter, the other Party may immediately terminate this Agreement effective upon notice of such termination.

7.6 **Effect of Termination.**

(a) Upon termination or expiration of this Agreement, (i) each Party shall promptly return to the other Party (or destroy and provide the other Party with a certificate of destruction) all transferred materials, (ii) each Party shall promptly return to the other Party all relevant records and materials in its possession or control containing or comprising the other Party's Confidential Information and to which the Party does not retain rights hereunder; *provided, however*, that each Party shall be entitled to retain copies of the other Party's Confidential Information to the extent necessary to comply with applicable regulatory obligations and shall be entitled to retain one copy of the other Party's Confidential Information for archival purposes.

(b) In the event of (i) any termination of this Agreement pursuant to Section 7.2 by Evelo, Evelo shall remain obligated to pay to Biose (i) Committed Run Resources used and unused during the one year prior notice period and (ii) [***] of the Run fees in Section 3.3 for the Committed Run Resources as described in Exhibit A for the [***] following the effective date of termination. In any such case, Evelo shall pay the applicable aggregate amount to Biose within [***] of the effective date of termination.

(c) In the event of any termination of this Agreement by Evelo, Evelo shall have no obligation to pay any further Exclusivity Fee pursuant to Section 2.1 and in such case, Biose will reimburse Evelo for a pro rata portion of the Exclusivity Fee paid for the applicable Agreement Year pursuant to Section 2.1.

(d) Biose's exclusivity obligations under Section 2.1 of this Agreement shall terminate.

7.7 **Accrued Rights**. Termination, relinquishment or expiration of this Agreement for any reason shall be without prejudice to any rights that shall have accrued to the benefit of a Party prior to such termination, or expiration. Such termination, relinquishment or expiration shall not relieve a Party from obligations that are expressly indicated to survive termination or expiration of this Agreement.

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7.8 **Survival**. In the event of the expiration or early termination of this Agreement, the provisions of Section 7.6 and Articles 5 and 8, shall survive for the period specified therein or, in the absence of such specification, indefinitely.

ARTICLE 8. MISCELLANEOUS

8.1 **Assignment** This Agreement binds and inures to the benefit of the Parties hereto and their successors and permitted assigns, provided that neither Party may assign or transfer any or all of its rights or obligations under this Agreement without the prior written consent of the other Party, which consent will not be unreasonably withheld; provided, however, (i) Evelo may assign this Agreement and its rights and obligations hereunder in connection with the transfer or sale of all or substantially all of the business to which this Agreement relates to a third-party, whether by merger, sale of stock, sale of assets or otherwise without Biose's consent; and (ii) Evelo may assign this Agreement and its rights and obligations hereunder to an Affiliate without Biose's consent.

8.2 **Independent Contractor**. Evelo and Company are independent contractors under this Agreement. This Agreement creates no partnership, joint venture or agency between the Parties. Neither Party will have the authority to make any statements, representations or commitments of any kind, or to take any action, to bind the other without the prior written consent of the other Party.

8.3 **Severability**. If any provision of this Agreement will be found by a court of competent jurisdiction to be void, invalid or unenforceable, the same will either be reformed to comply with applicable law or stricken if not so conformable, so as not to affect the validity or enforceability of this Agreement.

8.4 **Notices**. Any notices to be given hereunder will be in writing and will be delivered to the address below: (a) in person; (b) first class registered or certified mail, postage prepaid, (c) next day express delivery service; or (d) by email or fax, with originals to follow immediately thereafter by methods (a), (b) or (c). Notice will be effective upon delivery or, in the case of (d), upon confirmation of delivery of the fax or email. A Party shall have the right to update the contact information listed in this Section 8.4 for that Party by notice in writing to the other Party.

If to Evelo:

Evelo Biosciences, Inc.
620 Memorial Drive, Suite 200 West
Cambridge, MA 02139
United States of America
Attention: [***]
Fax: TBD

With a courtesy copy to the email address: [***]

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

If to Biose:

Biose Industrie
Avenue des frères Lumière
15 130 Arpajon sur Cère
France
Attention: [***]
Fax: [***]

8.5 **Governing Law and Venue**. This Agreement will be governed by and construed in accordance with the substantive laws of England, without regard to any choice of law principle that would dictate the application of the law of another jurisdiction. All disputes between the Parties in connection with or arising out of the existence, validity, construction, performance and termination of this Agreement (or any terms thereof), which the Parties are unable to resolve between themselves within [***] Business Days of the notice of dispute from either party, that relates to a payment dispute arising under this Agreement may be submitted by either party to [***] to be conducted in [***]. If the parties are unable to resolve such dispute via mediation, or if such dispute relates to matters other than a payment dispute, then such disagreement shall resolved by [***] conducted in [***].

8.6 **Headings**. The headings of the several sections hereof are not a part of this Agreement, but are merely guides or labels to assist in locating and reading the several sections hereof. The Parties acknowledge they have thoroughly reviewed this Agreement and mutually agreed upon its terms.

8.7 **Waiver**. Failure by either Party to enforce any provision of this Agreement will not be deemed a waiver of future enforcement of that or any other provision.

8.8 **Counterparts**. This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but collectively will constitute one and the same instrument. Counterparts may be signed and delivered by facsimile or electronic transmission (including by e-mail delivery of .pdf signed copies), each of which will be binding when sent.

8.9 **Equitable Relief**. Each Party acknowledges that any breach of their obligations set forth in Sections 2, 3, 4, 5 and 6 may cause irreparable harm to the other Party; therefore, the other Party may have, in addition to any remedies available at law, the right to obtain equitable relief to enforce this Agreement.

8.10 **Non-Exclusivity**. Except as expressly set forth in Section 2.1 and 2.2, this Agreement does not, and will not be construed to, constitute an exclusive arrangement between Evelo and Biose. Accordingly, Evelo will be free to (a) purchase, rent, lease or otherwise obtain services of the kind, nature or type specified in this Agreement from companies, vendors, sellers, manufacturers or brokers other thanBiose, and/or (b) perform services of the kind, nature or type specified in this Agreement by and/or for itself. Furthermore, Biose will be free (a) purchase, rent, lease or otherwise obtain services of the kind, nature or type specified in this Agreement from companies, vendors, sellers, manufacturers or brokers other than Evelo, and/or (b) perform services of the kind, nature or type specified in this Agreement to companies other than Evelo

8.11 **Advice of Counsel**. Evelo and Biose have each consulted counsel of their choice regarding this Agreement, and each acknowledges and agrees that this Agreement shall not be deemed to have been drafted by one Party or another and shall be construed accordingly.

8.12 **Effect of Force Majeure Event**. Neither Party (the "**Affected Party**") shall be liable to the other Party (the "**Non-Affected Party**") for failure or delay to perform its obligation under the Agreement when such failure or delay is due to riots, storms, fires, explosions, floods, earthquakes, war, embargoes, blockades, insurrections, an act of God or any other cause similar thereto which is beyond the reasonable control of the Affected Party ("**Force Majeure Event**"). Each Party agrees to give the other Party prompt written notice of the occurrence of any Force Majeure Event, the nature thereof, and the extent to which the Affected Party will be unable fully to perform its obligations under the Agreement. If a condition constituting Force Majeure Event as defined herein exists for more than [***], the Parties shall negotiate a mutually satisfactory solution to the problem, if practicable, including termination of this Agreement upon [***] written notice from the failure of reaching a mutually satisfactory solution to the Force Majeure Event, or the use of a third-party to fulfill the obligations hereunder of the party invoking Force Majeure Event, at the expense of the party invoking Force Majeure Event.

8.13 **Entire Agreement**. This Agreement together with any Schedules and Exhibits constitutes the entire agreement between Evelo and Company regarding the subject matter herein and supersedes all prior and contemporaneous representations, agreements, and understandings, whether oral, written or otherwise, between the Parties regarding such subject matter. This Agreement may not be amended unless such amendment is in writing and signed by each Party hereto. In the event of an inconsistency, ambiguity, contradiction or conflict between the terms of this Agreement, its Schedules, its Exhibits, and any amendments to any of the foregoing, the terms of these documents will be interpreted according to the following order of precedence: (i) the terms of any amendment to this Agreement, (ii) then the terms of this Agreement including its Schedules and Exhibits, and (iii) then the terms of any other agreement unless such other agreement specifically states that its terms supercede the terms of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement through their duly authorized representatives.

Evelo Biosciences, Inc.	Biose Industrie
By: /s/ Balkrishan "Simba" Gill	By: /s/ Adrien Nivolier
Name: Balkrishan "Simba" Gill	Name: Adrien Nivolier
Title: President & CEO	Title: CEO
Date: March 16, 2018	Date: 16 March 2018

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

EXHIBIT A

COMMITTED RUN SCHEDULE

Year	Number of Committed Run
Agreement Year 1	[***], with such Run Resources allocated as follows: Q1, [***]; Q2, [***];Q3, [***], Q4, [***]
Agreement Year 2*	[***], with such Run Resources allocated as follows: at least [***] during such Agreement Year **
Agreement Year 3*	[***], with such Run Resources allocated as follows: at least [***] during such Agreement Year **

The Run schedule above may be modified with the written agreement of the Parties. The payment for such Runs shall be made in accordance with Section 3.3.

* Evelo has the option to add up to [***] Runs per year in each of Agreement Year 2 and Agreement Year 3, with [***] notice to Biose for the subject Run(s) prior to the proposed Run start date(s).

** For Agreement Years 2 and 3, a schedule for Runs subject to the Committed Run Resources shall be agreed by the Parties within [***] prior to the start of the applicable Agreement Year.

In order to allow Biose to manufacture Runs for itself or other customers, Evelo may not schedule Runs such that Biose's [***] fermenter would be used for Evelo for more than [***], unless otherwise agreed in writing by the parties.

For specific Runs, Evelo may reschedule Runs with [***] notice to Biose for the subject Run prior to the proposed rescheduled Run start date.

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