Sorrento Therapeutics, Inc.

Delaware
(State or Other Jurisdiction of Incorporation)

001-36150
(Commission File Number)

33-0344842
(IRS Employer 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.

First Amendment to Subscription and Investment Agreement

On December 23, 2014, Sorrento Therapeutics, Inc. (the “Company”) and Conkwest, Inc. (“Conkwest”) entered into a First Amendment to Subscription and Investment Agreement (the “Amended Subscription Agreement”), pursuant to which Conkwest issued and sold to the Company $2 million of Class A Common Stock, as the third tranche of a series of investments in Conkwest Class A Common Stock contemplated by the Subscription and Investment Agreement, dated December 16, 2014 between the Company and Conkwest. The first two tranches of investments, aggregating $8 million, occurred on December 16, 2014 and on December 18, 2014, respectively, the latter of which coincided with the execution of the Joint Development and License Agreement between the Company and Conkwest. In addition, pursuant to the Amended Subscription Agreement Conkwest shall use its commercially reasonable efforts to appoint Henry Ji, Ph.D., the Company’s CEO, to its Board of Directors. For so long as the Company owns more than 250,000 shares of Conkwest Class A Common Stock, the Company shall have the right to designate a director-nominee for election to the Board of Conkwest.

Stockholders’ Agreement

On December 23, 2014, the Company, Conkwest, Cambridge Equities, LP (“Cambridge”) and the persons listed on Schedule A thereto (collectively, the “Stockholders”) entered into a Stockholders’ Agreement (the “Stockholders’ Agreement”) pursuant to which the Stockholders agreed to, among other things, vote in favor of (i) a Cambridge designee for election to the Conkwest Board of Directors and to serve as Co-Chairman, (ii) a Company designee for election to the Conkwest Board of Directors and (iii) each other director nominee that is not a Cambridge designee or Sorrento designee recommended by at least a majority of the directors comprising the entire Board of Directors of Conkwest for election as directors of Conkwest. The obligation of the Stockholders to so vote will terminate automatically upon the earlier of (i) upon the consummation of an initial public offering of Conkwest and (ii) (A) with respect to the Cambridge designee, at such time as Cambridge shall no longer have the right to make such nomination pursuant to a subscription and investment agreement between Cambridge and Conkwest (or shall earlier agree to relinquish such right), and (B) with respect to the Company nominee, at such time the Company shall no longer have the right to make such nomination pursuant to the Amended Subscription Agreement (or shall earlier agree to relinquish such right).

The foregoing descriptions of the Amended Subscription Agreement and the Stockholders’ Agreement do not purport to be complete and are qualified in their entirety by reference to the full text of the Amended Subscription Agreement and the Stockholders’ 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.

Item 8.01. Other Events.

On December 23, 2014, the Company issued the press release attached as Exhibit 99.1 to this Current Report on Form 8-K.

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 First Amendment to Subscription and Investment Agreement, dated as of December 23, 2014, by and between Conkwest, Inc. and Sorrento Therapeutics, Inc.</td>
</tr>
<tr>
<td>99.1</td>
<td>Joint press release dated December 24, 2014 from Sorrento Therapeutics, Inc., Conkwest, Inc. and NantWorks, LLC.</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 29, 2014

By: /s/ Henry Ji

Name: Henry Ji
Title: President & Chief Executive Officer
FIRST AMENDMENT TO SUBSCRIPTION AND INVESTMENT AGREEMENT

THIS FIRST AMENDMENT TO SUBSCRIPTION AND INVESTMENT AGREEMENT (this “First Amendment”) is entered into as of the 23rd day of December, 2014, by and between Sorrento Therapeutics, Inc., a Delaware corporation (the “Purchaser”) and Conkwest, Inc., a Delaware corporation (the “Company”).

WHEREAS, each party hereto is a party to that certain Subscription and Investment Agreement dated as of December 18, 2014 (the “Investment Agreement”); and

WHEREAS, the parties desire to amend the Investment Agreement in accordance with Section 5.5 thereof.

NOW, THEREFORE, in consideration of the premises and mutual promises herein made, the parties agree as follows:

1. Capitalized Terms. Unless otherwise defined in this First Amendment, all capitalized terms used herein shall have the meanings ascribed to such terms in the Investment Agreement. Each of the terms “Additional Purchasers” and “Purchasers” set forth in the Investment Agreement is hereby deleted and replaced with the term “Purchaser,” and any references in the Investment Agreement to any Purchaser shall mean Sorrento Therapeutics, Inc. as the sole Purchaser under the Investment Agreement. In addition, the following terms are added to Section 1.1 of the Investment Agreement as defined terms:

“Beneficial Ownership” by a Person of any securities means ownership by any Person who directly, or indirectly through any contract, agreement, arrangement, understanding, relationship or otherwise, has or shares (i) voting power, which includes the power to vote, or to direct, influence or cause the voting, of such security, and/or (ii) dispositive power, which includes the power to dispose, or to direct, influence or cause the disposition, of such security; and shall be interpreted in accordance with the term “beneficial ownership” as defined in Rule 13d-3 under the Exchange Act, except that irrespective of Rule 13d-3 and for all purposes of determining Beneficial Ownership under this Agreement, a Person also shall be deemed to be the Beneficial Owner of all securities which may be acquired by such Person pursuant to any agreement, arrangement or understanding or upon the exercise of any conversion rights, preemptive or subscription rights, exchange rights, or pursuant to any warrants or options, or otherwise (irrespective of whether the right to acquire such securities is exercisable immediately or only after the passage of time, including the passage of time in excess of 60 days, the satisfaction of any conditions, the occurrence of any event, or any combination of the foregoing). For further purposes of this Agreement, a Person shall be deemed to Beneficially Own (i) all securities Beneficially Owned by its Affiliates (including its officers, directors, managing members, managers and general partners, as applicable) or any Group of which such Person or any such Affiliate is or becomes a member, (ii) all securities that are the subject of any trust, proxy, power of attorney, pooling arrangement or any other contract, arrangement or device with the purpose or effect of divesting such
Person’s Beneficial Ownership of such securities or preventing the vesting of such Beneficial Ownership as part of a plan or scheme to evade the reporting requirements of Section 13(d) or 13(g) of the Exchange Act, and (iii) all securities that are the subject of any derivative transaction entered into by such Person (or any of such Person’s Affiliates), or any derivative security acquired by such Person (or any of such Person’s Affiliates) which gives such Person (or any of such Person’s Affiliates) the economic equivalent of ownership of an amount of or interest in any such securities by reason of the fact that the value of the derivative is determined by reference to the price or value of any underlying, referenced or subject security, without regard to whether (A) such derivative conveys any voting rights in such securities to such Person (or any of such Person’s Affiliates), (B) such derivative is required to be, or is capable of being, settled through physical or book-entry delivery of such securities, or (C) such Person (or any of such Person’s Affiliates) may have entered into any transaction that hedges the economic effect of such derivative. In determining the amount of the Common Stock deemed Beneficially Owned by virtue of the operation of clause (iii) of the immediately preceding sentence, the subject Person shall be deemed to beneficially own (without duplication) the amount of Common Stock that is synthetically owned pursuant to such derivative transactions or such derivative securities. The terms “Beneficially Own” and “Beneficially Owned” shall have correlative meanings to “Beneficial Ownership.” “Group” has the meaning assigned to it in Section 13(d)(3) of the Exchange Act.

2. Section 2.1(b). Section 2.1(b) of the Investment Agreement is hereby deleted in its entirety and shall hereafter be replaced with the following:

Additional Closing. Subject to the satisfaction (or, where legally permissible, the waiver) of the applicable conditions set forth in Section 2.3 and Section 4.9 below, solely with respect to the Purchaser that elects on the signature page hereto to participate in one or more additional closings (each, an “Additional Closing”), the Purchaser shall purchase such aggregate number of additional shares of Common Stock as set forth on the signature page 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 and time on which the Company closes its sale of securities pursuant to that certain Subscription and Investment Agreement, dated December 23, 2014 (the “Other Investment Agreement”), between the Company and Cambridge Equities, LP (“Cambridge”), pursuant to which Cambridge agrees to acquire approximately 40% of the outstanding voting stock of the Company, calculated on a fully-diluted basis, a copy of which executed agreement has been provided to the Purchaser (the “Second Additional Closing Date”).
3. **Section 2.2(e).** Section 2.2(e) of the Investment Agreement is hereby deleted in its entirety and shall hereafter be replaced with the following:

"On or prior to the Second Additional Closing Date, the Company shall deliver or cause to be delivered to the Purchaser a Common Stock certificate registered in the name of the Purchaser for a number of shares of Common Stock equal to the Purchaser’s Subscription Amount divided by $3.4909."

4. **Board Composition; Nominee Directors.** The following provision is added to the Investment Agreement as **Section 4.9:**

"Notwithstanding any provision of the Joint Development and License Agreement, dated December 18, 2014, between the Company and the Purchaser, and subject to the closing (the “Other Closing”) of the purchase and sale of the securities pursuant to the Other Investment Agreement, immediately prior to the Second Additional Closing, in accordance with the Company’s certificate of incorporation and bylaws and applicable provisions of the Delaware General Corporation Law ("DGCL"), the Company shall use commercially reasonable efforts to cause the Board of Directors to take appropriate action to (i) amend the Company’s bylaws to provide that the Board of Directors shall consist of no more than nine (9) directors and (ii) increase the size of the Board of Directors such that the Board of Directors shall consist of nine (9) directors. As a condition to the Second Additional Closing, and effective as of the Second Additional Closing, in accordance with and subject to the Company’s certificate of incorporation and bylaws and applicable provisions of the DGCL, the Company shall use commercially reasonable efforts to cause the Board of Directors to appoint Henry Ji, Ph.D. to the Board of Directors to fill a vacancy on the Board of Directors created by such increase in the size of the Board of Directors, to serve in such capacity until the next annual meeting of stockholders of the Company or until his successor is duly elected and qualified. For so long as the Purchaser owns directly and/or through one of its wholly-owned subsidiaries in excess of 250,000 of the issued and outstanding shares of Common Stock from and after the date hereof (subject to adjustment for stock splits, stock dividends, recapitalizations and similar transactions), with respect to each annual or special meeting of the Company at which directors are to be elected, the Company shall permit the Purchaser to designate one (1) director who shall be nominated and recommended for election by the Company’s nominating committee (or if there is no such nominating committee, the Board of Directors or any other duly authorized committee thereof) for election to the Board of Directors, provided that such nomination would not contravene the Company’s certificate of incorporation and bylaws, the charter of the Company’s nominating committee (as applicable), the applicable provisions of the DGCL, the Board of Directors’ fiduciary duties to the Company’s stockholders and other constituents, and any other applicable law. If at any time the Purchaser owns directly and through its wholly-owned subsidiaries less than 250,000 of the issued and outstanding shares of Common Stock (subject to adjustment for stock splits, stock dividends, recapitalizations and similar transactions), the Purchaser’s right to have a designee nominated or
appointed to serve as a member of the Board of Directors under this Section 4.9 shall automatically terminate. In the event the Purchaser owns directly and/or through one of its wholly-owned subsidiaries more than 250,000 of the issued and outstanding shares of Common Stock (subject to adjustment for stock splits, stock dividends, recapitalizations and similar transactions) and does not have a designee serving as a member of the Board of Directors, the Purchaser shall have the right to designate one individual to attend all meetings of the Board of Directors as an observer in a non-voting capacity, which designee shall receive a copy of all materials provided to the members of the Board of Directors at the same time such materials are provided to the members of the Board of Directors, subject to customary conflict of interest and confidentiality considerations. As a condition to a Purchaser director designee’s ability to stand for election, such Purchaser director designee shall provide to the Company in a timely manner all information required by Regulation 14A and Schedule 14A under the Exchange Act as the Company may request with respect to such Purchaser director designee in a timely manner.”

5. **Voting.** The following provision is added to the Investment Agreement as Section 4.10:

   “Voting. The Purchaser hereby covenants and agrees, from and after the Initial Closing Date until such date that the Company consummates a Qualified IPO, as follows:

   (a) At any meeting of the stockholders of the Company, or at any adjournment thereof, or in any other circumstances upon which a vote, consent, adoption or other approval (including by written consent solicitation) by the stockholders of the Company is sought, the Purchaser shall, including by executing a written consent if requested by the Company (as appropriate), (i) be present, in person or by proxy, so that all of such shares of Common Stock then Beneficially Owned by the Purchaser and its Affiliates are counted for the purpose of determining the presence of a quorum thereat and (ii) vote (or cause to be voted) all of the shares of Common Stock then Beneficially Owned by the Purchaser and its Affiliates in favor of, and shall consent to (or cause to be consented to), any matter, action or transaction that is approved by a majority of the directors comprising the Board of Directors of the Company and recommended by such majority of the directors comprising the Board of Directors of the Company for approval, adoption or ratification by the stockholders of the Company.

   (b) At any meeting of the stockholders of the Company or at any adjournment thereof or in any other circumstances upon which a vote, consent, adoption or other approval (including by written consent solicitation) is sought, the Purchaser shall, including by executing a written consent if requested by the Company (as appropriate), (i) be present, in person or by proxy, so that all of such shares of Common Stock then Beneficially Owned by the Purchaser and its Affiliates are counted for the purpose of determining the presence of a quorum thereat and (ii)
vote (or cause to be voted) all of the shares of Common Stock then Beneficially Owned by the Purchaser and its Affiliates against, and shall not consent to (and shall cause not to be consented to), any of the following (or any contract to enter into, effect, facilitate or support any of the following): (A) any action, proposal, agreement or transaction that could result in a breach of any representation, warranty, covenant, agreement or other obligation of the Purchaser under this Agreement or (B) any matter, action or transaction that is not approved by a majority of the directors comprising the Board of Directors of the Company and recommended by such majority of the directors comprising the Board of Directors of the Company for approval, adoption or ratification by the stockholders of the Company.

With respect to paragraphs (a) and (b) of this Section 4.10, any such vote shall be cast (or written consent shall be given) by the Purchaser in accordance with such procedures relating thereto under the Company’s certificate of incorporation and bylaws as currently in effect so as to ensure that it is duly counted, including for purposes of determining that a quorum is present and for purposes of recording the results of such vote (or consent).”

6. Subscription Amount of Common Stock at First Additional Closing. The Subscription Amount of Common Stock at First Additional Closing listed on the Purchaser’s signature page to the Investment Agreement is hereby amended and shall hereafter read:

“$7,000,000.00 (or more, if approved in writing by Sorrento Therapeutics, Inc. and agreed to in writing by Conkwest, Inc.)”.

7. Subscription Amount of Common Stock at Second Additional Closing. The Subscription Amount of Common Stock at Second Additional Closing listed on the Purchaser’s signature page to the Investment Agreement is hereby amended and shall hereafter read:

“$2,000,000.00 (or more, if approved in writing by Sorrento Therapeutics, Inc. and agreed to in writing by Conkwest, Inc.)”

8. Counterparts. This First Amendment may be executed in two or more counterparts, each of which shall be an original, but which shall together constitute one instrument. Delivery of an executed counterpart of a signature page to this First Amendment by facsimile shall be effective as delivery of an originally executed counterpart to this Agreement.

9. Effect of First Amendment. Except as set forth in this First Amendment, the terms and provisions of the Investment Agreement (a) are hereby ratified and confirmed, and (b) shall be and remain in full force and effect.

10. Miscellaneous. The Miscellaneous provisions of Section 5 of the Investment Agreement are hereby incorporated herein mutatis mutandis.
IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the date set forth in the first paragraph hereof.

CONKWEST, INC.

By: ______________________
Name: Barry Simon
Title: President and CEO

First Amendment to Investment Agreement Signature Page
SORRENTO THERAPEUTICS, INC.

By: 

Name: Henry Ji
Title: President and CEO

First Amendment to Investment Agreement Signature Page
STOCKHOLDERS’ AGREEMENT

dated as of
December 23, 2014

by and among

CONKWEST, INC.,

SORRENTO THERAPEUTICS, INC.,

CAMBRIDGE EQUITIES, LP

and

THE PERSONS LISTED ON SCHEDULE A HERETO
STOCKHOLDERS’ AGREEMENT

This STOCKHOLDERS’ AGREEMENT (this “Agreement”), is entered into as of December 23, 2014, by and among Conkwest, Inc., Sorrento Therapeutics, Inc., Cambridge Equities, LP, and the persons listed on Schedule A hereto (collectively, the “Stockholders”).

WHEREAS, Cambridge Equities, LP (“Cambridge”) is entering into a Subscription and Investment Agreement, dated of even date herewith (the “Subscription Agreement”), with Conkwest, Inc. (the “Company”), pursuant to which Cambridge will acquire approximately 40% of the Company’s Class A Common Stock, par value $0.0001 per share (the “Common Stock”), subject to the terms and conditions set forth therein;

WHEREAS, Sorrento Therapeutics, Inc. is entering into a First Amendment to Subscription and Investment Agreement, dated of even date herewith (the “Sorrento Amendment”), with the Company, in connection with the purchase of $2,000,000 of the Company’s Common Stock, subject to the terms and conditions set forth therein;

WHEREAS, the Company undertakes in Section 4.9 of the Subscription Agreement and Section 4 of the Sorrento Amendment to take certain actions in respect of the nomination, appointment and election to its Board of Directors of one designee of Cambridge (the “Cambridge Designee”) and one designee of Sorrento (the “Sorrento Designee”), respectively;

WHEREAS, in order to induce Cambridge to enter into the Subscription Agreement and to induce Sorrento to enter into the Sorrento Amendment, the Stockholders wish to make provision to support the election of each of the Cambridge Designee and the Sorrento Designee to the Company’s Board of Directors following consummation of the transactions contemplated by the Subscription Agreement; and

WHEREAS, the Closing (as defined in the Subscription Agreement) is conditioned upon the Stockholders entering into this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings contained herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. As used in this Agreement, the following terms shall have the following meanings. Capitalized Terms not otherwise defined herein shall have the meaning ascribed to them in the Subscription Agreement.
ARTICLE II
CORPORATE GOVERNANCE

SECTION 2.01. Board of Directors; Voting of Shares.

(a) Until the earlier of (a) the consummation of a firm-commitment initial public offering of the Common Stock approved by the Company’s Board of Directors (an “IPO”), or (b) the date upon which Cambridge no longer has the right to nominate a Cambridge Designee under Section 4.9 of the Subscription Agreement, or relinquishes the right to designate a Cambridge Designee (the earliest of such dates, the “Cut-Off Date”), each of the Stockholders, in any election of directors or at any meeting of the stockholders of the Company at which directors are to be elected, (i) will be present (in person or by proxy) for purposes of establishing a quorum, and (ii) will vote, or grant a proxy to the Company or its authorized designee(s) to vote or act by written consent with respect to all shares of Common Stock Beneficially Owned by such Stockholder (A) in favor of the Cambridge Designee for election to the Board of Directors and to serve as Co-Chairman, (B) in favor of the Sorrento Designee for election to the Board of Directors during such time as Sorrento has the right to nominate a Sorrento Designee under Section 4 of the Sorrento Amendment, or relinquishes the right to designate a Sorrento Designee (the earliest of such dates, the “Sorrento Cut-Off Date”), and (C) each other director nominee that is not a Cambridge Designee or Sorrento Designee (each a “Non-Investor Director”) recommended by at least a majority of the directors comprising the entire Board of Directors of the Company for election as directors of the Company.

(b) Except as expressly provided above, each Stockholder shall be free to vote in his, her or its sole discretion all shares of Common Stock Beneficially Owned by such Stockholder entitled to vote on any other matter submitted to or acted upon by stockholders of the Company; provided, however, that (i) Cambridge and its affiliates shall be subject to the restrictions and limitations with respect to the shares of Common Stock Beneficially Owned by Cambridge set forth in the Subscription Agreement, and nothing in this Agreement shall be deemed to amend, alter, limit or curtail in any manner whatsoever, the restrictions and limitations with respect to the shares of Common Stock Beneficially Owned by Cambridge set forth in the Subscription Agreement, including, without limitation, those restrictions and limitations set forth in Sections 4.10, 4.11 and 4.12.

SECTION 2.02. Removal; Filling of Vacancies. If requested by Cambridge or Sorrento in writing to the other Stockholders prior to the Cut-Off Date or Sorrento Cut-Off Date, respectively, the Stockholders shall vote at regular or special meetings of stockholders and give written consent with respect to, such number of shares of Common Stock Beneficially Owned by them as may be necessary to remove from the Board the Cambridge Designee or the Sorrento Designee, as the case may be. Any vacancy created by such removal shall be filled by party whose designee was so removed. The Cambridge Designee may not be removed without the vote or written consent of Cambridge, and the Sorrento Designee may not be removed without the vote or written consent of Sorrento. In the event of the resignation, death or disqualification of the Cambridge or Sorrento Designee, Cambridge or Sorrento, as the case may be, shall promptly nominate a new director, and each Stockholder shall promptly vote his, her or its shares of Common Stock Beneficially Owned to elect such replacement nominee to the Board.
ARTICLE III

MISCELLANEOUS

SECTION 3.01. Term, Notices.

(a) Unless terminated by mutual written agreement of the parties hereto, this Agreement shall be effective from the date hereof until the expiration of the later to occur of the Cut-Off Date and the Sorrento Cut-Off Date. Notwithstanding the foregoing, the covenants, agreements and obligations of the parties with respect to the Cambridge Designee shall automatically terminate on the Cut-Off Date, and the covenants, agreements and obligations of the parties with respect to the Sorrento Designee shall automatically terminate on the Sorrento Cut-Off Date.

(b) All notices, requests, permissions, waivers and other communications hereunder shall be in writing and shall be deemed to have been duly given (a) five (5) Business Days following sending by registered or certified mail, postage prepaid, (b) when sent, if sent by facsimile; provided that the facsimile transmission is promptly confirmed by telephone, (c) when delivered, if delivered personally to the intended recipient and (d) one (1) business day following sending by overnight delivery via a national or international courier service and, in each case, addressed to a party at the following address for such party:

If to any Stockholder other than Cambridge, to it at the following address:

[Name of Stockholder]
c/o Conkwest, Inc.
2533 South Coast Highway 101, Suite 210
Cardiff by the Sea, CA 92007
Fax: 858-380-1999
Attention: Richard Gomberg, Secretary

with a copy to the Company at the above address; and

with a copy to:

Greenberg Traurig, LLP
The MetLife Building
200 Park Avenue
New York, NY 10166
Telephone: (212) 801-9200 (phone)
Facsimile: (212) 801-6400 (facsimile)
Attention: Anthony J. Marsico, Esq.

If to Cambridge, to it at the following address:

4
SECTION 3.02. Applicable Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement 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 (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 Los Angeles, State of California. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of Los Angeles, 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 this Agreement), 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.

SECTION 3.03. Integration. This Agreement, the Subscription Agreement, and the Registration Rights Agreement, dated of even date between the Company and Cambridge, contain the entire understanding of the Company and Cambridge with respect to the subject matter hereof, and supersede all prior agreements and understandings between such parties with respect to the subject matter hereof. This Agreement and the Sorrento Amendment contain the entire understanding of the Company and Sorrento with respect to the subject matter hereof, and supersede all prior agreements and understandings between such parties with respect to the subject matter hereof.
SECTION 3.04. Descriptive Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning of terms contained herein.

SECTION 3.05. Severability. The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of this Agreement, or any provision hereof, in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

SECTION 3.06. Successors, Assigns, Transferees. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof may be assigned by any party without the prior written consent of the other parties hereto. Any purported assignment of rights under this Agreement in violation of this Section 3.06 shall be void and of no effect.

SECTION 3.07. 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, each of the parties hereto 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.

SECTION 3.08. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which, when taken together, shall constitute one and the same Agreement.

SECTION 3.09. Specific Performance. Each of the parties hereto acknowledges and agrees that in the event of any breach of this Agreement, the non-breaching parties would be irreparably harmed and could not be made whole by monetary damages. The parties hereto, in addition to any other remedy to which they may be entitled at law or in equity, shall be entitled to seek an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof without the necessity of securing or posting any bond or providing prior notice.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

CONKWEST, INC.

By: ______________________________
Name: Barry Simon
Title: President and CEO

SORRENTO THERAPEUTICS, INC.

By: ______________________________
Name: Henry Ji
Title: President and CEO
No. of Class A Common Shares as of the date hereof:

CAMBRIDGE EQUITIES, LP

By: ______________________________
Name: 
Title: 
No. of Class A Common Shares as of the date hereof: 

STEVE GORLIN

No. of Class B Common Shares as of the date hereof:*
BARRY SIMON
No. of Class B Common Shares as of the date hereof:*  

HANS KLINGEMANN
No. of Class B Common Shares as of the date hereof:*  

* Class B Common Shares shall be reclassified into an equal number of Class A Common Shares.
SCHEDULE A

STEVEN GORLIN

BARRY SIMON

HANS KLINGEMANN
CONKWEST ANNOUNCES $50M IN STRATEGIC INVESTMENTS AND APPOINTS NANTWORKS FOUNDER, DR. PATRICK SOON-SHIONG AS CO-CHAIRMAN OF THE BOARD

SAN DIEGO (December 24, 2014) —Conkwest, Inc., the Natural Killer Cell Company of the West, developing the proprietary Natural Killer (NK) cell-line platform, Neukoplast® (NK-92™) as an immuno-oncology therapeutic, announces that Dr. Patrick Soon-Shiong, NantWorks founder, physician scientist and biotechnology entrepreneur, has entered into a definitive agreement to purchase approximately $48 million of the Company’s Class A Common Stock. In connection with the investment, he will be named Co-Chairman of the Conkwest Board of Directors. An additional $2 million of Class A Common Stock is being purchased separately by Sorrento Therapeutics, Inc. (NASDAQ: SRNE).

Both transactions are expected to close today and are being made in private placements in reliance upon available exemptions from the registration requirements of the Securities Act of 1933, as amended, in accordance with Section 4(a)(2) of such Act and Regulation D thereunder. The shares of Class A Common Stock have not been registered under the Act or under any state securities laws and are subject to restrictions on transfer.

“The collaborations between NantWorks and Sorrento and between Sorrento and Conkwest offer access to state-of-the-art technologies, capabilities and expertise that are synergistic and will enable the accelerated development of many potent and novel cancer immunotherapies,” said Dr. Soon-Shiong, founder and CEO of NantWorks. “We look forward to contributing to this close and supportive collaboration with the shared goal of providing much-needed treatments for patients suffering from malignant disorders with significant unmet need.”

“Immunotherapy is one of the most powerful next-generation platforms added to our war against cancer. Integration of Nantomics advanced proteomics platform with the power of Sorrento’s fully human antibody libraries and Conkwest’s natural killer cell-lines is expected to enable an approach to attack tumors and their micro-metastases in a manner never before addressed. NantWorks ‘GMP in a Box’ cell production methods, together with the company’s proprietary means of gene transfer without the need of lentivirus insertion is expected to enable the next generation of NK based immunotherapy to emerge” he said.

“Conkwest has made significant strides in demonstrating the safety and anti-cancer activity of our proprietary Neukoplast cell-lines in both preclinical and Phase 1 clinical trials,” said Dr. Barry J. Simon, President and CEO of Conkwest. “The addition of Dr. Soon-Shiong, the inventor of Abraxane, as Co-Chairman of the Board, together with his investment in our company and collaborations with NantWorks and Sorrento, will underpin Conkwest’s ability to develop and commercialize our natural killer cell-line platform re-engineered to express CARs as next-generation CAR-TNK™ Neukoplast products. Our goal is to deliver a variety of safe, off-the-shelf CAR-TNK cell therapies that address the most prevalent mutations found across many types of cancer.”

“Dr. Soon-Shiong’s investment in Conkwest strengthens Sorrento’s existing partnership with NantWorks and Conkwest”, said Dr. Henry Ji, President and CEO of Sorrento. “We believe the combination of NantWorks’ knowledge in genomic and molecular profiling of cancer patients with Sorrento’s antibody technology expertise and Conkwest’s proprietary Neukoplast cell-lines will accelerate and streamline the development efforts of our next generation stable CAR-TNK cell-lines.”
Noble Life Science Partners and Palladium Capital Advisors, LLC acted as financial advisors to Conkwest.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities.

**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 1 clinical trials at Rush University, Frankfurt AM Main, Princess Margaret Hospital and University of Pittsburgh Cancer Institute, and preparations for the first U.S. Phase 2 trial in Merkel cell carcinoma are currently underway. Conkwest’s universal antibody-targeted CD16-Neukoplast, a reengineered product that 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.

**About NantWorks**

NantWorks, LLC, founded by renowned physician scientist and inventor of the first human nanoparticle chemotherapeutic agent Abraxane®, Dr. Patrick Soon-Shiong, is the umbrella organization for the following entities: NantHealth, NantMobile, NantMedia, NantOomics, NantBioScience, NantBioCell, NantPharma, NantCapital and NantCloud. Fact-based and solution-driven, each of NantWorks’ division entities operates at the nexus of innovation and infrastructure. The core mission of NantWorks is convergence: to develop and deliver a diverse range of technologies that accelerates innovation, broaden the scope of scientific discovery, enhance groundbreaking research, and improve healthcare treatment for those in need. NantWorks is building an integrated fact-based, genomically-informed, personalized approach to the delivery of care and the development of next generation diagnostics and therapeutics.

**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 antibody drug conjugates (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 cells. The company also recently signed a definitive agreement with NantWorks to form a global joint venture – “The Immunotherapy Antibody JV” company- to focus on next generation cancer and auto-immune diseases immunotherapies.

**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.

**Conkwest Contact:**

Bruce Voss  
LHA  
bvoss@lhai.com  
(310) 691-7100

**NantWorks Contact:**

Jen Hodson  
NantWorks  
jhodson@NantWorks.com  
(562) 397-3639

**Sorrento Contact:**

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

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.

#  #  #