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

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): December 18, 2014

SORRENTO THERAPEUTICS, INC.
(Exact Name of Registrant as Specified in Charter)

Delaware 001-36150 33-0344842
(State or Other Jurisdiction (Commission (IRS Employer
of Incorporation) File Number) Identification No.)

6042 Cornerstone Ct. West, Suite B
San Diego, CA 92121
(Address of Principal Executive Offices) (Zip Code)

Registrant’s telephone number, including area code: (858) 210-3700
N/A
(Former Name, or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
Item 1.01. Entry into a Material Definitive Agreement.

Joint Development and License Agreement

On December 18, 2014, Sorrento Therapeutics, Inc. (the “Company”) entered into a Joint Development and License Agreement (the “Development and License Agreement”) with Conkwest Incorporated, a Delaware corporation (“Conkwest”) pursuant to which, among other things, the Company and Conkwest agreed to exclusively collaborate on research, development and commercialization with respect to certain technologies and intellectual property rights of the parties for the purpose of jointly developing tissue targeting moiety-modified proprietary effector cell lines for therapeutic applications. The technology and intellectual property rights subject to the Development and License Agreement include: (1) Conkwest’s (a) proprietary natural killer cell line known as the NK-92 wild type cell line (the “Conkwest Cell Line”) and know-how, patents and other intellectual property rights pertaining thereto, (b) Good Manufacturing Practices (“GMP”)-certified Conkwest Cell Line, and (c) then-current Good Laboratory Practices and GMP unmodified Conkwest Cell Line (subsections (a) through (c), collectively, the “Conkwest Rights”); and (2) certain of the Company’s proprietary tissue targeting moiety, including, but not limited to, chimeric antigen receptors and their corresponding genetic sequences, and the Company’s know-how, certain patents and other intellectual property rights (collectively, the “Company Rights”).

Pursuant to the terms of the Development and License Agreement, the Company agreed to make a research credit payment to Conkwest in the aggregate amount of $2,000,000, reduced for certain expenses incurred by Conkwest, to fund the joint development efforts of the parties. The research credit payment will be paid in the form of a full-time employee expense credit by the Company to Conkwest for Conkwest’s portion of any development costs and laboratory costs for maintaining a laboratory on the Company’s premises.

For each cell line or product to be developed by the parties pursuant to the Development and License Agreement, one party (the “Primary Party”) will have the right and authority to initiate and control the development, testing, regulatory approval or commercialization of such cell line or product, including the right to license and sublicense all applicable intellectual property rights with respect thereto. The Primary Party will also bear all costs associated with the development of the applicable cell line or product. The Company and Conkwest will split any revenue generated by such cell line or product, and any costs associated with obtaining a license to any necessary third party intellectual property rights, in accordance with the terms of the Development and License Agreement. The ratio of such split between the parties is conditioned on the stage of development of the cell line or product and is subject to adjustment in certain circumstances.

In accordance with the terms of the Development and License Agreement, Conkwest granted to the Company, and the Company granted to Conkwest, a non-exclusive, worldwide, royalty-free right and license under all Conkwest Rights and Company Rights, respectively, during the term of the Development and License Agreement to develop, test, seek regulatory approval for and/or commercialize cell lines and products to be mutually agreed upon by the parties that incorporate the Conkwest Rights and Company Rights.

The Development and License Agreement also provides that as long as the Company holds at least 250,000 shares of common stock of Conkwest (the “Conkwest Common Stock”), the Company will have the right to appoint one individual (the “Designee”) to observe meetings of the Board of Directors of Conkwest (the “Conkwest Board”). The Designee would be given a voting right on the Conkwest Board if certain conditions are met. Henry Ji, Ph.D., the Chief Executive Officer of the Company, will be appointed as the initial Designee.

Each of the Company and Conkwest has the right to terminate the Development and License Agreement if the other party is dissolved, becomes insolvent or is in default of any of its material obligations under the Development and License Agreement, which default is not cured within a specified period of time following notice by the non-defaulting party. Upon termination, all Conkwest Rights and Company Rights existing as of the date of the Development and License Agreement will be returned to Conkwest and the Company, respectively, subject to certain exceptions.

The foregoing description of the Development and License Agreement does not purport to be a complete description of all of the terms of the Development and License Agreement and is qualified in its entirety by reference to the full text of the Development and License Agreement, a copy of which will be filed with the Securities and Exchange Commission (the “SEC”) as an exhibit to the Company’s Annual Report on Form 10-K for the year ending December 31,
2014 (the “Form 10-K”). Certain terms of the Development and License Agreement have been omitted from this Current Report on Form 8-K and will be omitted from the version of the Development and License Agreement to be filed as an exhibit to the Form 10-K pursuant to a Confidential Treatment Request that the Company plans to submit to the SEC at the time of the filing of the Form 10-K.

Private Placement

Subscription and Investment Agreement

On December 18, 2014, the Company and Conkwest entered into a Subscription and Investment Agreement (the “Subscription Agreement”), pursuant to which Conkwest issued and sold to the Company an aggregate of 2,153,846 shares of Conkwest Common Stock at a price per share of $3.25 for an aggregate purchase price of $7,000,000 (the “Private Placement”). Prior to the Private Placement, the Company purchased an aggregate of 307,692 shares of Conkwest Common Stock at a price per share of $3.25 for an aggregate purchase price of $1,000,000.

Pursuant to the terms of the Subscription Agreement, immediately prior to the effective date of a firm commitment underwritten initial public offering of the Conkwest Common Stock pursuant to an effective registration statement on file with the SEC (the “Qualified IPO”), the Company is obligated to purchase an aggregate of $1,000,000 in additional shares of Conkwest Common Stock (the “IPO Shares”) at the public offering price per share of the Conkwest Common Stock in such initial public offering.

Registration Rights Agreement

In accordance with the terms of the Subscription Agreement, the Company and Conkwest entered into a Registration Rights Agreement on December 18, 2014 (the “Registration Rights Agreement”) pursuant to which Conkwest is obligated to, after consummation of the Qualified IPO and upon the written request of the holders of at least 50.1% of the IPO Shares, prepare and file with the SEC a registration statement (the “Registration Statement”) to register for resale the IPO Shares as soon as practicable. Conkwest also may be required to effect certain registrations to register for resale the IPO Shares and the shares of Conkwest Common Stock previously purchased by the Company in connection with certain “piggy-back” registration rights granted to the holders of such shares pursuant to the terms of the Registration Rights Agreement.

The foregoing descriptions of the Subscription Agreement and the Registration Rights Agreement do not purport to be complete and are qualified in their entirety by reference to the full text of the Subscription Agreement and the Registration Rights Agreement, which are filed as Exhibit 10.1 and Exhibit 10.2, respectively, to this Current Report on Form 8-K and incorporated herein by reference.

The representations, warranties and covenants contained in the Subscription Agreement were made solely for the benefit of the parties to the Subscription Agreement and may be subject to limitations agreed upon by the contracting parties. Accordingly, the Subscription Agreement is incorporated herein by reference only to provide investors with information regarding the terms of the Subscription Agreement and not to provide investors with any other factual information regarding the Company or its business, and should be read in conjunction with the disclosures in the Company’s periodic reports and other filings with the SEC.

Item 8.01. Other Events.

On December 19, 2014, the Company issued the press release attached as Exhibit 99.1 to this Current Report on Form 8-K regarding the Development and License Agreement and the Company’s purchase of the Conkwest Common Stock.
Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<table>
<thead>
<tr>
<th>Exhibit Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.1</td>
<td>Form of Subscription and Investment Agreement, dated as of December 18, 2014, by and between Conkwest, Inc. and Sorrento Therapeutics, Inc.</td>
</tr>
<tr>
<td>10.2</td>
<td>Form of Registration Rights Agreement, dated as of December 18, 2014, by and between Conkwest, Inc. and Sorrento Therapeutics, Inc.</td>
</tr>
<tr>
<td>99.1</td>
<td>Press release issued by Sorrento Therapeutics, Inc. on December 19, 2014.</td>
</tr>
</tbody>
</table>
SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SORRENTO THERAPEUTICS, INC.

Date: December 19, 2014

By: /s/ Richard Vincent

Name: Richard Vincent
Title: Executive Vice President, Chief Financial Officer and Secretary
This Subscription and Investment Agreement (this “Agreement”) is dated as of December 18, 2014, between Conkwest, Inc., a Delaware corporation (the “Company”), and each purchaser identified on the signature pages hereto (each, including its successors and assigns, a “Purchaser” and collectively, the “Purchasers”).

WHEREAS, subject to the terms and conditions set forth in this Agreement and pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the “Securities Act”), and Rule 506 promulgated thereunder, the Company desires to issue and sell to each Purchaser, and each Purchaser, severally and not jointly, desires to purchase from the Company, securities of the Company as more fully described in this Agreement.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and each Purchaser agree as follows:

ARTICLE I.
DEFINITIONS

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement, the following terms have the meanings set forth in this Section 1.1:

“Affiliate” means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

“Board of Directors” means the board of directors of the Company.

“Business Day” means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of California are authorized or required by law or other governmental action to close.

“Closing” means each of the Initial Closing and each Additional Closing of the purchase and sale of the Securities pursuant to Section 2.1.

“Commission” means the United States Securities and Exchange Commission.

“Common Stock” means the Class A common stock of the Company, par value $0.0001 per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

“Common Stock Equivalents” means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any indebtedness, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.
“Company Counsel” means Greenberg Traurig, LLP with offices located at the MetLife Building, 200 Park Avenue, New York, New York 10166.

“Disclosure Schedules” shall have the meaning ascribed to such term in Section 3.1.


“JV Documents” means the definitive agreements documenting the joint development and license arrangement between the Company and Sorrento Therapeutics, Inc.

“Licenses” shall mean the licenses and/or sublicenses, as the case may be, identified in the attached Schedule 3.1(p).

“Liens” means a lien, charge, pledge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

“Patents” shall mean the letters patent and pending patent applications identified more fully in the attached Schedule 3.1(p), and shall also include the following:

1. Any divisional, continuation, reissue, or substitute patent or patent application and extensions of such patent or patent application, that shall be based on any of the above-described patents or patent applications;

2. Any patents that issue from any of the above-described patent applications; and

3. Patents and patent applications corresponding to each of the above-described patents or patent applications that are issued, filed, or to be filed in any and all countries; any patents (including but not limited to patents of importation or addition, utility models, and inventor certificates) that shall subsequently issue thereof; and any renewals, divisions, reissues, continuations, or extensions thereof.

“Person” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.
“Proceeding” means an action, claim, suit, investigation or proceeding (including, without limitation, an informal investigation or partial proceeding, such as a deposition), whether commenced or threatened.

“Qualified IPO” means a firm commitment underwritten initial public offering of Common Stock pursuant to an effective registration statement on file with the Commission.

“Registration Rights Agreement” means the Registration Rights Agreement, to be entered into among the Company and the Purchasers in connection with the Second Additional Closing, in the form of Exhibit A attached hereto.

“Registration Statement” means a registration statement covering the issuance or resale of the Common Stock by each Purchaser.

“Rule 144” means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

“Rule 424” means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

“Securities” means the shares of Common Stock to be purchased by the Purchasers pursuant to this Agreement.

“Subscription Amount” means, as to each Purchaser, the aggregate amount to be paid for the shares of Common Stock purchased hereunder as specified below such Purchaser’s name on the signature page of this Agreement and next to the heading “Subscription Amount,” in United States dollars and in immediately available funds.

“Subsidiary” means any subsidiary of the Company as set forth on Schedule 3.1(a) and shall, where applicable, also include any direct or indirect subsidiary of the Company formed or acquired after the date hereof.

“Trademarks” shall mean the registrations or pending applications for the trademarks or service marks identified in the attached Schedule 3.1(p).

“Trading Day” means a day on which the principal Trading Market is open for trading.
“Trading Market” means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE MKT, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange, the OTCQX, OTCQB, or the OTC Bulletin Board (or any successors to any of the foregoing).

“Transaction Documents” means this Agreement, the Registration Rights Agreement, all exhibits and schedules thereto and hereto and any other documents or agreements executed in connection with the transactions contemplated hereunder or thereunder.

“Transfer Agent” means the current transfer agent of the Company, and any successor transfer agent of the Company. In the absence of another Transfer Agent, the Transfer Agent shall be the Company.

ARTICLE II.
PURCHASE AND SALE

2.1 Closing. On each Closing Date (as defined below), upon the terms and subject to the conditions set forth herein, and in the case of the Initial Closing substantially concurrent with the execution and delivery of this Agreement by the parties hereto, the Company agrees to sell, and each Purchaser agrees, severally and not jointly, to purchase shares of Common Stock for the aggregate Subscription Amount specified below the Purchaser’s name on the signature pages of this Agreement and next to the heading “Subscription Amount” for such Closing Date. Each Purchaser shall deliver to the Company, via wire transfer, immediately available funds equal to such Purchaser’s Subscription Amount for such Closing Date as set forth on the signature page hereto executed by such Purchaser, and the Company shall deliver to each Purchaser its respective shares of Common Stock as determined pursuant to Section 2.2(a) or 2.2(c), as applicable, and the Company and each Purchaser shall deliver the other items set forth in Section 2.2 deliverable at such Closing. Upon satisfaction of the covenants and conditions set forth in Section 2.3, each Closing shall occur at the offices of Company Counsel or such other location as the parties shall mutually agree.

(a) Initial Closing. The date and time of the Initial Closing (the “Initial Closing Date”) shall be 10:00 a.m. (California time), on the first (1st) Trading Day (and including the date hereof if a Trading Day) on which the applicable conditions to the Initial Closing set forth in Section 2.3 below are satisfied or waived.

(b) Additional Closing. Subject to the satisfaction (or, where legally permissible, the waiver) of the applicable conditions set forth in Section 2.3 below, solely with respect to each Purchaser that elects on the signature page of such Purchaser hereto to participate in one or more additional closings (each, an “Additional Closing”, and any such Purchasers, each an “Additional Purchaser”), each Additional Purchaser shall purchase such aggregate number of additional shares of Common Stock as set forth on the signature page executed by such Additional Purchaser with
respect to the following Additional Closings (each, an “Additional Closing Date”, and together with the Initial Closing Date, each a “Closing Date”), as applicable: (A) the date of execution of the JV Documents (the “First Additional Closing Date”) and/or (B) the date designated by the Company in a written notice to each such Purchaser delivered no less than three (3) Business Days prior to the consummation of a Qualified IPO (the “Second Additional Closing Date”).

2.2 Deliveries.

(a) On or prior to the Initial Closing Date, the Company shall deliver or cause to be delivered to each Purchaser the following:

(i) this Agreement duly executed by the Company;

(ii) a Common Stock certificate registered in the name of such Purchaser for a number of shares of Common Stock equal to such Purchaser’s Subscription Amount divided by $3.25; and

(iii) the Registration Rights Agreement duly executed by the Company.

(b) On or prior to the Initial Closing Date, each Purchaser shall deliver or cause to be delivered to the Company the following:

(i) this Agreement duly executed by such Purchaser;

(ii) such Purchaser’s Subscription Amount for the Common Stock by wire transfer to the account specified in writing by the Company; and

(iii) the Registration Rights Agreement duly executed by such Purchaser.

(c) On or prior to the First Additional Closing Date, the Company shall deliver or cause to be delivered to each participating Additional Purchaser a Common Stock certificate registered in the name of such Additional Purchaser for a number of shares of Common Stock equal to such Additional Purchaser’s Subscription Amount divided by $3.25.

(d) On or prior to the First Additional Closing Date, each participating Additional Purchaser shall deliver or cause to be delivered to the Company such Additional Purchaser’s Subscription Amount for the Common Stock by wire transfer to the account specified in writing by the Company.

(e) On or prior to the Second Additional Closing Date, the Company shall deliver or cause to be delivered to each participating Additional Purchaser a Common Stock certificate registered in the name of such Additional Purchaser for a number of shares of Common Stock equal to such Additional Purchaser’s Subscription Amount divided by the public offering price per share of Common Stock in the Qualified IPO.

5
On or prior to the Second Additional Closing Date, each participating Additional Purchaser shall deliver or cause to be delivered to the Company such Additional Purchaser’s Subscription Amount for the Common Stock by wire transfer to the account specified in writing by the Company.

2.3 Closing Conditions.

(a) The obligations of the Company hereunder in connection with each Closing are subject to the following conditions being met:

(i) the accuracy in all material respects on the applicable Closing Date of the representations and warranties of the applicable Purchasers contained herein (unless as of a specific date therein in which case they shall be accurate in all material respects as of such date);

(ii) all obligations, covenants and agreements of the Purchasers required to be performed at or prior to the applicable Closing Date shall have been performed; and

(iii) the delivery by each applicable Purchaser of the items set forth in Section 2.2(b) or 2.2(d) of this Agreement, as applicable.

(b) The respective obligations of each Purchaser hereunder in connection with each Closing in which such Purchaser is participating hereunder are subject to the following conditions being met:

(i) the accuracy in all material respects when made and on the applicable Closing Date of the representations and warranties of the Company contained herein (unless as of a specific date therein in which case they shall be accurate in all material respects as of such date);

(ii) all obligations, covenants and agreements of the Company required to be performed at or prior to the applicable Closing Date shall have been performed;

(iii) the delivery by the Company of the items set forth in Section 2.2(a) and 2.2(c) of this Agreement, as applicable;

(iv) there shall have been no Material Adverse Effect with respect to the Company since the date hereof;

(v) the delivery to the Purchasers of an officers’ certificate of the Company’s Chief Executive Officer and Chief Financial Officer, confirming that the conditions specified in Sections 2.3(b)(i) and (ii) above have been fulfilled;

(vi) the delivery to the Purchasers of a certificate from the Company’s Secretary, attaching thereto (i) the Company’s Certificate of Incorporation as in effect at the time
of the Closing, (ii) the Company’s Bylaws as in effect at the time of the Closing, (iii) resolutions approved by the Board authorizing
the transactions contemplated hereby, and (iv) good standing certificates (including tax good standing) with respect to the Company
from the applicable authority(ies) in Delaware and any other jurisdiction in which the Company is qualified to do business, dated no
more than three business days prior to the Closing Date;

(vii) the sale and issuance of the Securities is legally permitted by all laws and regulations to which the Purchasers
and the Company are subject on the applicable Closing Date;

(viii) any and all consents, permits and waivers necessary or appropriate for consummation of the transactions
contemplated by this Agreement and the Related Agreements except for such as may be properly obtained subsequent to the
applicable Closing, shall have been obtained by the Company; and

(ix) all corporate and other proceedings in connection with the transactions contemplated at the applicable Closing
and all documents incident thereto shall be reasonably satisfactory in form and substance to the Purchasers, and the Purchasers (or
their counsel) shall have received all such counterpart original and certified or other copies of such documents as reasonably
requested.

ARTICLE III.
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Company. Except as set forth in the schedules delivered to the Purchasers of the date
hereof (the “Disclosure Schedules”), which Disclosure Schedules shall be deemed a part hereof and shall qualify any representation
made herein to the extent of the disclosure contained in the corresponding section of the Disclosure Schedules, the Company hereby
makes the following representations and warranties to each Purchaser as of the date hereof, and as of each Closing Date with respect
to such Purchasers participating in such Closing:

(a) Subsidiaries. All of the direct and indirect subsidiaries of the Company are set forth on Schedule 3.1(a). The Company
owns, directly or indirectly, all of the capital stock or other equity interests of each Subsidiary free and clear of any Liens, and all of
the issued and outstanding shares of capital stock of each Subsidiary are validly issued and are fully paid, non-assessable and free of
preemptive and similar rights to subscribe for or purchase securities. If the Company has no subsidiaries, all other references to the
Subsidiaries or any of them in the Transaction Documents shall be disregarded.

(b) Organization and Qualification. The Company and each of the Subsidiaries is an entity duly incorporated or otherwise
organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, with the
requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted.
Neither the Company nor any Subsidiary is in violation nor default of any of the provisions of its respective certificate or articles of incorporation, bylaws or other organizational or charter documents. Each of the Company and the Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in: (i) a material adverse effect on the legality, validity or enforceability of any Transaction Document, (ii) a material adverse effect on the results of operations, assets, business, prospects or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole, or (iii) a material adverse effect on the Company’s ability to perform in any material respect on a timely basis its obligations under any Transaction Document (any of (i), (ii) or (iii), a “Material Adverse Effect”) and no Proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.

(c) Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and each of the other Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and each of the other Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company, the Board of Directors or the Company’s stockholders in connection herewith or therewith other than in connection with the Required Approvals. This Agreement and each other Transaction Document to which it is a party has been (or upon delivery will have been) duly executed by the Company and, when delivered in accordance with the terms hereof and thereof, will constitute the valid and legally binding obligation of the Company enforceable against the Company in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies, and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(d) No Conflicts. The execution, delivery and performance by the Company of this Agreement and the other Transaction Documents to which it is a party, the issuance and sale of the Securities and the consummation by it of the transactions contemplated hereby and thereby do not and will not, subject in each case to the Required Approvals: (i) conflict with or violate any provision of the Company’s or any Subsidiary’s certificate or articles of incorporation, bylaws or other organizational or charter documents, (ii) conflict with, or constitute a default (or an event that with or without notice, lapse of time or both would become a default) under, result in the creation of any Lien upon any of the properties or assets of the Company or any Subsidiary, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Company or Subsidiary debt or otherwise) or other understanding to which the Company or any
Subsidiary is a party or by which any property or asset of the Company or any Subsidiary is bound or affected, or (iii) conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company or a Subsidiary is subject (including federal and state securities laws and regulations), or by which any property or asset of the Company or a Subsidiary is bound or affected; except in the case of each of clauses (ii) and (iii), such as could not have or reasonably be expected to result in a Material Adverse Effect.

(e) Filings, Consents and Approvals. The Company is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Company of the Transaction Documents, other than: (i) following the Second Additional Closing Date, the filing with the Commission of a Registration Statement pursuant to the Registration Rights Agreement and in accordance with the terms thereof, (ii) the notice and/or application(s) to each applicable Trading Market for the issuance and sale of the Securities, and (iii) the filing of a Form D with the Commission and such filings as are required to be made under applicable state securities laws.

(f) Issuance of the Securities. The Securities are duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be duly and validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company other than restrictions on transfer provided for in the Transaction Documents.

(g) Registration Rights. Except as provided in the Registration Rights Agreement or as set forth on Schedule 3.1(g), no Person has any right to cause the Company to effect the registration under the Securities Act of any securities of the Company or any Subsidiaries.

(h) Capitalization. The capitalization of the Company is as set forth on Schedule 3.1(h), which Schedule 3.1(h) shall also include the number of shares of Common Stock owned beneficially, and of record, by Affiliates of the Company as of the date hereof. Except as set forth on Schedule 3.1(h), no Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the Transaction Documents. Except as set forth on Schedule 3.1(h), except as a result of the purchase and sale of the Securities, there are no outstanding options, warrants, scrip rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exercisable or exchangeable for, or giving any Person any right to subscribe for or acquire any shares of Common Stock, or contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to issue additional shares of Common Stock or Common Stock Equivalents. Except as set forth on Schedule 3.1(h), the issuance and sale of the Securities will not obligate the Company to issue shares of Common Stock or other securities to any Person (other than the Purchasers) and will not result in a right of any holder of Company securities to adjust the exercise, conversion, exchange or reset price under any of such securities. All of the outstanding shares of capital stock of the Company are duly authorized, validly issued, fully paid and nonassessable, have been issued in compliance with all federal and state securities laws.
laws, and none of such outstanding shares was issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities. Other than the Required Approvals, no further approval or authorization of any stockholder, the Board of Directors or others is required for the issuance and sale of the Securities. Except as set forth on Schedule 3.1(h), there are no stockholders agreements, voting agreements or other similar agreements with respect to the Company’s capital stock to which the Company is a party or, to the knowledge of the Company, between or among any of the Company’s stockholders.

(i) **Financial Statements.** The audited financial statements of the Company for the years ended December 31, 2012 and 2013 and the unaudited financial statements for the nine-month period ended September 30, 2014 are attached hereto as Schedule 3.1(i). Such financial statements have been prepared in accordance with United States generally accepted accounting principles (“GAAP”) applied on a consistent basis during the periods involved, except as may be otherwise specified in such financial statements or the notes thereto and except that the quarterly financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the financial position of the Company and its consolidated Subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject to normal, immaterial, year-end audit adjustments.

(j) **Material Changes; Undisclosed Events, Liabilities or Developments.** Except as set forth on Schedule 3.1(j), since the date of the latest financial statements attached as Schedule 3.1(i): (i) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect, (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice and (B) liabilities not required to be reflected in the Company’s financial statements pursuant to GAAP, (iii) the Company has not altered its method of accounting or the manner in which it keeps its accounting books and records, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock, and (v) the Company has not issued any equity securities to any officer, director or Affiliate, except pursuant to existing Company stock option plans, consulting agreements or employment agreements approved by the Board of Directors.

(k) **Litigation.** There is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Company, threatened against or affecting the Company, any Subsidiary or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an “Action”) which (i) adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents or the Securities or (ii) could, if there were an unfavorable decision, have or reasonably be expected to result in a Material Adverse Effect.

(l) **Labor Relations.** No labor dispute exists or, to the knowledge of the Company, is imminent with respect to any of the employees of the Company or any of its Subsidiaries, which could reasonably be expected to result in a Material Adverse Effect. None of the Company’s or its
Subsidiaries’ employees is a member of a union that relates to such employee’s relationship with the Company or such Subsidiary, and neither the Company nor any of its Subsidiaries is a party to a collective bargaining agreement, and the Company and its Subsidiaries believe that their relationships with their employees are good.

(m) **Compliance.** Neither the Company nor any Subsidiary: (i), is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company or any of its Subsidiaries under), nor has the Company or any Subsidiary received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any judgment, decree or order of any court, arbitrator or other governmental authority, or (iii) is or has been in violation of any statute, rule, ordinance or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws relating to taxes, environmental protection, occupational health and safety, product quality and safety and employment and labor matters, except in each case as could not have or reasonably be expected to result in a Material Adverse Effect.

(n) **Regulatory Permits.** The Company and the Subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct their respective businesses, except where the failure to possess such permits could not reasonably be expected to result in a Material Adverse Effect (“Material Permits”), and neither the Company nor any Subsidiary has received any notice of proceedings relating to the revocation or modification of any Material Permit.

(o) **Title to Assets.** The Company and the Subsidiaries have good and marketable title in all personal property owned by them that is material to the business of the Company and the Subsidiaries, in each case free and clear of all Liens. Any real property and facilities held under lease by the Company and the Subsidiaries are held by them under valid, subsisting and enforceable leases with which the Company and the Subsidiaries are in compliance in all material respects.

(p) **Intellectual Property.** The Company owns or possesses sufficient legal rights to all patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, information, and other proprietary rights and processes necessary for its business as now conducted and as presently proposed to be conducted, without any infringement of the rights of others (or with respect to patents, any known infringement of the rights of others). There are no outstanding options, licenses, or agreements of any kind relating to the foregoing proprietary rights other than options for use of proprietary rights for academic research only with no commercial use, and license agreements with Inex Bio and Intrexon, Inc., nor is the Company bound by or a party to any options, licenses, or agreements of any kind with respect to the patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, information, and other proprietary rights and processes of any other person or entity other than such licenses or agreements arising from the purchase of “off the shelf” or standard products, and other than the license agreement with Fox
Chase Cancer Research Center related to patented and proprietary property. The Company has not received any communications alleging that the Company has violated or, by conducting its business as presently proposed to be conducted, would violate any of the patents, trademarks, service marks, trade names, copyrights, trade secrets, or other proprietary rights of any other person or entity, nor is the Company aware of any basis therefor. The Company is not aware that any of its employees is obligated under any contract (including licenses, covenants or commitments of any nature) or other agreement, or subject to any judgment, decree, or order of any court or administrative agency, that would interfere with their duties to the Company or that would conflict with the Company’s business as proposed to be conducted. Each former and current employee, officer, and consultant of the Company has executed a proprietary information and inventions agreement on the Company’s standard form thereof (collectively, the “PIIA”). No former or current employee, officer or consultant of the Company has excluded works or inventions made prior to his or her employment with the Company from his or her assignment of inventions related to the business of the Company pursuant to such employee, officer, or consultant’s proprietary information and inventions agreement. The Company does not believe it is or will be necessary to utilize any inventions, trade secrets, or proprietary information of any of its employees made prior to their employment by the Company, except for inventions, trade secrets, or proprietary information that have been assigned to the Company. Neither the Company, the Company’s products, nor any software or technology developed by or for the Company is subject to any obligation or condition that would require that any of the Company’s products or any other software or other technology developed by or for the Company (i) be disclosed, distributed, or made available in source code form; (ii) be licensed with the permission to create derivative works; or (iii) be redistributable at no charge.

(q) **Insurance.** The Company and the Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which the Company and the Subsidiaries are engaged, including, but not limited to, directors and officers insurance coverage for a privately owned company in the businesses in which the Company and Subsidiaries are engaged.

(r) **Certain Fees.** No brokerage or finder’s fees or commissions are or will be payable by the Company or any Subsidiary to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by the Transaction Documents. The Purchasers shall have no obligation with respect to any fees or with respect to any claims made by or on behalf of other Persons for fees of a type contemplated in this Section that may be due in connection with the transactions contemplated by the Transaction Documents.

(s) **Private Placement.** Assuming the accuracy of the Purchasers’ representations and warranties set forth in Section 3.2, no registration under the Securities Act is required for the offer and sale of the Securities by the Company to the Purchasers as contemplated hereby.

(t) **Investment Company.** The Company is not, and is not an Affiliate of, and immediately after receipt of payment for the Securities, will not be or be an Affiliate of, an
“investment company” within the meaning of the Investment Company Act of 1940, as amended. The Company shall conduct its business in a manner so that it will not become an “investment company” subject to registration under the Investment Company Act of 1940, as amended.

(u) Application of Takeover Protections. The Company and the Board of Directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Company’s certificate of incorporation (or similar charter documents) or the laws of its state of incorporation that is or could become applicable to the Purchasers as a result of the Purchasers and the Company fulfilling their obligations or exercising their rights under the Transaction Documents, including without limitation as a result of the Company’s issuance of the Securities and the Purchasers’ ownership of the Securities.

(v) No Integrated Offering. Assuming the accuracy of the Purchasers’ representations and warranties set forth in Section 3.2, neither the Company, nor any of its Affiliates, nor any Person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would cause this offering of the Securities to be integrated with prior offerings by the Company for purposes of the Securities Act which would require the registration of any such securities under the Securities Act.

(w) Tax Status. Except for matters that would not, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect, the Company and its Subsidiaries each (i) has made or filed all United States federal, state and local income and all foreign income and franchise tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations, and (iii) has set aside on its books provision reasonably adequate for the payment of all material taxes for periods subsequent to the periods to which such returns, reports or declarations apply.

(x) No General Solicitation. Neither the Company nor any person acting on behalf of the Company has offered or sold any of the Securities by any form of general solicitation or general advertising. The Company has offered the Securities for sale only to the Purchasers and certain other “accredited investors” within the meaning of Rule 501 under the Securities Act.

(y) Foreign Corrupt Practices. Neither the Company nor any Subsidiary, nor to the knowledge of the Company or any Subsidiary, any agent or other person acting on behalf of the Company or any Subsidiary, has: (i) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Company or any Subsidiary (or made by any person acting on its behalf of which the Company is aware) which is in violation of law, or (iv) violated in any material respect any provision of FCPA.
(z) Office of Foreign Assets Control. Neither the Company nor any Subsidiary nor, to the Company’s knowledge, any
director, officer, agent, employee or affiliate of the Company or any Subsidiary is currently subject to any U.S. sanctions administered
by the Office of Foreign Assets Control of the U.S. Treasury Department.

(aa) Money Laundering. The operations of the Company and its Subsidiaries are and have been conducted at all times in
compliance with applicable financial record-keeping and reporting requirements of the Currency and Foreign Transactions Reporting
Act of 1970, as amended, applicable money laundering statutes and applicable rules and regulations thereunder (collectively, the
“Money Laundering Laws”), and no action, suit or proceeding by or before any court or governmental agency, authority or body or
any arbitrator involving the Company or any Subsidiary with respect to the Money Laundering Laws is pending or, to the knowledge
of the Company or any Subsidiary, threatened.

(bb) Acknowledgment Regarding Purchasers’ Purchase of Securities. The Company acknowledges and agrees that each of
the Purchasers is acting solely in the capacity of an arm’s length purchaser with respect to the Transaction Documents and the
transactions contemplated thereby. The Company further acknowledges that no Purchaser is acting as a financial advisor or fiduciary
of the Company (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated thereby and
any advice given by any Purchaser or any of their respective representatives or agents in connection with the Transaction Documents
and the transactions contemplated thereby is merely incidental to the Purchasers’ purchase of the Securities. The Company further
represents to each Purchaser that the Company’s decision to enter into this Agreement and the other Transaction Documents has been
based solely on the independent evaluation of the transactions contemplated hereby by the Company and its representatives.

(cc) Related Party Transactions. Except as set forth on Schedule 3.1(cc), no employee, officer, or director of the Company
(a “Related Party”) or member of such Related Party’s immediate family, or any corporation, partnership or other entity in which such
Related Party is an officer, director or partner, or in which such Related Party has significant ownership interests or otherwise
controls, is indebted to the Company, nor is the Company indebted (or committed to make loans or extend or guarantee credit) to any
of them. None of such persons has any direct or indirect ownership interest in any firm or corporation with which the Company is
affiliated or with which the Company has a business relationship, or any firm or corporation that competes with the Company, except
that employees, officers, or directors of the Company and members of such Related Party’s immediate families may own stock in but
not exceeding 2% of the outstanding capital stock of) publicly traded companies that may compete with the Company. No Related
Party or member of their immediate family is directly or indirectly interested in any material contract with the Company.

(dd) Regulatory. The Company has such permits, licenses, certificates, approvals,
clearances, authorizations or amendments thereto (the “Regulatory Permits”) issued by the appropriate federal, state, local or foreign regulatory agencies or bodies necessary to conduct the business of the Company; including, without limitation, any Investigational New Drug Application as required by the U.S. Food and Drug Administration or other authorizations issued by federal, state, local or foreign agencies or bodies engaged in the regulation of pharmaceuticals such as those being developed by the Company, except for any of the foregoing that would not, individually or in the aggregate, have a Material Adverse Effect. The Company is in compliance in all material respects with the requirements of the Regulatory Permits, and all of the Regulatory Permits are valid and in full force and effect, in each case in all material respects; the Company has not received any notice of proceedings relating to the revocation, termination, modification or impairment of rights of any of the Regulatory Permits that, individually or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would not have a Material Adverse Effect.

(ee) No Disqualification Events. No “Bad Actor” disqualifying event described in Rule 506(d)(1)(i) to (viii) of the Securities Act (a “Disqualification Event”) is applicable to the Company, except for a Disqualification Event as to which Rule 506(d)(2)(ii–iv) or (d)(3) is applicable.

(ff) Disclosure. All disclosure furnished by or on behalf of the Company to the Purchasers regarding the Company, its business and the transactions contemplated hereby, including the Disclosure Schedules, is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. The Company acknowledges and agrees that no Purchaser makes or has made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 3.2.

3.2 Representations and Warranties of the Purchasers. Each Purchaser, for itself and for no other Purchaser, hereby represents and warrants as of the date hereof, and as of each Closing Date in which such Purchaser is participating hereunder, to the Company as follows (unless as of a specific date therein):

(a) Organization; Authority. Such Purchaser is either an individual or an entity duly incorporated or formed, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation with full right, corporate, partnership, limited liability company or similar power and authority to enter into and to consummate the transactions contemplated by this Agreement and each of the other applicable Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and the Transaction Documents and performance by such Purchaser of the transactions contemplated by the Transaction Documents have been duly authorized by all necessary corporate, partnership, limited liability company or similar action, as applicable, on the part of such Purchaser. This Agreement and each Transaction Document to which it is a party has been duly executed by such Purchaser, and when delivered by such Purchaser in accordance with the terms hereof and thereof, will constitute the valid and legally binding obligation of such Purchaser.
enforceable against it in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors’ rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies, and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) Own Account. Such Purchaser understands that the Securities are “restricted securities” and have not been registered under the Securities Act or any applicable state securities law and is acquiring the Securities as principal for its own account and not with a view to or for distributing or reselling such Securities or any part thereof in violation of the Securities Act or any applicable state securities law, has no present intention of distributing any of such Securities in violation of the Securities Act or any applicable state securities law and has no direct or indirect arrangement or understanding with any other persons to distribute or regarding the distribution of such Securities in violation of the Securities Act or any applicable state securities law (this representation and warranty not limiting such Purchaser’s right to sell the Securities pursuant to the Registration Statement or otherwise in compliance with applicable federal and state securities laws).

(c) Purchaser Status. At the time such Purchaser was offered the Securities, it was, and as of the date hereof it is, an “accredited investor” as defined in Rule 501 under the Securities Act.

(d) Experience of Such Purchaser. Such Purchaser, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. Such Purchaser is able to bear the economic risk of an investment in the Securities and, at the present time, is able to afford a complete loss of such investment.

(e) General Solicitation. Such Purchaser is not purchasing the Securities as a result of any advertisement, article, notice or other communication regarding the Securities published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general solicitation or general advertisement.

(f) Reliance on Exemptions. Such Purchaser understands that the Securities are being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying in part upon the truth and accuracy of, and such Purchaser’s compliance with, the representations, warranties, agreements, acknowledgments and understandings of such Purchaser set forth herein in order to determine the availability of such exemptions and the eligibility of such Purchaser to acquire the Securities.

(g) Information. Such Purchaser and its advisors, if any, have been furnished with copies of due diligence materials relating to the business, finances and operations of the Company.
and materials relating to the offer and sale of the Securities, which have been requested by such Purchaser. Such Purchaser and its advisors, if any, have been afforded the opportunity to ask questions of the Company regarding the terms and conditions of the transaction contemplated by this Agreement.

(h) **No Governmental Review.** Such Purchaser understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Securities or the fairness or suitability of the investment in the Securities nor have such authorities passed upon or endorsed the merits of the offering of the Securities.

(i) **Transfer or Resale.** Such Purchaser understands that, except as provided in the Registration Rights Agreement: (i) the Securities have not been and are not being registered under the Securities Act or any state securities laws, and may not be offered for sale, sold, assigned or transferred unless (A) subsequently registered thereunder, (B) such Purchaser shall have delivered to the Company (if reasonably requested by the Company) an opinion of counsel to such Purchaser, in a form reasonably acceptable to the Company, to the effect that such Securities to be sold, assigned or transferred may be sold, assigned or transferred pursuant to an exemption from such registration, or (C) such Purchaser provides the Company with reasonable assurance (as evidenced by a certificate of such Purchaser, if requested by the Company) that such Securities can be sold, assigned or transferred pursuant to Rule 144; (ii) any sale of the Securities made in reliance on Rule 144 may be made only in accordance with the terms of Rule 144, and further, if Rule 144 is not applicable, any resale of the Securities under circumstances in which the seller (or the Person through whom the sale is made) may be deemed to be an underwriter (as that term is defined in the Securities Act) may require compliance with some other exemption under the 1933 Act or the rules and regulations of the Commission promulgated thereunder; and (iii) neither the Company nor any other Person is under any obligation to register the Securities under the Securities Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder except pursuant to the Registration Rights Agreement.

(j) **No Conflicts.** The execution, delivery and performance by such Purchaser of this Agreement and each of the applicable Transaction Documents to which such Purchaser is a party and the consummation by such Purchaser of the transactions contemplated hereby and thereby will not (i) result in a violation of the organizational documents of such Purchaser, (ii) conflict with, or constitute a default (or an event that with or without notice, lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, indenture or instrument to which such Purchaser is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws) applicable to such Purchaser, except in the case of clauses (ii) and (iii) above, for such conflicts, defaults, rights or violations which would not, individually or in the aggregate, reasonably be expected to result in a material adverse effect on the ability of such Purchaser to perform its obligations hereunder.
(k) **No Consents Required.** No application, notice, order, registration, qualification, waiver, consent, approval or other action is required to be filed, given, obtained or taken by such Purchaser by virtue of the execution, delivery and performance of this Agreement and each of the Transaction Documents to which such Purchaser is a party or the consummation of the transactions contemplated hereby and thereby, which has not already been obtained.

(l) **Brokers and Finders.** No Person will have, as a result of the transactions contemplated by the Transaction Documents, any valid right, interest or claim against or upon the Company, any of its Subsidiaries or any Purchaser for any placement agent’s fees, financial advisory fees, broker’s commissions or other similar compensation pursuant to any agreement, arrangement or understanding entered into by or on behalf of such Purchaser.

**ARTICLE IV.**

**OTHER AGREEMENTS OF THE PARTIES**

4.1 **Transfer Restrictions.**

(a) The Securities may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of Securities other than pursuant to an effective registration statement or Rule 144, to the Company or to an Affiliate of a Purchaser or in connection with a pledge as contemplated in Section 4.1(b), the Company may require the transferor thereof to provide to the Company an opinion of counsel selected by the transferor and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Securities under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Agreement and shall have the rights and obligations of a Purchaser under this Agreement.

(b) The Purchasers agree to the imprinting, so long as is required by this Section 4.1, of a legend on any of the Securities in the following form:

THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY
MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN “ACCREDITED INVESTOR” AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.

The Company acknowledges and agrees that a Purchaser may from time to time pledge pursuant to a bona fide margin agreement with a registered broker-dealer or grant a security interest in some or all of the Securities to a financial institution that is an “accredited investor” as defined in Rule 501(a) under the Securities Act and who agrees to be bound by the provisions of this Agreement and, if required under the terms of such arrangement, such Purchaser may transfer pledged or secured Securities to the pledgees or secured parties. Such a pledge would not be subject to approval of the Company and no legal opinion of legal counsel of the pledgee, secured party or pledgor shall be required in connection with any such pledge; provided, however, that any transfer of title to the pledgee shall require an opinion of the pledgor’s or pledgee’s counsel that such transfer is permissible under applicable securities laws. Further, no notice shall be required of such pledge. At the appropriate Purchaser’s expense, the Company will execute and deliver such reasonable documentation as a pledgee or secured party of Securities may reasonably request in connection with a pledge or transfer of the Securities.

(c) Each Purchaser, severally and not jointly with the other Purchasers, agrees with the Company that such Purchaser will sell any Securities pursuant to either the registration requirements of the Securities Act, including any applicable prospectus delivery requirements, or an exemption therefrom, and that if Securities are sold pursuant to a Registration Statement, they will be sold in compliance with the plan of distribution set forth therein, and acknowledges that the removal of the restrictive legend from certificates representing Securities as set forth in this Section 4.1 is predicated upon the Company’s reliance upon this understanding.

4.2 Integration. The Company shall not sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that would be integrated with the offer or sale of the Securities in a manner that would require the registration under the Securities Act of the sale of the Securities.

4.3 Publicity. The Company and each Purchaser shall consult with each other in issuing any press releases with respect to the transactions contemplated hereby, and neither the Company nor any Purchaser shall issue any such press release nor otherwise make any such public statement without the prior consent of the Company, with respect to any press release of any Purchaser, or without the prior consent of each Purchaser, with respect to any press release of the Company, which consent shall not unreasonably be withheld or delayed, except if such disclosure is required by law, in which case the disclosing party shall promptly provide the other party with prior notice of such public statement or communication.

4.4 Shareholder Rights Plan. No claim will be made or enforced by the Company or, with the consent of the Company, any other Person, that any Purchaser is an “Acquiring Person” under
any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or similar anti-
takeover plan or arrangement in effect or hereafter adopted by the Company, or that any Purchaser could be deemed to trigger the
provisions of any such plan or arrangement, by virtue of receiving Securities under the Transaction Documents or under any other
agreement between the Company and the Purchasers.

4.5 Non-Public Information. The Company covenants and agrees that from and after the time that the Company becomes subject
to the reporting requirements of Section 13 or 15(d) under the Exchange Act, neither it, nor any other Person acting on its behalf, will
provide any Purchaser or its agents or counsel with any information that the Company believes constitutes material non-public
information, unless prior thereto such Purchaser shall have entered into a written agreement with the Company regarding the
confidentiality and use of such information. The Company understands and confirms that each Purchaser shall be relying on the
foregoing covenant in effecting transactions in securities of the Company.

4.6 Indemnification.

(a) Subject to the provisions of this Section 4.6(a), the Company will indemnify and hold each Purchaser and its directors,
officers, shareholders, members, partners, employees and agents (and any other Persons with a functionally equivalent role of a
Person holding such titles notwithstanding a lack of such title or any other title), each Person who controls such Purchaser (within the
meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, shareholders, agents,
members, partners or employees (and any other Persons with a functionally equivalent role of a Person holding such titles
notwithstanding a lack of such title or any other title) of such controlling persons (each, a “Purchaser Party”) harmless from any and
all actual losses, liabilities, obligations, claims, contingencies, damages, costs and expenses (other than consequential damages),
including all judgments, amounts paid in settlements, court costs and reasonable and documented attorneys’ fees and costs of
investigation that any such Purchaser Party may suffer or incur as a result of or relating to any breach of any of the representations,
warranties, covenants or agreements made by the Company in this Agreement or in the other Transaction Documents (unless such
action is based upon a breach of such Purchaser Party’s representations, warranties or covenants under the Transaction Documents or
any violations by such Purchaser Party of state or federal securities laws or any conduct by such Purchaser Party which constitutes
fraud, gross negligence, willful misconduct or malfeasance). If any action shall be brought against any Purchaser Party in respect of
which indemnity may be sought pursuant to this Agreement, such Purchaser Party shall promptly notify the Company in writing, and
the Company shall have the right to assume the defense thereof with counsel of its own choosing reasonably acceptable to the
Purchaser Party. Any Purchaser Party shall have the right to employ separate counsel in any such action and participate in the defense
thereof, but the fees and expenses of such counsel shall be at the expense of such Purchaser Party except to the extent that (i) the
employment thereof has been specifically authorized by the Company in writing, (ii) the Company has failed after a reasonable period
of time to assume such defense and to employ counsel, or (iii) in such action there is, in the reasonable opinion of counsel, a material
conflict on any material issue between the position of the Company and the position of such Purchaser Party,
in which case the Company shall be responsible for the reasonable and documented fees and expenses of no more than one such separate counsel. The Company will not be liable to any Purchaser Party under this Agreement for any settlement by a Purchaser Party effected without the Company’s prior written consent. The indemnity agreements contained herein shall be in addition to any cause of action or similar right of any Purchaser Party against the Company or others and any liabilities the Company may be subject to pursuant to law.

(b) Subject to the provisions of this Section 4.6(b), each Purchaser, jointly and severally, will indemnify and hold the Company and its directors, officers, shareholders, employees and agents (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title), each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, shareholders, agents, members, partners or employees (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title) of such controlling persons (each, a “Company Party”) harmless from any and all actual losses, liabilities, obligations, claims, contingencies, damages, costs and expenses (other than consequential damages), including all judgments, amounts paid in settlements, court costs and reasonable and documented attorneys’ fees and costs of investigation that any such Company Party may suffer or incur as a result of or relating to any breach of any of the representations, warranties, covenants or agreements made by the Company in this Agreement or in the other Transaction Documents (unless such action is based upon a breach of the Company’s representations, warranties or covenants under the Transaction Documents or any violations by a Company Party of state or federal securities laws or any conduct by such Company Party which constitutes fraud, gross negligence, willful misconduct or malfeasance). If any action shall be brought against any Company Party in respect of which indemnity may be sought pursuant to this Agreement, such Company Party shall promptly notify each Purchaser in writing, and the Purchasers shall have the right to assume the defense thereof with counsel of their own choosing reasonably acceptable to the Company Party. Any Company Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Company Party except to the extent that (i) the employment thereof has been specifically authorized by the Purchasers in writing, (ii) the Purchasers have failed after a reasonable period of time to assume such defense and to employ counsel, or (iii) in such action there is, in the reasonable opinion of counsel, a material conflict on any material issue between the position of the Purchasers and the position of such Company Party, in which case the Purchasers shall be responsible for the reasonable and documented fees and expenses of no more than one such separate counsel. The Purchasers will not be liable to any Company Party under this Agreement for any settlement by a Company Party effected without the Purchasers’ prior written consent. The indemnity agreements contained herein shall be in addition to any cause of action or similar right of any Company Party against the Purchasers or others and any liabilities the Purchasers may be subject to pursuant to law.

4.7 Listing of Securities. In connection with the consummation of an initial public offering of the Company, the Company shall (i) take all steps necessary to cause such Securities to be approved for listing or quotation on such Trading Market and (ii) provide to the Purchasers evidence of such listing or quotation.
4.8 Form D; Blue Sky Filings. The Company agrees to timely file a Form D with respect to the Securities as required under Regulation D and to provide a copy thereof, promptly upon request of any Purchaser. The Company shall take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for, or to qualify the Securities for, sale to the Purchasers at the Closing under applicable securities or “Blue Sky” laws of the states of the United States, and shall provide evidence of such actions promptly upon request of any Purchaser.

ARTICLE V.
MISCELLANEOUS

5.1 Termination. This Agreement may be terminated by any party hereto, as to such party’s obligations hereunder only and without any effect whatsoever on the obligations between the Company and the other Purchasers, by written notice to the other parties, if the Initial Closing has not been consummated on or before [December 31], 2014; provided, however, that such termination will not affect the right of any party to sue for any breach by any other party (or parties).

5.2 Fees and Expenses. Each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Company shall pay all Transfer Agent fees (including, without limitation, any fees required for same-day processing of any instruction letter delivered by the Company), stamp taxes and other taxes and duties levied in connection with the sale and delivery of any Securities to the Purchasers.

5.3 Entire Agreement. The Transaction Documents, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements, understandings, discussions and representations, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

5.4 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of: (a) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto at or prior to 5:30 p.m. (California time) on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (California time) on any Trading Day, (c) the second (2nd) Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto.
5.5 Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Company and the Purchasers holding at least [50.1]% in interest of the Securities then outstanding or, in the case of a waiver, by the party against whom enforcement of any such waived provision is sought. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right.

5.6 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

5.7 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Company may not assign this Agreement or any rights or obligations hereunder without the prior written consent of each Purchaser (other than by merger).

5.8 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except as otherwise set forth in Section 4.6 and this Section 5.8.

5.9 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of California, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of San Diego, State of California. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of San Diego, State of California for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If either party shall commence an action, suit or
proceeding to enforce any provisions of the Transaction Documents, then, in addition to the obligations of the Company and the Purchasers under Section 4.6, the prevailing party in such action, suit or proceeding shall be reimbursed by the other party for its reasonable attorneys’ fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding.

5.10 Survival. The representations and warranties contained herein shall survive the Initial Closing and all Additional Closings and the delivery of the Securities.

5.11 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page were an original thereof.

5.12 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

5.13 Rescission and Withdrawal Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) any of the other Transaction Documents, whenever any Purchaser exercises a right, election, demand or option under a Transaction Document and the Company does not timely perform its related obligations within the periods therein provided, then such Purchaser may rescind or withdraw, in its sole discretion from time to time upon written notice to the Company, any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights.

5.14 Replacement of Securities. If any certificate or instrument evidencing any Securities is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof (in the case of mutilation), or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction. The applicant for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs (including customary indemnity) associated with the issuance of such replacement Securities.
5.15 Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, each of the Purchasers and the Company will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations contained in the Transaction Documents and hereby agree to waive and not to assert in any action for specific performance of any such obligation the defense that a remedy at law would be adequate.

5.16 Payment Set Aside. To the extent that the Company makes a payment or payments to any Purchaser pursuant to any Transaction Document or a Purchaser enforces or exercises its rights thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver or any other Person under any law (including, without limitation, any bankruptcy law, state or federal law, common law or equitable cause of action), then, to the extent of any such restoration, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

5.17 Independent Nature of Purchasers’ Obligations and Rights. The obligations of each Purchaser under any Transaction Document are several and not joint with the obligations of any other Purchaser, and no Purchaser shall be responsible in any way for the performance or non-performance of the obligations of any other Purchaser under any Transaction Document. Nothing contained herein or in any other Transaction Document, and no action taken by any Purchaser pursuant hereto or thereto, shall be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Purchasers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by the Transaction Documents. Each Purchaser shall be entitled to independently protect and enforce its rights, including, without limitation, the rights arising out of this Agreement or out of the other Transaction Documents, and it shall not be necessary for any other Purchaser to be joined as an additional party in any proceeding for such purpose.

5.18 Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

5.19 Construction. The parties agree that each of them and/or their respective counsel have reviewed and had an opportunity to revise the Transaction Documents and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Transaction Documents or any amendments thereto. In addition, each and every reference to share prices and shares of Common Stock in any Transaction Document shall be subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the Common Stock that occur after the date of this Agreement.
5.20 WAIVER OF JURY TRIAL. IN ANY ACTION, SUIT, OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVES FOREVER TRIAL BY JURY.

(Signature Pages Follow)
IN WITNESS WHEREOF, the parties hereto have caused this Subscription and Investment Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

CONKWEST, INC.  

By:  
Name: Barry Simon  
Title: Chief Executive Officer

Address for Notice:  
2533 South Coast Highway 101, Suite 210  
Cardiff by the Sea, CA 92007  
Fax: 858-380-1999

With a copy to (which shall not constitute notice):

Anthony J. Marsico, Esq.  
Greenberg Traurig, LLP  
The MetLife Building  
200 Park Avenue  
New York, NY 10166

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK  
SIGNATURE PAGE FOR PURCHASER Follows]

[Signature Page to Stock Purchase Agreement]
IN WITNESS WHEREOF, the undersigned have caused this Subscription and Investment Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

Name of Purchaser: Sorrento Therapeutics, Inc.

Signature of Authorized Signatory of Purchaser: ________________________________

Name of Authorized Signatory: _____________________________________________

Title of Authorized Signatory: ______________________________________________

Email Address of Authorized Signatory: _______________________________________

Facsimile Number of Authorized Signatory: 858-210-3759

Jurisdiction of Organization: Delaware

Address for Notice to Purchaser:
6042 Cornerstone Ct. West, Suite B
San Diego, CA 92121

With a copy to (which shall not constitute notice):

Jeffrey T. Hartlin, Esq.
Paul Hastings LLP
1117 S. California Avenue
Palo Alto, CA 94304

Address for Delivery of Securities to Purchaser (if not same as address for notice):

Subscription Amount of Common Stock at Initial Closing: $1,000,000.00

Subscription Amount of Common Stock at First Additional Closing: $1,000,000.00 (or more, if approved by Sorrento Therapeutics, Inc. and agreed to in writing by Conkwest, Inc.)

Subscription Amount of Common Stock at Second Additional Closing: $1,000,000.00

EIN Number: 33-0344842
REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (this “Agreement”), dated as of December 18, 2014, is by and among Conkwest, Inc., a Delaware corporation (the “Company”), and each of the undersigned purchasers (each, a “Purchaser,” and collectively, the “Purchasers”).

RECITALS

A. In connection with the Subscription and Investment Agreement by and among the parties hereto, dated as of December 18, 2014 (the “Subscription Agreement”), the Company has agreed, upon the terms and subject to the conditions of the Subscription Agreement, to issue and sell to each Purchaser the Securities (as defined in the Subscription Agreement).

B. To induce the Purchasers to consummate the transactions contemplated by the Subscription Agreement, the Company has agreed to provide certain registration rights under the Securities Act of 1933, as amended, and the rules and regulations thereunder, or any similar successor statute (collectively, the “1933 Act”), and applicable state securities laws.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and each of the Purchasers hereby agree as follows:

1. Definitions.

   Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Subscription Agreement. As used in this Agreement, the following terms shall have the following meanings:

   (a) “Business Day” means any day other than Saturday, Sunday or any other day on which commercial banks in California are authorized or required by law to remain closed.

   (b) “Effective Date” means (i) with respect to the Demand Registration Statement

   (c) “Exempt Financing” means (i) a financing in which the Company issues shares of Common Stock at a purchase price per share of Common Stock in excess of the purchase price per share paid by the Purchasers (as adjusted for stock splits, stock dividends, recapitalizations or similar events) or (ii) a financing in which the Company issues securities convertible, exercisable or exchangeable for shares of Common Stock at a purchase price per security (including any amount required to be paid to the Company in connection with any conversion, exercise or exchange thereunder) in excess of the purchase price per share paid by the Purchasers (as adjusted for stock splits, stock dividends, recapitalizations or similar events).

   (d) “Filing Deadline” means (i) with respect to the Demand Registration Statement

   (e) “Registration Statement” means the registration statement on Form S-3 (or such other form as may be selected by the Company in its sole discretion) or registration statement on Form S-1.

   (f) “Demand Registration” means the registration of the Securities covered hereby under the 1933 Act, pursuant to Rule 415 under the 1933 Act, on the Registration Statement, as applicable.

   (g) “Purchaser” means each Purchaser and their respective assigns, successors and permitted transferees.

   (h) “Purchasers” means each Purchaser and their respective assigns, successors and permitted transferees.

   (i) “Company” means Conkwest, Inc., a Delaware corporation.

   (j) “Securities” means the shares of Common Stock, warrants, options, convertible securities or other securities or rights of the Company issuable or exercisable at any time pursuant to the terms of the Subscription Agreement.

   (k) “Registrable Securities” means (i) the Securities, (ii) any securities issued as a result of any stock split, stock dividend, rights offering, recapitalization or similar event relating to the Securities, (iii) any securities issuable upon the exercise of any warrant, right or option to acquire any of the foregoing and (iv) any securities issuable to a Purchaser pursuant to any exchange offer, tender offer, recapitalization or similar event relating to the Securities.

   (l) “Underwriter” means any underwriter of the Securities.

   (m) “Transfer Agent” means the Company’s transfer agent.

   (n) “Transfer Registrar” means the Company’s transfer registrar.

   (o) “Common Stock” means the common stock, par value $0.001 per share, of the Company.

   (p) “SEC” means the Securities and Exchange Commission.

   (q) “1933 Act” means the Securities Act of 1933, as amended.


   (s) “Rule 415” means Rule 415 under the Securities Act of 1933.

   (t) “Regulatory Authority” means the SEC or other governmental authority or agency exercising jurisdiction over the registration of securities or the qualification for sale of securities.

   (u) “Board” means the Board of Directors of the Company.

   (v) “Shareholders” means the holders of record of the Securities.

   (w) “Purchase Price” means the purchase price per share paid by the Purchasers for the Securities.

   (x) “Expiration Date” means the date that is the earlier of (i) the date that is 180 days after the date hereof and (ii) the date that the Company or the Underwriter has notified the Purchasers in writing that it has satisfied all of the conditions precedent to the performance of its obligations under this Agreement.

   (y) “Listing Agreement” means the agreement by which the Company has agreed to list the Securities on a national securities exchange.

   (z) “Prospectus” means the final prospectus, if any, or the preliminary prospectus, if any, to be used in connection with the registration of the Securities.

2. Registration Rights.

   The Company will (i) file with the SEC a Registration Statement on Form S-3 (or such other form as may be selected by the Company in its sole discretion) or S-1 for the Securities, (ii) use its commercially reasonable efforts to cause the Registration Statement to become effective as soon as reasonably practicable after the filing thereof, and (iii) use its commercially reasonable efforts to keep the Registration Statement effective at all times the Securities are Registrable Securities.
required to be filed pursuant to Section 2(a), the later of (A) the 90th calendar day after the date of consummation of a Qualified IPO, (B) the 30th calendar day immediately preceding the expiration of the lock-up agreement described in Section 2(a)(ii) and (C) the 30th calendar day following receipt of the written request for Demand Registration pursuant to Section 2(a)(i), and (ii) with respect to any additional Registration Statements that may be required to be filed by the Company pursuant to this Agreement, the date on which the Company was required to file such additional Registration Statement pursuant to the terms of this Agreement.

(e) “Investor” means a Purchaser or any transferee or assignee of any Registrable Securities, as applicable, to whom a Purchaser assigns its rights in accordance with this Agreement and who agrees to become bound by the provisions of this Agreement in accordance with Section 9 and any transferee or assignee thereof to whom a transferee or assignee of any Registrable Securities assigns its rights under this Agreement and who agrees to become bound by the provisions of this Agreement in accordance with Section 9.

(f) “Person” means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization or a government or any department or agency thereof.

(g) “Piggyback Registrable Securities” means (i) the aggregate number of Securities issued under the Subscription Agreement on the Initial Closing Date, the First Additional Closing Date and the Second Additional Closing Date, and (ii) any capital stock of the Company issued or issuable with respect to such Securities, including, without limitation, (1) as a result of any stock split, stock dividend, recapitalization, exchange or similar event or otherwise and (2) shares of capital stock of the Company into which such Securities are converted or exchanged and shares of capital stock of a successor entity into which such Securities are converted or exchanged.

(h) “register,” “registered,” and “registration” refer to a registration effected by preparing and filing one or more Registration Statements in compliance with the 1933 Act and pursuant to Rule 415 and the declaration of effectiveness of such Registration Statement(s) by the SEC.

(i) “Registrable Securities” means (i) the Securities issued on the Second Additional Closing Date, and (ii) any capital stock of the Company issued or issuable with respect to such Securities, including, without limitation, (1) as a result of any stock split, stock dividend, recapitalization, exchange or similar event or otherwise and (2) shares of capital stock of the Company into which such Securities are converted or exchanged and shares of capital stock of a successor entity into which such Securities are converted or exchanged.

(j) “Registration Statement” means a registration statement or registration statements of the Company filed under the 1933 Act covering Registrable Securities.

(k) “Required Holders” means the holders of at least a majority of the Registrable Securities (excluding any Registrable Securities held by the Company or any of its Subsidiaries); provided, however, that Required Holders shall mean the holders of at least a majority of the Piggyback Registrable Securities with respect to any amendment of Section 2(g) or the definition of “Piggyback Registrable Securities”.

2
(l) “Required Registration Amount” means the aggregate number of Securities issued on the Second Additional Closing Date pursuant to the Subscription Agreement; provided that the Required Registration Amount shall not include any shares not included in a registration statement due to reductions made in accordance with Section 2(f).

(m) “Rule 144” means Rule 144 promulgated by the SEC under the 1933 Act, as such rule may be amended from time to time, or any other similar or successor rule or regulation of the SEC that may at any time permit the Investors to sell securities of the Company to the public without registration.

(n) “Rule 415” means Rule 415 promulgated by the SEC under the 1933 Act, as such rule may be amended from time to time, or any other similar or successor rule or regulation of the SEC providing for the offering of securities on a continuous or delayed basis.

(o) “SEC” means the United States Securities and Exchange Commission or any successor thereto.

2. Registration.

(a) Demand Registration.

(i) Following the consummation by the Company of the Initial Public Offering, if the Company shall receive from Investors holding not less than 50.1% of the Registrable Securities a written request that the Company effect any registration with respect to all or a part of the Registrable Securities owned by such Investors (each such request shall be referred to herein as a “Demand Registration”), the Company shall, subject to the terms of this Agreement, including the terms set forth in Section 2(a)(ii) hereof, prepare and, as soon as practicable, but in no event later than the Filing Deadline, file with the SEC an initial Registration Statement on Form S-3, if the Company is eligible to use Form S-3, otherwise, on Form S-1, covering the resale of all of the Registrable Securities, provided that such initial Registration Statement shall register for resale at least the number of shares of Common Stock equal to the Required Registration Amount as of the date such Registration Statement is initially filed with the SEC. Such initial Registration Statement, and each other Registration Statement required to be filed pursuant to the terms of this Agreement, shall contain (except if otherwise directed by the Required Holders) the “Selling Stockholders” and “Plan of Distribution” sections in substantially the form attached hereto as Exhibit A. The Company shall use its reasonable best efforts to have such initial Registration Statement, and each other Registration Statement required to be filed pursuant to the terms of this Agreement, declared effective by the SEC as soon as practicable.

(ii) Each Investor holding Registrable Securities acknowledges and agrees that, if requested by the underwriter for the Company’s Qualified IPO, such Investor will execute and deliver a lock-up agreement to such underwriter on terms no less favorable to the Investor than the terms of those provided in the lock-up agreements which other shareholders of the Company executed and delivered to the underwriter in connection with the Qualified IPO.
(iii) Notwithstanding anything contained in Section 2(a)(i) hereof to the contrary, the Company shall not be obligated to effect, or take any action to effect, any such registration pursuant to Section 2(a)(i) with respect to the Registrable Securities:

1. After the Company has consummated one (1) Demand Registration pursuant to Section 2.1(a)(i);

2. In any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, unless the Company is already subject to service of process in such jurisdiction and except as may be required by the 1933 Act or applicable rules or regulations thereunder; or

3. If at the time the Company receives the Demand Registration request to register Registrable Securities, the Company or any of its Subsidiaries is engaged in confidential negotiations to effect a proposed material transaction or other confidential business activities, disclosure of which would be required in such registration statement (but would not be required if such registration statement were not filed), and the Board of Directors of the Company determines in good faith that such disclosure would have a material adverse effect on the Company, any of its Subsidiaries or their respective businesses, or on the ability of any of the foregoing Persons to effect a proposed material transaction, including a proposed material acquisition, disposition, financing, reorganization, recapitalization or similar transaction; provided, however, that (a) a deferral of the filing of a registration statement pursuant to this Section 2(a)(iii)(3) shall be lifted if the negotiations or other activities are disclosed or if the Company determines such negotiations have been terminated, and the requested registration statement shall be filed by the later of (A) the applicable Filing Deadline or (B) thirty (30) calendar days from such disclosure or determination, and (b) the deferral provided pursuant to this Section 2(a)(iii)(3) shall not be used more than once in any consecutive 12-month period.

(b) Legal Counsel. Subject to Section 5 hereof, Sorrento Therapeutics, Inc. (the “Lead Investor”) shall have the right to select one (1) legal counsel to review and oversee, solely on its behalf, any registration pursuant to this Section 2 (“Legal Counsel”).

(c) Reserved.

(d) Sufficient Number of Shares Registered. In the event the number of shares available under any Registration Statement is insufficient to cover all of the Registrable Securities required to be covered by such Registration Statement or an Investor’s allocated portion of the Registrable Securities pursuant to Section 2(h), the Company shall amend such Registration Statement (if permissible), or file with the SEC a new Registration Statement (on the short form available therefor, if applicable), or both, so as to cover at least the Required Registration Amount as of the Trading Day immediately preceding the date of the filing of such amendment or new Registration Statement, in each case, as soon as practicable, but in any event not later than fifteen (15) days after the Company, acting in good faith, first becomes aware of the necessity therefor (but taking account of any position of the staff of the SEC (the “Staff”) with respect to the date on which the Staff will permit such amendment to the Registration Statement and/or such new Registration Statement (as the case may be) to be filed with the SEC). The Company shall use its reasonable best efforts to cause such amendment to such Registration Statement and/or such new Registration Statement (as the case may be) to become effective as soon as practicable following the filing thereof with the SEC.
(e) Effect of Failure to File and Obtain and Maintain Effectiveness of any Registration Statement. If (i) a Registration Statement covering the resale of all of the Registrable Securities required to be covered thereby (disregarding any reduction pursuant to Section 2(f)) and required to be filed by the Company pursuant to this Agreement is not filed with the SEC on or before the Filing Deadline for such Registration Statement (a “Filing Failure”) (it being understood that if the Company files a Registration Statement without affording Legal Counsel the opportunity to review and comment on the same as required by Section 3(c) hereof, the Company shall be deemed to not have satisfied this clause (i)(A) and such event shall be deemed to be a Filing Failure), (ii) the Company shall not have filed a “final” prospectus for such Registration Statement with the SEC under Rule 424(b) in accordance with Section 3(b) within one (1) Business Day immediately following the Effective Date for such Registration Statement (whether or not such a prospectus is technically required by such rule) (the “Acceleration Failure”), (iii) other than during an Allowable Grace Period (as defined below), on any day after the Effective Date of a Registration Statement sales of all of the Registrable Securities required to be included on such Registration Statement (disregarding any reduction pursuant to Section 2(f)) cannot be made pursuant to such Registration Statement (including, without limitation, because of a failure to keep such Registration Statement effective, a failure to disclose such information as is necessary for sales to be made pursuant to such Registration Statement, a suspension or delisting of (or a failure to timely list) the Securities on the applicable Trading Market (as defined in the Subscription Agreement), or a failure to register a sufficient number of Securities or by reason of a stop order) or the prospectus contained therein is not available for use for any reason (a “Maintenance Failure”), or (iv) if a Registration Statement is not effective for any reason or the prospectus contained therein is not available for use for any reason, the Company fails to file with the SEC any required reports under Section 13 or 15(d) of the 1934 Act (as defined below) such that it is not in compliance with Rule 144(c)(1) (or Rule 144(i)(2), if applicable) (a “Current Public Information Failure” and, together with a Filing Failure, Acceleration Failure and Maintenance Failure, a “Failure”)) as a result of which any of the Investors are unable to sell Registrable Securities without restriction under Rule 144 (including, without limitation, volume restrictions), then, as partial relief for the damages to any holder by reason of any such delay in, or reduction of, its ability to sell the Securities (which remedy shall not be exclusive of any other remedies available at law or in equity), the Company shall pay to each holder of Registrable Securities relating to such Registration Statement an amount in cash equal to one percent (1%) of the aggregate purchase price paid by such Investor pursuant to the Subscription Agreement for any Registrable Securities held by such Investor on the date of the applicable Failure (or if such Failure relates to only a portion of the Registrable Securities, then only with respect to the Investor’s allocable cash investment with respect to such portion of such Registrable Securities) (1) on the date of such Failure, as applicable, and (2) on every thirty (30) day anniversary of (I) a Filing Failure until such Filing Failure is cured; (II) an Acceleration Failure until such Acceleration Failure is cured; (III) a Maintenance Failure until such Maintenance Failure is cured; and (IV) a Current Public Information Failure until the earlier of (i) the date such Current Public Information Failure is cured and (ii) such time that such public information is no longer required pursuant to Rule 144 (in each case, prorated for periods totaling less than thirty (30) days). The payments to which a holder of Registrable Securities shall be entitled pursuant to this Section 2(e) are referred to herein as “Registration Delay”
Payments.” Following the initial Registration Delay Payment for any particular event or failure (which shall be paid on the date of such event or failure, as set forth above), without limiting the foregoing, if an event or failure giving rise to the Registration Delay Payments is cured prior to any thirty (30) day anniversary of such event or failure, then such Registration Delay Payment shall be made on the third (3rd) Business Day after such cure. In the event the Company fails to make Registration Delay Payments in a timely manner in accordance with the foregoing, such Registration Delay Payments shall bear interest at the rate of one percent (1%) per month (prorated for partial months) until paid in full.

(f) Offering. No Investor shall be named as an “underwriter” in any Registration Statement without such Investor’s prior written consent. Notwithstanding anything to the contrary contained in this Agreement, in the event the Staff or the SEC seeks to characterize any offering pursuant to a Registration Statement filed pursuant to this Agreement as constituting an offering of securities by, or on behalf of, the Company, or in any other manner, such that the Staff or the SEC does not permit such Registration Statement to become effective and used for resales in a manner that does not constitute such an offering and that permits the continuous resale at the market by the Investors participating therein (or as otherwise may be acceptable to each Investor) without being named therein as an “underwriter,” then the Company shall reduce the number of shares to be included in such Registration Statement by all Investors until such time as the Staff and the SEC shall so permit such Registration Statement to become effective as aforesaid. In making such reduction, the Company shall reduce the number of shares to be included by all Investors on a pro rata basis (based upon the number of Registrable Securities otherwise required to be included for each Investor) unless the inclusion of shares by a particular Investor or a particular set of Investors are resulting in the Staff or the SEC’s “by or on behalf of the Company” offering position, in which event the shares held by such Investor or set of Investors shall be the only shares subject to reduction (and if by a set of Investors, on a pro rata basis by such Investors or on such other basis as would result in the exclusion of the least number of shares by all such Investors). In addition, in the event that the Staff or the SEC requires any Investor seeking to sell securities under a Registration Statement filed pursuant to this Agreement to be specifically identified as an “underwriter” in order to permit such Registration Statement to become effective, and such Investor does not consent to being so named as an underwriter in such Registration Statement, then, in each such case, the Company shall reduce the total number of Registrable Securities to be registered on behalf of such Investor, until such time as the Staff or the SEC does not require such identification or until such Investor accepts such identification and the manner thereof. Any reduction pursuant to this paragraph will first reduce all Registrable Securities other than those issued pursuant to the Subscription Agreement. In the event of any reduction in Registrable Securities pursuant to this paragraph, an affected Investor shall have the right to require, upon delivery of a written request to the Company signed by such Investor, the Company to file a registration statement within thirty (30) days of such request (subject to any restrictions imposed by Rule 415 or required by the Staff or the SEC) for resale by such Investor in a manner acceptable to such Investor, and the Company shall, following such request, use its reasonable best efforts to cause to be declared effective and to keep effective such registration statement in the same manner as otherwise contemplated in this Agreement for registration statements hereunder, in each case until such time as: (i) all Registrable Securities held by such Investor have been registered and sold pursuant to an effective Registration Statement in a manner acceptable to such Investor, (ii) all Registrable Securities may be resold by such Investor without restriction (including, without
limitation, volume limitations) pursuant to Rule 144 (taking account of any Staff position with respect to “affiliate” status) and
without the need for current public information required by Rule 144(c)(1) (or Rule 144(i)(2), if applicable), or (iii) such Investor
agrees to be named as an underwriter in any such Registration Statement in a manner acceptable to such Investor as to all Registrable
Securities held by such Investor and that have not theretofore been included in a Registration Statement under this Agreement.

(g) Piggyback Registrations. Without limiting any obligation of the Company hereunder or under the Subscription Agreement, if
there is not an effective Registration Statement covering all of the Piggyback Registrable Securities or a prospectus contained therein
is not available for use and the Company shall determine to prepare and file with the SEC a registration statement relating to an
offering for its own account or the account of others under the 1933 Act of any of its equity securities (other than on Form S-4 or
Form S-8 (each as promulgated under the 1933 Act) or their then equivalents relating to equity securities to be issued solely in
connection with any acquisition of any entity or business or equity securities issuable in connection with the Company’s equity
compensation or other employee benefit plans), then the Company shall deliver to each Investor holding Piggyback Registrable
Securities a written notice of such determination and, if within fifteen (15) days after the date of the delivery of such notice, any such
Investor shall so request in writing, the Company shall include in such registration statement all or any part of such Piggyback
Registrable Securities such Investor requests to be registered; provided, however, the Company shall not be required to register any
Piggyback Registrable Securities pursuant to this Section 2(g) that are eligible for resale pursuant to Rule 144 without restriction
(including, without limitation, volume restrictions) and without the need for current public information required by Rule 144(c)(1) (or
Rule 144(i)(2), if applicable) or that are the subject of a then-effective Registration Statement.

(h) Allocation of Registrable Securities. The initial number of Registrable Securities included in any Registration Statement and
any increase or decrease in the number of Registrable Securities included therein shall be allocated pro rata among the Investors based
on the number of Registrable Securities held by each Investor at the time such Registration Statement covering such initial number of
Registrable Securities or increase or decrease thereof is declared effective by the SEC. In the event that an Investor sells or otherwise
transfers any of such Investor’s Registrable Securities, each transferee or assignee (as the case may be) that becomes an Investor shall
be allocated a pro rata portion of the then-remaining number of Registrable Securities included in such Registration Statement for
such transferor or assignee (as the case may be). Any shares of Common Stock included in a Registration Statement and which
remain allocated to any Person which ceases to hold any Registrable Securities covered by such Registration Statement shall be
allocated to the remaining Investors, pro rata based on the number of Registrable Securities then held by such Investors which are
covered by such Registration Statement.

(i) No Inclusion of Other Securities. In no event shall the Company include any securities other than Registrable Securities on
any Registration Statement without the prior written consent of the Required Holders.
3. Related Obligations.

The Company shall use its reasonable best efforts to effect the registration of the Registrable Securities in accordance with the intended method of disposition thereof, and, pursuant thereto, the Company shall have the following obligations:

(a) The Company shall promptly prepare and file with the SEC a Registration Statement with respect to the Registrable Securities (but in no event later than the applicable Filing Deadline) and use its reasonable best efforts to cause such Registration Statement to become effective as soon as practicable after such filing. Subject to Allowable Grace Periods (as defined below), the Company shall keep each Registration Statement effective (and the prospectus contained therein available for use) pursuant to Rule 415 for resales by the Investors on a delayed or continuous basis at then-prevailing market prices (and not fixed prices) at all times until the earlier of (i) the date as of which all of the Investors may sell all of the Registrable Securities required to be covered by such Registration Statement (disregarding any reduction pursuant to Section 2(f)) without restriction pursuant to Rule 144 (including, without limitation, volume restrictions) and without the need for current public information required by Rule 144(c)(1) (or Rule 144(i)(2), if applicable) or (ii) the date on which the Investors shall have sold all of the Registrable Securities covered by such Registration Statement (the “Registration Period”). Notwithstanding anything to the contrary contained in this Agreement, the Company shall ensure that, when filed and at all times while effective, each Registration Statement (including, without limitation, all amendments and supplements thereto) and the prospectus (including, without limitation, all amendments and supplements thereto) used in connection with such Registration Statement (1) shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein, or necessary to make the statements therein (in the case of prospectuses, in the light of the circumstances in which they were made) not misleading and (2) will disclose (whether directly or through incorporation by reference to other SEC filings to the extent permitted) all material information regarding the Company and its securities. The Company shall submit to the SEC, within two (2) Business Days after the later of the date that (i) the Company learns that no review of a particular Registration Statement will be made by the Staff or that the Staff has no further comments on a particular Registration Statement (as the case may be) and (ii) the consent of Legal Counsel is obtained pursuant to Section 3(c) (which consent shall be immediately sought), a request for acceleration of effectiveness of such Registration Statement to a time and date not later than forty-eight (48) hours after the submission of such request.

(b) Subject to Section 3(r) of this Agreement, the Company shall prepare and file with the SEC such amendments (including, without limitation, post-effective amendments) and supplements to each Registration Statement and the prospectus used in connection with each such Registration Statement, which prospectus is to be filed pursuant to Rule 424 promulgated under the 1933 Act, as may be necessary to keep each such Registration Statement effective at all times during the Registration Period for such Registration Statement, and, during such period, comply with the provisions of the 1933 Act with respect to the disposition of all Registrable Securities of the Company required to be covered by such Registration Statement until such time as all of such Registrable Securities shall have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof as set forth in such Registration Statement; provided, however, by 8:30 a.m. (California time) on the Business Day immediately following each Effective Date, the Company shall file with the SEC in accordance with Rule 424(b) under the 1933 Act the final prospectus to be used in connection with sales pursuant to the applicable
Registration Statement. In the case of amendments and supplements to any Registration Statement which are required to be filed pursuant to this Agreement (including, without limitation, pursuant to this Section 3(b)) by reason of the Company filing a report on Form 10-Q or Form 10-K or any analogous report under the Securities Exchange Act of 1934, as amended (the “1934 Act”), the Company shall have incorporated such report by reference into such Registration Statement, if applicable, or shall file such amendments or supplements with the SEC within one (1) Business Day of the day on which the 1934 Act report is filed which created the requirement for the Company to amend or supplement such Registration Statement.

(c) The Company shall (A) permit Legal Counsel to review and comment upon (i) each Registration Statement at least five (5) Business Days prior to its filing with the SEC and (ii) all amendments and supplements to each Registration Statement (including, without limitation, the prospectus contained therein) (except for Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and any similar or successor reports) within a reasonable number of days prior to their filing with the SEC, and (B) not file any Registration Statement or amendment or supplement thereto in a form to which Legal Counsel reasonably objects. The Company shall not submit a request for acceleration of the effectiveness of a Registration Statement or any amendment or supplement thereto or to any prospectus contained therein without the prior consent of Legal Counsel, which consent shall not be unreasonably withheld, delayed or conditioned. The Company shall promptly furnish to Legal Counsel, without charge, (i) copies of any correspondence from the SEC or the Staff to the Company or its representatives relating to each Registration Statement, provided that such correspondence shall not contain any material, non-public information regarding the Company or any of its Subsidiaries (as defined in the Subscription Agreement), (ii) after the same is prepared and filed with the SEC, one (1) copy of each Registration Statement and any amendment(s) and supplement(s) thereto, including, without limitation, financial statements and schedules, all documents incorporated therein by reference, if requested by an Investor, and all exhibits, and (iii) upon the effectiveness of each Registration Statement, one (1) copy of the prospectus included in such Registration Statement and all amendments and supplements thereto, except in cases (ii) and (iii) above if such documents are filed with the SEC through EDGAR and are available to the public through the EDGAR system promptly after the same is prepared and filed with the SEC. The Company shall reasonably cooperate with Legal Counsel in performing the Company’s obligations pursuant to this Section 3.

(d) The Company shall promptly furnish to each Investor whose Registrable Securities are included in any Registration Statement, without charge, to the extent that such documents are not available on the SEC’s EDGAR system, (i) after the same is prepared and filed with the SEC, at least one (1) copy of each Registration Statement and any amendment(s) and supplement(s) thereto, including, without limitation, financial statements and schedules, all documents incorporated therein by reference, if requested by an Investor, all exhibits and each preliminary prospectus, (ii) upon the effectiveness of each Registration Statement, ten (10) copies of the prospectus included in such Registration Statement and all amendments and supplements thereto (or such other number of copies as such Investor may reasonably request from time to time), and (iii) such other documents, including, without limitation, copies of any preliminary or final prospectus, as such Investor may reasonably request from time to time in order to facilitate the disposition of the Registrable Securities owned by such Investor.
(e) The Company shall use its reasonable best efforts to (i) register and qualify, unless an exemption from registration and qualification applies, the resale by Investors of the Registrable Securities covered by a Registration Statement under such other securities or “blue sky” laws of all applicable jurisdictions in the United States, (ii) prepare and file in those jurisdictions, such amendments (including, without limitation, post-effective amendments) and supplements to such registrations and qualifications as may be necessary to maintain the effectiveness thereof during the Registration Period, (iii) take such other actions as may be necessary to maintain such registrations and qualifications in effect at all times during the Registration Period, and (iv) take all other actions reasonably necessary or advisable to qualify the Registrable Securities for sale in such jurisdictions; provided, however, that the Company shall not be required in connection therewith or as a condition thereto to (x) qualify to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 3(e), (y) subject itself to general taxation in any such jurisdiction, or (z) file a general consent to service of process in any such jurisdiction. The Company shall promptly notify Legal Counsel and each Investor who holds Registrable Securities of the receipt by the Company of any notification with respect to the suspension of the registration or qualification of any of the Registrable Securities for sale under the securities or “blue sky” laws of any jurisdiction in the United States or its receipt of actual notice of the initiation or threatening of any proceeding for such purpose.

(f) The Company shall notify Legal Counsel and each Investor in writing of the happening of any event, as promptly as practicable after becoming aware of such event, as a result of which the prospectus included in a Registration Statement, as then in effect, includes an untrue statement of a material fact or omission to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (provided that in no event shall such notice contain any material, non-public information regarding the Company or any of its Subsidiaries), and, subject to Section 3(r), promptly prepare a supplement or amendment to such Registration Statement and such prospectus contained therein to correct such untrue statement or omission and, unless such supplement or amendment has been filed with the SEC through EDGAR and is available to the public through the EDGAR system promptly after the same is prepared and filed with the SEC, deliver ten (10) copies of such supplement or amendment to Legal Counsel and each Investor (or such other number of copies as Legal Counsel or such Investor may reasonably request). The Company shall also promptly notify Legal Counsel and each Investor in writing (i) when a prospectus or any prospectus supplement or post-effective amendment has been filed, when a Registration Statement or any post-effective amendment has become effective (notification of such effectiveness shall be delivered to Legal Counsel and each Investor by facsimile or e-mail on the same day of such effectiveness and by overnight mail), and when the Company receives written notice from the SEC that a Registration Statement or any post-effective amendment will be reviewed by the SEC, (ii) of any request by the SEC for amendments or supplements to a Registration Statement or related prospectus or related information, (iii) of the Company’s reasonable determination that a post-effective amendment to a Registration Statement would be appropriate; and (iv) of the receipt of any request by the SEC or any other federal or state governmental authority for any additional information relating to the Registration Statement or any amendment or supplement thereto or any related prospectus. The Company shall respond as promptly as practicable to any comments received from the SEC with respect to each Registration Statement or any amendment thereto, but in no event later than ten (10) Business Days after the Company’s receipt of such comments.
(g) The Company shall (i) use its reasonable best efforts to prevent the issuance of any stop order or other suspension of effectiveness of each Registration Statement or the use of any prospectus contained therein, or the suspension of the qualification, or the loss of an exemption from qualification, of any of the Registrable Securities for sale in any jurisdiction and, if such an order or suspension is issued, to obtain the withdrawal of such order or suspension at the earliest possible moment and (ii) as promptly as reasonably practicable, but in any event within one (1) Business Day, via facsimile or electronic mail, notify Legal Counsel and each Investor who holds Registrable Securities of the issuance of such order and the resolution thereof or its receipt of actual notice of the initiation or threat of any proceeding for such purpose.

(h) If any Investor may be required under applicable securities law to be described in any Registration Statement as an underwriter and such Investor consents to so being named an underwriter, at the reasonable request of such Investor, the Company shall furnish to such Investor, on the date of the effectiveness of such Registration Statement and thereafter from time to time on such dates as an Investor may reasonably request (i) a letter, dated such date, from the Company’s independent certified public accountants in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the Investors, and (ii) an opinion, dated as of such date, of counsel representing the Company for purposes of such Registration Statement, in form, scope and substance as is customarily given in an underwritten public offering, addressed to the Investors.

(i) If any Investor may be required under applicable securities law to be described in any Registration Statement as an underwriter and such Investor consents to so being named an underwriter, upon the written request of such Investor, the Company shall make available for inspection by (i) such Investor, (ii) legal counsel for such Investor, and (iii) one (1) firm of accountants or other agents retained by such Investor (collectively, the “Inspectors”), all pertinent financial and other records, and pertinent corporate documents and properties of the Company (collectively, the “Records”), as shall be reasonably deemed necessary by each Inspector, and cause the Company’s officers, directors and employees to supply all information which any Inspector may reasonably request; provided, however, each Inspector shall agree in writing to hold in strict confidence and not to make any disclosure (except to such Investor) or use of any Record or other information which the Company’s board of directors determines in good faith to be confidential, and of which determination the Inspectors are so notified, unless (1) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in any Registration Statement or is otherwise required under the 1933 Act, (2) the release of such Records is ordered pursuant to a final, non-appealable subpoena or order from a court or government body of competent jurisdiction, or (3) the information in such Records has been made generally available to the public other than by disclosure in violation of this Agreement or any other Transaction Document (as defined in the Subscription Agreement). Such Investor agrees that it shall, upon learning that disclosure of such Records is sought in or by a court or governmental body of competent jurisdiction or through other means, give prompt notice to the Company and allow the Company, at its expense, to undertake appropriate action to prevent disclosure of, or to obtain a protective order for, the Records deemed confidential. Nothing herein (or in any other confidentiality agreement between the Company and such Investor, if any) shall be deemed to limit any Investor’s ability to sell Registrable Securities in a manner which is otherwise consistent with applicable laws and regulations.
(j) The Company shall hold in confidence and not make any disclosure of information concerning an Investor provided to the Company unless (i) disclosure of such information is necessary to comply with federal or state securities laws, (ii) the disclosure of such information is necessary to avoid or correct a misstatement or omission in any Registration Statement or is otherwise required to be disclosed in such Registration Statement pursuant to the 1933 Act, (iii) the release of such information is ordered pursuant to a subpoena or other final, non-appealable order from a court or governmental body of competent jurisdiction, or (iv) such information has been made generally available to the public other than by disclosure in violation of this Agreement or any other Transaction Document. The Company agrees that it shall, upon learning that disclosure of such information concerning an Investor is sought in or by a court or governmental body of competent jurisdiction or through other means, give prompt written notice to such Investor and allow such Investor, at such Investor’s expense, to undertake appropriate action to prevent disclosure of, or to obtain a protective order for, such information.

(k) Without limiting any obligation of the Company under the Subscription Agreement, the Company shall use its reasonable best efforts either to (i) cause all of the Registrable Securities covered by each Registration Statement to be listed on each securities exchange on which securities of the same class or series issued by the Company are then listed, if any, if the listing of such Registrable Securities is then permitted under the rules of such exchange, (ii) secure designation and quotation of all of the Registrable Securities covered by each Registration Statement on the applicable Trading Market, or (iii) if, despite the Company’s reasonable best efforts to satisfy the preceding clauses (i) or (ii) the Company is unsuccessful in satisfying the preceding clauses (i) or (ii), without limiting the generality of the foregoing, to use its reasonable best efforts to arrange for at least two market makers to register with the Financial Industry Regulatory Authority (“FINRA”) as such with respect to such Registrable Securities. In addition, the Company shall cooperate with each Investor and any broker or dealer through which any such Investor proposes to sell its Registrable Securities in effecting a filing with FINRA pursuant to FINRA Rule 5110 as requested by such Investor. The Company shall pay all fees and expenses in connection with satisfying its obligations under this Section 3(k).

(l) The Company shall cooperate with the Investors who hold Registrable Securities being offered and, to the extent applicable, facilitate the timely preparation and delivery of certificates (not bearing any restrictive legend) representing the Registrable Securities to be offered pursuant to a Registration Statement and enable such certificates to be in such denominations or amounts (as the case may be) as the Investors may reasonably request from time to time and registered in such names as the Investors may request.

(m) If requested by an Investor, the Company shall, as soon as practicable after receipt of notice from such Investor and subject to Section 3(r) hereof, (i) incorporate in a prospectus supplement or post-effective amendment such information as an Investor reasonably requests to be included therein relating to the sale and distribution of Registrable Securities, including, without limitation, information with respect to the number of Registrable Securities being offered or sold, the purchase price being paid therefor and any other terms of the offering of the Registrable Securities to be sold in such offering; (ii) make all required filings of
such prospectus supplement or post-effective amendment after being notified of the matters to be incorporated in such prospectus supplement or post-effective amendment; and (iii) supplement or make amendments to any Registration Statement or prospectus contained therein if reasonably requested by an Investor holding any Registrable Securities.

(n) The Company shall use its reasonable best efforts to cause the Registrable Securities covered by a Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to consummate the disposition of such Registrable Securities.

(o) The Company shall make generally available to its security holders as soon as practical, but not later than ninety (90) days after the close of the period covered thereby, an earnings statement (in form complying with, and in the manner provided by, the provisions of Rule 158 under the 1933 Act) covering a twelve-month period beginning not later than the first day of the Company’s fiscal quarter next following the applicable Effective Date of each Registration Statement.

(p) The Company shall otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the SEC in connection with any registration hereunder.

(q) Within one (1) Business Day after a Registration Statement which covers Registrable Securities is declared effective by the SEC, the Company shall deliver, and shall cause legal counsel for the Company to deliver, to the transfer agent for such Registrable Securities (with copies to the Investors whose Registrable Securities are included in such Registration Statement) confirmation that such Registration Statement has been declared effective by the SEC.

(r) Notwithstanding anything to the contrary herein (but subject to the last sentence of this Section 3(r)), at any time after the Effective Date of a particular Registration Statement, (i) the Company may delay the disclosure of material, non-public information concerning the Company or any of its Subsidiaries the disclosure of which at the time is not, in the good faith opinion of the board of directors of the Company, in the best interest of the Company and, upon the advice of counsel to the Company, otherwise required and (ii) the Company may suspend the availability of a Registration Statement on Form S-1 if pursuant to applicable law it must file a post-effective amendment to such Registration Statement in connection with the filing of its Annual Report on Form 10-K or Quarterly Reports on Form 10-Q (each, a “Grace Period”), provided that the Company shall promptly (A) notify the Investors in writing of the existence of material, non-public information giving rise to a Grace Period (provided that in each such notice the Company shall not disclose the content of such material, non-public information to any of the Investors) and the date on which such Grace Period will begin and (B) notify the investors in writing of the date on which such Grace Period ends, provided further that (x) no Grace Period shall exceed fifteen (15) consecutive Trading Days and during any three hundred sixty five (365) day period all such Grace Periods shall not exceed an aggregate of forty-five (45) Trading Days, (y) the first day of any Grace Period must be at least five (5) Trading Days after the last day of any prior Grace Period, and (z) no Grace Period may exist during the sixty (60) Trading Day period immediately following the Effective Date of such Registration Statement (provided that such sixty (60) Trading Day period shall be extended by the number of Trading Days during such period and any extension thereof contemplated by this proviso during which such
Registration Statement is not effective or the prospectus contained therein is not available for use) (each, an “Allowable Grace Period”). For purposes of determining the length of a Grace Period above, such Grace Period shall begin on and include the date the Investors receive the notice referred to in clause (i) above and shall end on and include the later of the date the Investors receive the notice referred to in clause (ii) above and the date referred to in such notice. The provisions of Section 3(g) hereof shall not be applicable during the period of any Allowable Grace Period. Upon expiration of each Grace Period, the Company shall again be bound by the first sentence of Section 3(f) with respect to the information giving rise thereto unless such material, non-public information is no longer applicable. Notwithstanding anything to the contrary contained in this Section 3(r), the Company shall cause its transfer agent to deliver unlegended shares of Common Stock to a transferee of an Investor in accordance with the terms of the Subscription Agreement in connection with any sale of Registrable Securities made pursuant to an effective and available Registration Statement with respect to which such Investor has entered into a contract for sale, and delivered a copy of the prospectus included as part of the particular Registration Statement to the extent applicable, prior to such Investor’s receipt of the notice of a Grace Period and for which the Investor has not yet settled.


(a) At least five (5) Business Days prior to the first anticipated filing date of each Registration Statement, the Company shall notify each Investor in writing of the information the Company requires from each such Investor with respect to such Registration Statement. It shall be a condition precedent to the obligations of the Company to complete the registration pursuant to this Agreement with respect to the Registrable Securities of a particular Investor that such Investor shall furnish to the Company such information regarding itself, the Registrable Securities held by it and the intended method of disposition of the Registrable Securities held by it, as shall be reasonably required to effect and maintain the effectiveness of the registration of such Registrable Securities and shall execute such documents in connection with such registration as the Company may reasonably request.

(b) Each Investor, by such Investor’s acceptance of the Registrable Securities, agrees to cooperate with the Company as reasonably requested by the Company in connection with the preparation and filing of each Registration Statement hereunder, unless such Investor has notified the Company in writing of such Investor’s election to exclude all of such Investor’s Registrable Securities from such Registration Statement.

(c) Each Investor agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 3(g) or the first sentence of 3(f), such Investor will immediately discontinue disposition of Registrable Securities pursuant to any Registration Statement(s) covering such Registrable Securities until such Investor’s receipt of the copies of the supplemented or amended prospectus contemplated by Section 3(g) or the first sentence of Section 3(f) or receipt of notice that no supplement or amendment is required. Notwithstanding anything to the contrary in this Section 4(c), the Company shall cause its transfer agent to deliver unlegended shares of Common Stock to a transferee of an Investor in accordance with the terms of the Subscription Agreement in connection with any sale of Registrable Securities made pursuant to an effective and available Registration Statement with respect to which such Investor has entered into a contract for sale prior to the Investor’s receipt of a notice from the Company of the happening of any event of the kind described in Section 3(g) or the first sentence of Section 3(f) and for which such Investor has not yet settled.
5. **Expenses of Registration.**

   All reasonable expenses, other than underwriting discounts and commissions, incurred in connection with registrations, filings or qualifications pursuant to Sections 2 and 3, including, without limitation, all registration, listing and qualifications fees, printers and accounting fees, FINRA filing fees (if any) and fees and disbursements of counsel for the Company shall be paid by the Company.

6. **Indemnification.**

   (a) In the event any Registrable Securities are included in any Registration Statement under this Agreement, to the fullest extent permitted by law, the Company will, and hereby does, indemnify, hold harmless and defend each Investor and each of its directors, officers, shareholders, members, partners, employees, agents, advisors, representatives (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding the lack of such title or any other title) and each Person, if any, who controls such Investor within the meaning of the 1933 Act or the 1934 Act and each of the directors, officers, shareholders, members, partners, employees, agents, advisors, representatives (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding the lack of such title or any other title) of such controlling Persons (each, an “Indemnified Person”), against any losses, obligations, claims, damages, liabilities, contingencies, judgments, fines, penalties, charges, costs (including, without limitation, court costs, reasonable and documented attorneys’ fees and costs of defense and investigation), amounts paid in settlement or expenses, joint or several, (collectively, “Claims”) incurred in investigating, preparing or defending any action, claim, suit, inquiry, proceeding, investigation or appeal taken from the foregoing by or before any court or governmental, administrative or other regulatory agency, body or the SEC, whether pending or threatened, whether or not an indemified party is or may be a party thereto (“Indemnified Damages”), to which any of them may become subject insofar as such Claims (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon: (i) any untrue statement or alleged untrue statement of a material fact in a Registration Statement or any post-effective amendment thereto or in any filing made in connection with the qualification of the offering under the securities or other “blue sky” laws of any jurisdiction in which Registrable Securities are offered (“Blue Sky Filing”), or the omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus if used prior to the effective date of such Registration Statement, or contained in the final prospectus (as amended or supplemented, if the Company files any amendment thereof or supplement thereto with the SEC) or the omission or alleged omission to state therein any material fact necessary to make the statements made therein, in light of the circumstances under which the statements therein were made, not misleading, or (iii) any violation or alleged violation by the Company of the 1933 Act, the 1934 Act, any other law, including, without limitation, any state securities law, or any rule or regulation thereunder relating to the offer or sale of the Registrable Securities pursuant to a Registration Statement (the matters in the foregoing clauses (i) through (iii) being, collectively,
Subject to Section 6(c), the Company shall reimburse the Indemnified Persons, promptly as such expenses are incurred and are due and payable, for any reasonable and documented legal fees or other reasonable expenses incurred by them in connection with investigating or defending any such Claim. Notwithstanding anything to the contrary contained herein, the indemnification agreement contained in this Section 6(a): (i) shall not apply to a Claim by an Indemnified Person arising out of or based upon a Violation which occurs in reliance upon and in conformity with information furnished in writing to the Company by such Indemnified Person expressly for use in connection with the preparation of such Registration Statement or any such amendment thereof or supplement thereto and (ii) shall not be available to a particular Investor to the extent such Claim is based on a failure of such Investor to deliver or to cause to be delivered the prospectus made available by the Company, including, without limitation, a corrected prospectus, if such prospectus or corrected prospectus was timely made available by the Company pursuant to Section 3(d) and then only if, and to the extent that, following the receipt of the corrected prospectus no grounds for such Claim would have existed; and (iii) shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of the Company, which consent shall not be unreasonably withheld, conditioned or delayed. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Indemnified Person and shall survive the transfer of any of the Registrable Securities by any of the Investors pursuant to Section 9.

(b) In connection with any Registration Statement in which an Investor is participating, each such Investor agrees to severally and not jointly indemnify, hold harmless and defend, to the same extent and in the same manner as is set forth in Section 6(a), the Company, each of its directors, each of its officers who signs the Registration Statement and each Person, if any, who controls the Company within the meaning of the 1933 Act or the 1934 Act (each, an “Indemnified Party”), against any Claim or Indemnified Damages to which any of them may become subject, under the 1933 Act, the 1934 Act or otherwise, insofar as such Claim or Indemnified Damages arise out of or are based upon any Violation, in each case, to the extent, and only to the extent, that such Violation occurs in reliance upon and in conformity with written information furnished to the Company by such Investor expressly for use in connection with such Registration Statement; and, subject to Section 6(c) and the below provisos in this Section 6(b), such Investor shall reimburse the Indemnified Party for any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such Claim; provided, however, that the indemnity agreement contained in this Section 6(b) and the agreement with respect to contribution contained in Section 7 shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of such Investor, which consent shall not be unreasonably withheld or delayed, provided further that such Investor shall be liable under this Section 6(b) for only that amount of a Claim or Indemnified Damages as does not exceed the net proceeds to such Investor as a result of the applicable sale of Registrable Securities pursuant to such Registration Statement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Indemnified Party and shall survive the transfer of any of the Registrable Securities by any of the Investors pursuant to Section 9.

(c) Promptly after receipt by an Indemnified Person or Indemnified Party (as the case may be) under this Section 6 of notice of the commencement of any action or proceeding...
(including, without limitation, any governmental action or proceeding) involving a Claim, such Indemnified Person or Indemnified Party (as the case may be) shall, if a Claim in respect thereof is to be made against any indemnifying party under this Section 6, deliver to the indemnifying party a written notice of the commencement thereof, and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume control of the defense thereof with counsel mutually satisfactory to the indemnifying party and the Indemnified Person or the Indemnified Party (as the case may be); provided, however, an Indemnified Person or Indemnified Party (as the case may be) shall have the right to retain its own counsel with the fees and expenses of such counsel to be paid by the indemnifying party if: (i) the indemnifying party has agreed in writing to pay such fees and expenses; (ii) the indemnifying party shall have failed promptly to assume the defense thereof if counsel mutually satisfactory to the indemnifying party and the Indemnified Person or the Indemnified Party (as the case may be) are not retained; (iii) the indemnifying party has agreed in writing to pay such fees and expenses; (iv) the indemnifying party shall have been advised by counsel that a conflict of interest is likely to exist if the same counsel were to represent such Indemnified Person or such Indemnified Party and the indemnifying party (in which case, if such Indemnified Person or such Indemnified Party (as the case may be) notifies the indemnifying party in writing that it elects to employ separate counsel at the expense of the indemnifying party, then the indemnifying party shall not have the right to assume the defense thereof and such counsel shall be at the expense of the indemnifying party), provided further that in the case of clause (iii) above the indemnifying party shall not be responsible for the reasonable fees and expenses of more than one (1) separate legal counsel for such Indemnified Person or Indemnified Party (as the case may be). The Indemnified Party or Indemnified Person (as the case may be) shall reasonably cooperate with the indemnifying party in connection with any negotiation or defense of any action or Claim by the indemnifying party and shall furnish to the indemnifying party all information reasonably available to the Indemnified Party or Indemnified Person (as the case may be) which relates to such action or Claim. The indemnifying party shall keep the Indemnified Party or Indemnified Person (as the case may be) reasonably apprised at all times as to the status of the defense or any settlement negotiations with respect thereto. No indemnifying party shall be liable for any settlement of any action, claim or proceeding effected without its prior written consent; provided, however, the indemnifying party shall not unreasonably withhold, delay or condition its consent. No indemnifying party shall, without the prior written consent of the Indemnified Party or Indemnified Person (as the case may be), consent to the entry of any judgment or enter into any settlement or other compromise which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party or Indemnified Person (as the case may be) of a release from all liability in respect to such Claim or litigation, and such settlement shall not include any admission as to fault on the part of the Indemnified Party or Indemnified Person (as the case may be). Following indemnification as provided for hereunder, the indemnifying party shall be subrogated to all rights of the Indemnified Party or Indemnified Person (as the case may be) with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall not relieve such indemnifying party of any liability to the Indemnified Person or Indemnified Party (as the case may be) under this Section 6, except to the extent that the indemnifying party is materially and adversely prejudiced in its ability to defend such action.
(d) No Person involved in the sale of Registrable Securities who is guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) in connection with such sale shall be entitled to indemnification from any Person involved in such sale of Registrable Securities who is not guilty of fraudulent misrepresentation.

(e) The indemnification required by this Section 6 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or Indemnified Damages are incurred.

(f) The indemnity and contribution agreements contained herein shall be in addition to (i) any cause of action or similar right of the Indemnified Party or Indemnified Person against the indemnifying party or others, and (ii) any liabilities the indemnifying party may be subject to pursuant to the law.

7. Contribution.

To the extent any indemnification by an indemnifying party is prohibited or limited by law, the indemnifying party agrees to make the maximum contribution with respect to any amounts for which it would otherwise be liable under Section 6 to the fullest extent permitted by law; provided, however: (i) no contribution shall be made under circumstances where the maker would not have been liable for indemnification under the fault standards set forth in Section 6 of this Agreement, (ii) no Person involved in the sale of Registrable Securities which Person is guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) in connection with such sale shall be entitled to contribution from any Person involved in such sale of Registrable Securities who was not guilty of fraudulent misrepresentation; and (iii) contribution by any seller of Registrable Securities shall be limited in amount to the amount of net proceeds received by such seller from the applicable sale of such Registrable Securities pursuant to such Registration Statement. Notwithstanding the provisions of this Section 7, no Investor shall be required to contribute, in the aggregate, any amount in excess of the amount by which the net proceeds actually received by such Investor from the applicable sale of the Registrable Securities subject to the Claim exceeds the amount of any damages that such Investor has otherwise been required to pay, or would otherwise be required to pay under Section 6(b), by reason of such untrue or alleged untrue statement or omission or alleged omission.


With a view to making available to the Investors the benefits of Rule 144, the Company agrees to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the 1933 Act and the 1934 Act so long as the Company remains subject to
such requirements (it being understood and agreed that nothing herein shall limit any obligations of the Company under the Subscription Agreement) and the filing of such reports and other documents is required for the applicable provisions of Rule 144; and

(c) furnish to each Investor, so long as such Investor owns Registrable Securities, promptly upon request, (i) a written statement by the Company, if true, that it has complied with the reporting, submission and posting requirements of Rule 144 and the 1934 Act, (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company with the SEC if such reports are not publicly available via EDGAR, and (iii) such other information as may be reasonably requested to permit the Investors to sell such securities pursuant to Rule 144 without registration.


All or any portion of the rights under this Agreement shall be automatically assignable by each Investor to any transferee or assignee (as the case may be) of all or any portion of such Investor’s Registrable Securities if: (i) such Investor agrees in writing with such transferee or assignee (as the case may be) to assign all or any portion of such rights, and a copy of such agreement is furnished to the Company within a reasonable time after such transfer or assignment (as the case may be); (ii) the Company is, within a reasonable time after such transfer or assignment (as the case may be), furnished with written notice of (a) the name and address of such transferee or assignee (as the case may be), and (b) the securities with respect to which such registration rights are being transferred or assigned (as the case may be); (iii) immediately following such transfer or assignment (as the case may be) the further disposition of such securities by such transferee or assignee (as the case may be) is restricted under the 1933 Act or applicable state securities laws if so required; (iv) at or before the time the Company receives the written notice contemplated by clause (ii) of this sentence, such transferee or assignee (as the case may be) agrees in writing with the Company to be bound by all of the provisions contained herein; (v) such transfer or assignment (as the case may be) shall have been made in accordance with the applicable requirements of the Subscription Agreement; and (vi) such transfer or assignment (as the case may be) shall have been conducted in accordance with all applicable federal and state securities laws.

10. Amendment of Registration Rights.

Provisions of this Agreement may be amended only with the written consent of the Company and the Required Holders. Any amendment effected in accordance with this Section 10 shall be binding upon each Investor and the Company, provided that no such amendment shall be effective to the extent that it (1) applies to less than all of the holders of the holders of Registrable Securities, (2) imposes any obligation or liability on any Investor without such Investor’s prior written consent (which may be granted or withheld in such Investor’s sole discretion), or (3) applies retroactively. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party. No consideration shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of this Agreement unless the same consideration also is offered to all of the parties to this Agreement.
11. **Miscellaneous.**

   (a) Except for registration rights granted in connection with an Exempt Financing, during the term of this Agreement, the Company shall not grant to any third party any registration rights that are senior to the registration rights provided to the Investors pursuant to this Agreement.

   (b) Solely for purposes of this Agreement, a Person is deemed to be a holder of Registrable Securities whenever such Person owns, or is deemed to own, of record such Registrable Securities. If the Company receives conflicting instructions, notices or elections from two or more Persons with respect to the same Registrable Securities, the Company shall act upon the basis of instructions, notice or election received from such record owner of such Registrable Securities.

   (c) Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party); (iii) with respect to Section 3(c), by electronic mail (provided confirmation of transmission is electronically generated and kept on file by the sending party); or (iv) one (1) Business Day after deposit with a nationally recognized overnight delivery service with next day delivery specified, in each case, properly addressed to the party to receive the same. The addresses and facsimile numbers for such communications shall be:

   If to the Company:

   Conkwest, Inc.
   The Plastino Building
   2533 South Coast Highway 101, Suite 210
   Cardiff-by-the-Sea, CA 92007
   Telephone: (858) 633-0300
   Facsimile: (858) 380-1999
   Attention: Barry J. Simon, M.D.
   Chief Executive Officer

   With a copy (for informational purposes only) to:

   Greenberg Traurig, LLP
   The MetLife Building
   200 Park Avenue
   New York, NY 10166
   Telephone: (212) 801-9362
   Facsimile: (212) 805-9362
   Attention: Anthony J. Marsico, Esq.

   If to the Transfer Agent:

   [ ]
   [ ]
If to Legal Counsel:

Paul Hastings LLP
1117 S. California Avenue
Palo Alto, CA 94304
Telephone: (650) 320-1804
Facsimile: (650) 320-1904
Attention: Jeffrey T. Hartlin, Esq.

If to a Purchaser, to its address and facsimile number set forth on the signature page of such Purchaser attached to the Subscription Agreement, with copies to any of such Purchaser’s representatives as set forth on such signature page, or to such other address and/or facsimile number and/or to the attention of such other Person as the recipient party has specified by written notice given to each other party five (5) days prior to the effectiveness of such change. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication, (B) mechanically or electronically generated by the sender’s facsimile machine or electronic mail transmission containing the time, date, recipient facsimile number or electronic mail address and an image of the first page of such transmission, or (C) provided by a courier or overnight courier service shall be rebuttable evidence of personal service, receipt by facsimile, receipt by electronic mail or receipt from a nationally recognized overnight delivery service in accordance with clause (i), (ii), (iii) or (iv) above, respectively.

(d) Failure of any party to exercise any right or remedy under this Agreement or otherwise, or delay by a party in exercising such right or remedy, shall not operate as a waiver thereof. The Company and each Investor acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that each party hereto shall be entitled to an injunction or injunctions to prevent or cure breaches of the provisions of this Agreement by any other party hereto and to enforce specifically the terms and provisions hereof (without the necessity of showing economic loss and without any bond or other security being required), this being in addition to any other remedy to which any party may be entitled by law or equity.

(e) All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of California, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of California or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of California. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of San Diego, State of California, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees
not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction.

EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.

(f) This Agreement, the other Transaction Documents, the schedules and exhibits attached hereto and thereto and the instruments referenced herein and therein constitute the entire agreement among the parties hereto and thereto solely with respect to the subject matter hereof and thereof. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein and therein. This Agreement, the other Transaction Documents, the schedules and exhibits attached hereto and thereto and the instruments referenced herein and therein supersede all prior agreements, understandings, discussions and representations, oral or written, among the parties hereto solely with respect to the subject matter hereof and thereof; provided, however, nothing contained in this Agreement or any other Transaction Document shall (or shall be deemed to) (i) have any effect on any agreements any Investor has entered into with the Company or any of its Subsidiaries prior to the date hereof with respect to any prior investment made by such Investor in the Company, (ii) waive, alter, modify or amend in any respect any obligations of the Company or any of its Subsidiaries or any rights of or benefits to any Investor or any other Person in any agreement entered into prior to the date hereof between or among the Company and/or any of its Subsidiaries and any Investor and all such agreements shall continue in full force and effect, or (iii) limit any obligations of the Company under any of the other Transaction Documents.

(g) Subject to compliance with Section 9 (if applicable), this Agreement shall inure to the benefit of and be binding upon the permitted successors and assigns of each of the parties hereto. This Agreement is not for the benefit of, nor may any provision hereof be enforced by, any Person, other than the parties hereto, their respective permitted successors and assigns and the Persons referred to in Sections 6 and 7 hereof.

(h) The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof. Unless the context clearly indicates otherwise, each pronoun herein shall be deemed to include the masculine, feminine, neuter, singular and plural forms thereof. The terms “including,” “includes,” “include” and words of like import shall be construed broadly as if followed by the words “without limitation.” The terms “herein,” “hereunder,” “hereof” and words of like import refer to this entire Agreement instead of just the provision in which they are found.
(i) This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such signature page shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

(j) Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(k) The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent and no rules of strict construction will be applied against any party. Notwithstanding anything to the contrary set forth in Section 10, terms used in this Agreement but defined in the other Transaction Documents shall have the meanings ascribed to such terms on the Initial Closing Date in such other Transaction Documents unless otherwise consented to in writing by each Investor.

(l) All consents and other determinations required to be made by the Investors pursuant to this Agreement shall be made, unless otherwise specified in this Agreement, by the Required Holders.

(m) The obligations of each Investor under this Agreement and the other Transaction Documents are several and not joint with the obligations of any other Investor, and no Investor shall be responsible in any way for the performance of the obligations of any other Investor under this Agreement or any other Transaction Document. Nothing contained herein or in any other Transaction Document, and no action taken by any Investor pursuant hereto or thereto, shall be deemed to constitute the Investors as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Investors are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by the Transaction Documents, and the Company acknowledges that the Investors are not acting in concert or as a group, and the Company shall not assert any such claim, with respect to such obligations or the transactions contemplated by this Agreement or any of the other Transaction Documents. Subject to the provisions on amendment set forth in Section 10, each Investor shall be entitled to independently protect and enforce its rights (including, without limitation, the rights arising out of this Agreement or out of any other Transaction Documents), and it shall not be necessary for any other Investor to be joined as an additional party in any proceeding for such purpose. The use of a single agreement with respect to the obligations of the Company contained herein was solely in the control of the Company, not the action or decision of any Investor, and was done solely for the convenience of the Company and not because it was required or requested to do so by any Investor. It is expressly understood and agreed that each provision contained in this Agreement and in each other Transaction Document is between the Company and an Investor, solely, and not between the Company and the Investors collectively and not between and among Investors.
IN WITNESS WHEREOF, Purchaser and the Company have caused their respective signature page to this Registration Rights Agreement to be duly executed as of the date first written above.

COMPANY:

CONKWEST, INC.

By: ________________________________
   Name: ___________________________
   Title: ___________________________

[Signature Page to Registration Rights Agreement]
IN WITNESS WHEREOF, each Purchaser and the Company have caused their respective signature page to this Registration Rights Agreement to be duly executed as of the date first written above.

PURCHASERS:

SORRENTO THERAPEUTICS, INC.

By: ________________________________
   Name: ________________________________
   Title: ________________________________

[Signature Page to Registration Rights Agreement]
IN WITNESS WHEREOF, each Purchaser and the Company have caused their respective signature page to this Registration Rights Agreement to be duly executed as of the date first written above.

[OTHER PURCHASER]

By: ________________________________
   Name: ________________________________
   Title: ________________________________

[Signature Page to Registration Rights Agreement]
EXHIBIT A

SELLING STOCKHOLDERS

The shares of common stock being offered by the selling stockholders are those previously issued to the selling stockholders. For additional information regarding the issuance of common stock, see “Private Placement of Securities” above. We are registering the shares of common stock in order to permit the selling stockholders to offer the shares for resale from time to time. Except for the ownership of the common stock issued pursuant to the Subscription Agreement or as otherwise provided in the footnotes to the table below, the selling stockholders have not had any material relationship with us within the past three years.

The table below lists the selling stockholders and other information regarding the beneficial ownership (as determined under Section 13(d) of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder) of the shares of common stock held by each of the selling stockholders and the nature of any position, office or other material relationship, if any, which the selling stockholder has had, within the past three years, with us or with any of our predecessors or affiliates. The second column lists the number of shares of common stock beneficially owned by the selling stockholders, based on their respective ownership of shares of common stock, as of [●], 20[ ]

The third column lists the shares of common stock being offered by this prospectus by the selling stockholders.

In accordance with the terms of a registration rights agreement with the holders of the common stock, this prospectus generally covers the resale of the number of shares of common stock issued in connection with the Subscription Agreement as of the trading day immediately preceding the date this registration statement was initially filed with the SEC. The number of shares that will actually be issued may be more or less than the number of shares being offered by this prospectus. The fourth column assumes the sale of all of the shares offered by the selling stockholders pursuant to this prospectus.

The selling stockholders may sell all, some or none of their shares in this offering. See “Plan of Distribution.”

A-1
<table>
<thead>
<tr>
<th>Name of Selling Stockholder</th>
<th>Number of Shares of Common Stock Owned Prior to Offering</th>
<th>Maximum Number of Shares of Common Stock to be Sold Pursuant to this Prospectus</th>
<th>Number of Shares of Common Stock Owned After Offering</th>
</tr>
</thead>
</table>
PLAN OF DISTRIBUTION

We are registering the shares of common stock previously issued to permit the resale of these shares of common stock by the holders of the common stock from time to time after the date of this prospectus. We will not receive any of the proceeds from the sale by the selling stockholders of the shares of common stock. We will bear all fees and expenses incident to our obligation to register the shares of common stock.

The selling stockholders may sell all or a portion of the shares of common stock held by them and offered hereby from time to time directly or through one or more underwriters, broker-dealers or agents. If the shares of common stock are sold through underwriters or broker-dealers, the selling stockholders will be responsible for underwriting discounts or commissions or agent’s commissions. The shares of common stock may be sold in one or more transactions at fixed prices, at prevailing market prices at the time of the sale, at varying prices determined at the time of sale or at negotiated prices. These sales may be effected in transactions, which may involve crosses or block transactions, pursuant to one or more of the following methods:

• on any national securities exchange or quotation service on which the securities may be listed or quoted at the time of sale;
  • in the over-the-counter market;
  • in transactions otherwise than on these exchanges or systems or in the over-the-counter market;
  • through the writing or settlement of options, whether such options are listed on an options exchange or otherwise;
  • ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
  • block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
  • purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
  • an exchange distribution in accordance with the rules of the applicable exchange;
  • privately negotiated transactions;
  • short sales made after the date the Registration Statement is declared effective by the SEC;
  • sales pursuant to Rule 144;
  • agreements between broker-dealers and the selling securityholders to sell a specified number of such shares at a stipulated price per share;
The selling stockholders may also sell shares of common stock under Rule 144 promulgated under the Securities Act of 1933, as amended, if available, rather than under this prospectus. In addition, the selling stockholders may transfer the shares of common stock by other means not described in this prospectus. If the selling stockholders effect such transactions by selling shares of common stock to or through underwriters, broker-dealers or agents, such underwriters, broker-dealers or agents may receive commissions in the form of discounts, concessions or commissions from the selling stockholders or commissions from purchasers of the shares of common stock for whom they may act as agent or to whom they may sell as principal (which discounts, concessions or commissions as to particular underwriters, broker-dealers or agents may be in excess of those customary in the types of transactions involved). In connection with sales of the shares of common stock or otherwise, the selling stockholders may enter into hedging transactions with broker-dealers, which may in turn engage in short sales of the shares of common stock in the course of hedging in positions they assume. The selling stockholders may also sell shares of common stock short and deliver shares of common stock covered by this prospectus to close out short positions and to return borrowed shares in connection with such short sales. The selling stockholders may also loan or pledge shares of common stock to broker-dealers that in turn may sell such shares.

The selling stockholders may pledge or grant a security interest in some or all of the shares of common stock owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell the shares of common stock from time to time pursuant to this prospectus or any amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act amending, if necessary, the list of selling stockholders to include the pledgee, transferee or other successors in interest as selling stockholders under this prospectus. The selling stockholders also may transfer and donate the shares of common stock in other circumstances in which case the transferees, donees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus.

To the extent required by the Securities Act and the rules and regulations thereunder, the selling stockholders and any broker-dealer participating in the distribution of the shares of common stock may be deemed to be “underwriters” within the meaning of the Securities Act, and any commission paid, or any discounts or concessions allowed to, any such broker-dealer may be deemed to be underwriting commissions or discounts under the Securities Act. At the time a particular offering of the shares of common stock is made, a prospectus supplement, if required, will be distributed, which will set forth the aggregate amount of shares of common stock being offered and the terms of the offering, including the name or names of any broker-dealers or agents, any discounts, commissions and other terms constituting compensation from the selling stockholders and any discounts, commissions or concessions allowed or re-allowed or paid to broker-dealers.

Under the securities laws of some states, the shares of common stock may be sold in such states only through registered or licensed brokers or dealers. In addition, in some states the
shares of common stock may not be sold unless such shares have been registered or qualified for sale in such state or an exemption from registration or qualification is available and is complied with.

There can be no assurance that any selling stockholder will sell any or all of the shares of common stock registered pursuant to the registration statement of which this prospectus forms a part.

The selling stockholders and any other person participating in such distribution will be subject to applicable provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, including, without limitation, to the extent applicable, Regulation M of the Exchange Act, which may limit the timing of purchases and sales of any of the shares of common stock by the selling stockholders and any other participating person. To the extent applicable, Regulation M may also restrict the ability of any person engaged in the distribution of the shares of common stock to engage in market-making activities with respect to the shares of common stock. All of the foregoing may affect the marketability of the shares of common stock and the ability of any person or entity to engage in market-making activities with respect to the shares of common stock.

We will pay all expenses of the registration of the shares of common stock pursuant to the registration rights agreement, estimated to be $[•] in total, including, without limitation, Securities and Exchange Commission filing fees and expenses of compliance with state securities or “blue sky” laws; provided, however, a selling stockholder will pay all underwriting discounts and selling commissions, if any. We will indemnify the selling stockholders against liabilities, including some liabilities under the Securities Act in accordance with the registration rights agreements or the selling stockholders will be entitled to contribution. We may be indemnified by the selling stockholders against civil liabilities, including liabilities under the Securities Act that may arise from any written information furnished to us by the selling stockholder specifically for use in this prospectus, in accordance with the related registration rights agreements or we may be entitled to contribution.

Once sold under the registration statement, of which this prospectus forms a part, the shares of common stock will be freely tradable in the hands of persons other than our affiliates.

A-5
Sorrento and Conkwest Announce Exclusive Global Collaboration

Developing Next Generation Cancer Immunotherapy with “Off-the-Shelf” Chimeric Antigen Receptor–Tumor Attacking Natural Killer (CAR-TNK™) Cell Lines

San Diego and Cardiff-by-the-Sea, CA (Dec. 19, 2014) — Sorrento Therapeutics, Inc. (NASDAQ: SRNE; Sorrento), an oncology company developing new treatments for cancer and associated pain, and Conkwest, Inc., a privately-held immuno-oncology company developing proprietary Neukoplast® (NK-92™), a Natural Killer (NK) cell-line based therapy, announced today that the companies have entered into a definitive agreement to jointly develop next generation CAR-TNK™ (pronounced as “Car-Tank”) immunotherapies for the treatment of cancer. The CAR-TNK technology platform combines Conkwest’s proprietary Neukoplast cell line with Sorrento’s proprietary G-MAB® fully human antibody technology and CAR designs to further enhance the potency and targeting of Neukoplast. Under the terms of the agreement, Sorrento and Conkwest will establish an exclusive global strategic collaboration focused on accelerating the development of CAR-TNKs for the treatment of hematological malignancies as well as solid tumors. Both companies will jointly own and share development costs and revenues from any developed CAR-TNK products. As part of the transaction, Sorrento will make a $9 million strategic equity investment in Conkwest and provide $2 million in research credit payments towards the development of novel CAR-TNK cell lines.

Adoptive immunotherapy is widely regarded as one of the most impactful and innovative anti-cancer therapy breakthroughs. To date, T-cell based therapies, like CAR-T, have shown the most promise in select hematologic cancers, especially B-cell malignancies such as acute lymphoblastic leukemia (ALL) and chronic lymphocytic leukemia (CLL). They have also demonstrated outstanding therapeutic impact, including a high percentage of complete responses (CRs) in leukemia patients using CD19-CAR-T cells. While the clinical results seen have been promising, CAR-T therapies have been associated with some concerning side effects, especially potentially fatal cytokine-release syndrome that is mediated by interleukin-6 (IL-6) released from the T-cells and characterized by high fevers and sudden drops in blood pressure. Afflicted patients often require aggressive support in an intensive care unit setting. Additionally, most current CAR-T approaches rely upon patient derived T-cells, which require individualized processing, and are thus challenging with regard to commercial scalability, quality control, and consistency. Furthermore, this process relies on the ability to obtain sufficient numbers of the patients’ own immune T-cells to make adequate doses of CAR-T cells.

The “off-the-shelf” CAR-TNK approach will utilize Conkwest’s bioreactor-grown NK-92 cell line, Neukoplast, as the immune effector cells. Among the many features that distinguish Neukoplast from patient derived T-cells are the lack of IL-6 expression (the most common mediator of cytokine release syndrome), an innate capability of destroying a broad range of cancer cells as well as cancer stem cells, and scalability with batch-to-batch consistency. These Neukoplast cells can be re-engineered in a virus-free process to express surface receptors using Sorrento’s G-MAB library to yield a stable line of effector cells that recognize and target specific antigens on tumor cells. The CAR-TNK cells can also be generated and produced in large quantities, thereby obviating the need for expensive, decentralized ‘biologistics’- a critical drawback of current CAR-T and dendritic cell therapies.
“We are extremely pleased with this strategic collaboration with Conkwest”, said Dr. Henry Ji, President and CEO of Sorrento. “With Sorrento’s expertise in antibody technology and diverse portfolio of fully human antibodies obtained from the G-MAB library, we believe we will be able to generate an army of stable CAR-TNK cell-lines, including but not limited to CD19-CAR-TNK™, PDL1-CAR-TNK™, PSMA-CAR-TNK™, and CD123-CAR-TNK™. It is our goal to rapidly move several of our CAR-TNK cell lines into the clinic to offer patients suffering from hematological malignancies and solid tumors an innovative immunotherapy to fight their cancers.”

“Conkwest has made important strides in establishing the safety and anti-cancer activity of Neukoplast in both pre-clinical and clinical phase I trials” said Dr. Barry Simon, President and CEO of Conkwest. “We have also unlocked the potential of CAR-modified Neukoplast cells in preclinical models. By drawing from Sorrento’s treasure trove of CARs derived from their G-MAB library, we believe this partnership will enable us to realize an important part of our vision of designing and commercializing next generation Neukoplast products re-engineered to express one or more proprietary CARs that would matter most to disease outcomes. We are very excited about this opportunity in joining our resources and talent and look forward to working with the Sorrento team on this next generation of cancer immunotherapies.”

About Sorrento Therapeutics, Inc.
Sorrento is an oncology company developing new treatments for cancer and associated pain. Sorrento’s most advanced asset Cynviloq™, the next-generation nanoparticle paclitaxel, commenced its registrational trial in March 2014 and is being developed under the abbreviated 505(b)(2) regulatory pathway. Sorrento is also developing RTX, a non-opiate TRPV1 agonist currently in a Phase 1/2 study at the NIH to treat terminal cancer patients suffering from intractable pain. The Company has made significant advances in developing human monoclonal antibodies, complemented by a comprehensive and fully integrated ADC platform that includes proprietary conjugation chemistries, linkers, and toxic payloads. Sorrento’s strategy is to enable a multi-pronged approach to combating cancer with small molecules, mono- and bi-specific therapeutic antibodies, ADCs and CAR-TNK cell-lines.

About Conkwest
Conkwest is an innovative immuno-oncology company that is developing and commercializing a portfolio of highly potent and selective cellular therapies for the treatment of cancers and serious viral infections. Conkwest’s products are based on its proprietary cancer-killing cell line, Neukoplast (also known as NK-92) – the only known cell line that can be commercialized as a direct, scalable, off-the-shelf, cancer-killing product. Neukoplast recognizes, binds and directly kills cells expressing stress ligands such as LFA-3, Heparin Sulfate, ICAM-1 and other stress induced proteins commonly found on cancers and virally infected cells. It has demonstrated broad anti-cancer activity both in vitro and in human clinical trials while sparing patients from the serious adverse reactions often seen with CAR-T based therapies. Cancer patients have been treated in phase I clinical trials at RUSH University, Frankfurt AM Main, Princess Margaret Hospital and University of Pittsburgh Cancer Institute. Preparations for the first
U.S. phase II trial in Merkel Cell Carcinoma are currently underway. Conkwest's universal antibody-targeted CD16-Neukoplast, a re-engineered product which expresses both the high-affinity version of FcgammaR3 (CD16) and ER-IL2 to efficiently target therapeutic monoclonal antibodies such as Rituxan®, Herceptin® and Erbitux®, is presently in the preclinical stage of development. Conkwest also commercializes Neukopanel®, an NK-92 based bioassay panel for the screening and qualification of therapeutic monoclonal antibody products, with revenue bearing licenses to many well-known large pharma and biotechnology companies.

**Forward-Looking Statements**

This press release contains forward-looking statements related to Sorrento Therapeutics, Inc. under the safe harbor provisions of Section 21E of the Private Securities Litigation Reform Act of 1995 and subject to risks and uncertainties that could cause actual results to differ materially from those projected. Forward-looking statements include statements about the expected achievements of the joint venture with Conkwest; the ability to develop proprietary stable CAR-TNK cell lines; anticipated timing for moving CAR-TNK cell lines into the clinic; Sorrento’s Cynviloq registrational trial; Sorrento’s advances made in developing RTX and human monoclonal antibodies using its proprietary G-MAB fully human antibody technology, if any; and other matters that are described in Sorrento’s Annual Report on Form 10-K for the year ended December 31, 2013, and subsequent Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission, including the risk factors set forth in those filings. Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release and we undertake no obligation to update any forward-looking statement in this press release except as required by law.

**Sorrento Contact:**

Mr. George Uy  
EVP & Chief Commercial Officer  
Sorrento Therapeutics, Inc.  
guy@sorrentotherapeutics.com  
T: +1 (661) 607-4057

**Conkwest Contact:**

Ann Marie Fields  
Lippert Heilshorn & Associates  
afields@LHAI.com  
T: +1 (212) 838-3777

G-MAB, TNK, CAR-TNK, CD19-CAR-TNK, PDL1-CAR-TNK, PSMA-CAR-TNK, and CD123-CAR-TNK are trademarks owned by Sorrento Therapeutics, Inc.

Neukoplast, Neukopanel and NK-92 are trademarks owned by Conkwest, Inc.